

By the Committee on Governmental Oversight and Accountability

585-02337-22

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1 A bill to be entitled
2 An act relating to retirement; amending ss. 112.363,
3 121.052, 121.055, and 121.071, F.S.; revising the
4 employer contribution rates for the retiree health
5 insurance subsidy as of a specified date; amending s.
6 121.71, F.S.; revising required employer retirement
7 contribution rates for each membership class of the
8 Florida Retirement System; providing a declaration of
9 important state interest; providing an effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Paragraph (j) is added to subsection (8) of
14 section 112.363, Florida Statutes, to read:

15 112.363 Retiree health insurance subsidy.—

16 (8) CONTRIBUTIONS.—For purposes of funding the insurance
17 subsidy provided by this section:

18 (j) Beginning July 1, 2022, the employer of each member of
19 a state-administered plan shall contribute 1.50 percent of gross
20 compensation each pay period.

21
22 Such contributions shall be submitted to the Department of
23 Management Services and deposited in the Retiree Health
24 Insurance Subsidy Trust Fund.

25 Section 2. Paragraph (d) of subsection (7) of section
26 121.052, Florida Statutes, is amended to read:

27 121.052 Membership class of elected officers.—

28 (7) CONTRIBUTIONS.—

29 (d) The following table states the required employer

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30 contribution on behalf of each member of the Elected Officers'
 31 Class in terms of a percentage of the member's gross
 32 compensation. Such contribution constitutes the entire health
 33 insurance subsidy contribution with respect to each such member.
 34 A change in the contribution rate is effective with the first
 35 salary paid on or after the beginning date of the change. The
 36 retiree health insurance subsidy contribution rate is as
 37 follows:

38

Dates of Contribution Rate Changes	Contribution Rate
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39

October 1, 1987, through December 31, 1988	0.24%
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41

January 1, 1989, through December 31, 1993	0.48%
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42

January 1, 1994, through December 31, 1994	0.56%
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43

January 1, 1995, through June 30, 1998	0.66%
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44

July 1, 1998, through June 30, 2001	0.94%
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46	July 1, 2001, through June 30, 2013	1.11%
47	July 1, 2013, through June 30, 2014	1.20%
48	July 1, 2014, through June 30, 2015	1.26%
49	Effective <u>July 1, 2015,</u> <u>through June 30, 2022</u>	1.66%
50	<u>Effective July 1, 2022</u>	<u>1.50%</u>

Such contributions and accompanying payroll data are due and payable no later than the 5th working day of the month immediately following the month during which the payroll period ended and shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

Section 3. Paragraph (d) of subsection (3) of section 121.055, Florida Statutes, is amended to read:

121.055 Senior Management Service Class.—There is hereby established a separate class of membership within the Florida Retirement System to be known as the "Senior Management Service Class," which shall become effective February 1, 1987.

(3)

(d) The following table states the required employer contribution on behalf of each member of the Senior Management Service Class in terms of a percentage of the member's gross

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66 compensation. Such contribution constitutes the entire health
 67 insurance subsidy contribution with respect to each such member.
 68 A change in the contribution rate is effective with the first
 69 salary paid on or after the beginning date of the change. The
 70 retiree health insurance subsidy contribution rate is as
 71 follows:

72

Dates of Contribution Rate Changes	Contribution Rate
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73

74

October 1, 1987, through December 31, 1988	0.24%
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75

January 1, 1989, through December 31, 1993	0.48%
---	-------

76

January 1, 1994, through December 31, 1994	0.56%
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77

January 1, 1995, through June 30, 1998	0.66%
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78

July 1, 1998, through June 30, 2001	0.94%
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79

July 1, 2001, through June 30, 2013	1.11%
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July 1, 2013, through June 30, 2014	1.20%
July 1, 2014, through June 30, 2015	1.26%
Effective July 1, 2015, <u>through June 30, 2022</u>	1.66%
<u>Effective July 1, 2022</u>	<u>1.50%</u>

