

Committee on Governmental Oversight and Accountability

SB 7018 — Employer Contributions to Fund Retiree Benefits

by Governmental Oversight and Accountability Committee

The bill establishes the contribution rates paid by employers participating in the Florida Retirement System (FRS) beginning July 1, 2021. 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 \$373.5 million more in revenue on an annual basis beginning July 1, 2021. The public employers that will incur these additional costs are state agencies, state universities and colleges, school districts, counties, municipalities, and other governmental entities that participate in the FRS.

The bill will have a fiscal impact on state funds appropriated by the Legislature for employee salaries and benefits. The bill will increase the amounts, in the aggregate, employers participating in the FRS must pay for retiree benefits.

If approved by the Governor, these provisions take effect July 1, 2021.

Vote: Senate 39-0; House 118-0