Appropriations Conference Chairs

House Offer #1

HB 5007/SB 7018
State Retirement Systems

Wednesday, April 21, 2021
412 Knott Building
<table>
<thead>
<tr>
<th>Issue</th>
<th>SB 7018</th>
<th>HB 5007</th>
</tr>
</thead>
</table>
| 1     | Revises required employer contribution rates for each membership class & subclass of Florida Retirement System. The bill establishes the employer contribution rates for the normal costs and the unassigned actual liability (UAL) of the FRS, as determined by the Board of Trustees at its annual valuation, subject to an actuarial review. These contributions are payable from the General Revenue Fund.
| 2     | Reduces the contributions paid by employers participating in the retiree health insurance subsidy program from 1.86% to 1.5%. | No Language |
A bill to be entitled
An act relating to state-administered retirement
systems; amending s. 121.71, F.S.; revising required
employer retirement contribution rates for each
membership class and subclass of the Florida
Retirement System; providing a declaration of
important state interest; providing an effective date.

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

Section 1. Subsections (4) and (5) of section 121.71,
Florida Statutes, are amended to read:
121.71 Uniform rates; process; calculations; levy.—
(4) Required employer retirement contribution rates for
each membership class and subclass of the Florida Retirement
System for both retirement plans are as follows:

<table>
<thead>
<tr>
<th>Membership Class</th>
<th>Percentage of Gross Compensation, Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2021</td>
</tr>
</tbody>
</table>

CODING: Words struck are deletions; words underlined are additions.
Regular Class
4.91% 4.84%

Special Risk Class
15.27% 15.13%

Special Risk
Administrative
Support Class
9.73% 9.89%

Elected Officers' Class—Legislators, Governor,
Lt. Governor,
Cabinet Officers,
State Attorneys,
Public Defenders
8.49% 9.38%

Elected Officers' Class—Justices, Judges
13.38% 13.31%

Elected Officers' Class—County Elected Officers
10.28% 10.07%

Senior Management Class
6.49% 6.39%

DROP
7.23% 7.03%

CODING: Words struck are deletions; words underlined are additions.
(5) In order to address unfunded actuarial liabilities of
the system, the required employer retirement contribution rates
for each membership class and subclass of the Florida Retirement
System for both retirement plans are as follows:

<table>
<thead>
<tr>
<th>Membership Class</th>
<th>Percentage of Gross Compensation, Effective July 1, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Class</td>
<td>4.19% 3.44%</td>
</tr>
<tr>
<td>Special Risk Class</td>
<td>8.90% 7.60%</td>
</tr>
<tr>
<td>Special Risk Administrative Support Class</td>
<td>26.31% 24.23%</td>
</tr>
<tr>
<td>Elected Officers' Class—Legislators, Governor, Lt. Governor, Cabinet Officers,</td>
<td>53.52% 40.81%</td>
</tr>
</tbody>
</table>
State Attorneys,  
Public Defenders

Elected Officers' Class—  
Justices, Judges  
\[25.81\%\ 24.70\%\]

Elected Officers' Class—  
County Elected Officers  
\[39.42\%\ 37.39\%\]

Senior Management Service Class  
\[20.80\%\ 19.18\%\]

DROP  
\[9.45\%\ 8.29\%\]

Section 2. The Legislature finds that a proper and legitimate state purpose is served when employees, officers, and retirees of the state and its political subdivisions, and the dependents, survivors, and beneficiaries of such employees, officers, and retirees, are extended the basic protections afforded by governmental retirement systems. These persons must be provided benefits that are fair and adequate and that are managed, administered, and funded in an actuarially sound manner as required by s. 14, Article X of the State Constitution and part VII of chapter 112, Florida Statutes. Therefore, the Legislature determines and declares that this act fulfills an important state interest.
Section 3. This act shall take effect July 1, 2021.