Such contributions and accompanying payroll data are due and payable no later than the 5th working day of the month immediately following the month during which the payroll period ended and shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

Section 4. Subsection (4) of section 121.071, Florida Statutes, is amended to read:

121.071 Contributions.—Contributions to the system shall be made as follows:

(4) The following table states the required employer contribution on behalf of each member of the Regular Class, Special Risk Class, or Special Risk Administrative Support Class in terms of a percentage of the member's gross compensation. Such contribution constitutes the entire health insurance subsidy contribution with respect to each such member. A change in the contribution rate is effective with the first salary paid on or after the beginning date of the change. The retiree health

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102 insurance subsidy contribution rate is as follows:

103

Dates of Contribution Rate Changes	Contribution Rate
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104

105

October 1, 1987, through December 31, 1988	0.24%
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106

January 1, 1989, through December 31, 1993	0.48%
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107

January 1, 1994, through December 31, 1994	0.56%
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108

January 1, 1995, through June 30, 1998	0.66%
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109

July 1, 1998, through June 30, 2001	0.94%
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110

July 1, 2001, through June 30, 2013	1.11%
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111

July 1, 2013, through June 30, 2014	1.20%
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112

July 1, 2014, through June 30,	1.26%
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2015

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Effective July 1, 2015,
through June 30, 2022

1.66%

114

Effective July 1, 2022

1.50%

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116 Such contributions shall be deposited by the administrator in
117 the Retiree Health Insurance Subsidy Trust Fund.

118 Section 5. Subsections (4) and (5) of section 121.71,
119 Florida Statutes, are amended to read:

120 121.71 Uniform rates; process; calculations; levy.—

121 (4) Required employer retirement contribution rates for
122 each membership class and subclass of the Florida Retirement
123 System for both retirement plans are as follows:

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Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2022</u> 2021
Regular Class	<u>5.16%</u> 4.91%
Special Risk Class	<u>15.91%</u> 15.27%
Special Risk	<u>9.91%</u> 9.73%

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Administrative
Support Class

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Elected Officers' Class—
Legislators, Governor,
Lt. Governor,
Cabinet Officers,
State Attorneys,
Public Defenders

8.34% ~~8.49%~~

130

Elected Officers' Class—
Justices, Judges

13.90% ~~13.38%~~

131

Elected Officers' Class—
County Elected Officers

10.31% ~~10.28%~~

132

Senior Management Class

6.83% ~~6.49%~~

133

DROP

7.77% ~~7.23%~~

134

135 (5) In order to address unfunded actuarial liabilities of
136 the system, the required employer retirement contribution rates
137 for each membership class and subclass of the Florida Retirement
138 System for both retirement plans are as follows:
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Membership Class

Percentage of
Gross
Compensation,
Effective

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July 1, 2022 ~~2021~~

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Regular Class	<u>4.23%</u> 4.19%
Special Risk Class	<u>9.53%</u> 8.90%
Special Risk Administrative Support Class	<u>26.16%</u> 26.31%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>56.76%</u> 53.52%
Elected Officers' Class— Justices, Judges	<u>27.64%</u> 25.81%
Elected Officers' Class— County Elected Officers	<u>43.98%</u> 39.42%
Senior Management Service Class	<u>22.15%</u> 20.80%
DROP	<u>9.15%</u> 9.45%

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150 Section 6. The Legislature finds that a proper and
151 legitimate state purpose is served when employees, officers, and
152 retirees of the state and its political subdivisions, and the
153 dependents, survivors, and beneficiaries of such employees,
154 officers, and retirees, are extended the basic protections
155 afforded by governmental retirement systems. These persons must
156 be provided benefits that are fair and adequate and that are
157 managed, administered, and funded in an actuarially sound manner
158 as required by s. 14, Article X of the State Constitution and
159 part VII of chapter 112, Florida Statutes. Therefore, the
160 Legislature determines and declares that this act fulfills an
161 important state interest.

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Section 7. This act shall take effect July 1, 2022.