

Committee on Governmental Oversight And Accountability

HB 5005 — State-administered Retirement Systems

by Appropriations Committee and Rep. Corcoran (SB 7042 by Governmental Oversight and Accountability Committee)

This bill establishes the contribution rates paid by employers participating in the Florida Retirement System (FRS) beginning July 1, 2016. These rates are intended to fund the full normal cost and the amortization of the unfunded actuarial liability of the FRS. With these modifications to employer contribution rates, the FRS Trust Fund will receive roughly \$62.6 million more in revenue on an annual basis beginning July 1, 2016. The public employers that will incur these additional costs are state agencies, state universities and colleges, school districts, counties, and certain municipalities and other governmental entities.

The bill also increases the assessment paid by employers to pay the costs of administering the FRS investment plan and providing educational services to all members of the FRS. With the increased contribution rates, the State Board of Administration's Administrative Trust Fund will receive roughly \$5.7 million more on an annual basis beginning July 1, 2016. The public employers that will incur these additional costs are state agencies, state universities and colleges, school districts, counties, and certain municipalities and other governmental entities.

The bill also corrects the name of the trust fund which receives the employer-paid assessments for administrative and educational costs associated with the FRS. The correct name is the Administrative Trust Fund rather than the FRS Investment Plan Trust Fund.

If approved by the Governor, these provisions take effect July 1, 2016.

Vote: Senate 40-0; House 120-0