

1 A bill to be entitled

2 An act relating to state-administered retirement  
3 systems; amending s. 112.363, F.S.; increasing the  
4 employer contribution to the retiree health insurance  
5 subsidy for members of a state-administered plan;  
6 amending s. 121.052, F.S.; increasing the employer  
7 contribution to the health insurance subsidy for  
8 members of the Elected Officers' Class; amending s.  
9 121.055, F.S.; increasing the employer contribution to  
10 the health insurance subsidy for members of the Senior  
11 Management Service Class; amending s. 121.071, F.S.;  
12 increasing the employer contribution to the health  
13 insurance subsidy for members of the Regular, Special  
14 Risk, and Special Risk Administrative Support Classes;  
15 amending s. 121.71, F.S.; revising the amount of  
16 employer contributions to the Florida Retirement  
17 System for the 2015-2016 fiscal year; providing  
18 findings of important state interest; providing an  
19 effective date.

20  
21 Be It Enacted by the Legislature of the State of Florida:

22  
23 Section 1. Paragraph (i) is added to subsection (8) of  
24 section 112.363, Florida Statutes, to read:

25 112.363 Retiree health insurance subsidy.—

26 (8) CONTRIBUTIONS.—For purposes of funding the insurance

27 | subsidy provided by this section:

28 | (i) Beginning July 1, 2015, the employer of each member of  
 29 | a state-administered plan shall contribute 1.66 percent of gross  
 30 | compensation each pay period.

31 |  
 32 | Such contributions shall be submitted to the Department of  
 33 | Management Services and deposited in the Retiree Health  
 34 | Insurance Subsidy Trust Fund.

35 | Section 2. Paragraph (d) of subsection (7) of section  
 36 | 121.052, Florida Statutes, is amended to read:

37 | 121.052 Membership class of elected officers.—

38 | (7) CONTRIBUTIONS.—

39 | (d) The following table states the required employer  
 40 | contribution on behalf of each member of the Elected Officers'  
 41 | Class in terms of a percentage of the member's gross  
 42 | compensation. Such contribution constitutes the entire health  
 43 | insurance subsidy contribution with respect to each such member.  
 44 | A change in the contribution rate is effective with the first  
 45 | salary paid on or after the beginning date of the change. The  
 46 | retiree health insurance subsidy contribution rate is as  
 47 | follows:

48 |

Dates of Contribution	Contribution
Rate Changes	Rate
October 1, 1987, through December 31, 1988	0.24%

49 |

HB 5005

2015

50	January 1, 1989, through December 31, 1993	0.48%
51	January 1, 1994, through December 31, 1994	0.56%
52	January 1, 1995, through June 30, 1998	0.66%
53	July 1, 1998, through June 30, 2001	0.94%
54	July 1, 2001, through June 30, 2013	1.11%
55	July 1, 2013, through June 30, 2014	1.20%
56	<del>Effective July 1, 2014,</del> <u>through June 30,</u>	
57	<u>2015</u>	1.26%
58	<u>Effective July 1, 2015</u>	<u>1.66%</u>
59	Such contributions and accompanying payroll data are due and	
60	payable no later than the 5th working day of the month	
61	immediately following the month during which the payroll period	
62	ended and shall be deposited by the administrator in the Retiree	
63	Health Insurance Subsidy Trust Fund.	
64	Section 3. Paragraph (d) of subsection (3) of section	
65	121.055, Florida Statutes, is amended to read:	
66	121.055 Senior Management Service Class.—There is hereby	

67 established a separate class of membership within the Florida  
 68 Retirement System to be known as the "Senior Management Service  
 69 Class," which shall become effective February 1, 1987.

70 (3)

71 (d) The following table states the required employer  
 72 contribution on behalf of each member of the Senior Management  
 73 Service Class in terms of a percentage of the member's gross  
 74 compensation. Such contribution constitutes the entire health  
 75 insurance subsidy contribution with respect to each such member.  
 76 A change in the contribution rate is effective with the first  
 77 salary paid on or after the beginning date of the change. The  
 78 retiree health insurance subsidy contribution rate is as  
 79 follows:

Dates of Contribution Rate Changes	Contribution Rate
October 1, 1987, through December 31, 1988	0.24%
January 1, 1989, through December 31, 1993	0.48%
January 1, 1994, through December 31, 1994	0.56%
January 1, 1995, through June 30, 1998	0.66%

HB 5005

2015

86	July 1, 1998, through June 30, 2001	0.94%
87	July 1, 2001, through June 30, 2013	1.11%
88	July 1, 2013, through June 30, 2014	1.20%
89	<del>Effective</del> July 1, 2014, <u>through June 30, 2015</u>	1.26%
90	<u>Effective July 1, 2015</u>	<u>1.66%</u>

91  
 92 Such contributions and accompanying payroll data are due and  
 93 payable no later than the 5th working day of the month  
 94 immediately following the month during which the payroll period  
 95 ended and shall be deposited by the administrator in the Retiree  
 96 Health Insurance Subsidy Trust Fund.

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

99 121.071 Contributions.—Contributions to the system shall  
 100 be made as follows:

101 (4) The following table states the required employer  
 102 contribution on behalf of each member of the Regular Class,  
 103 Special Risk Class, or Special Risk Administrative Support Class  
 104 in terms of a percentage of the member's gross compensation.  
 105 Such contribution constitutes the entire health insurance  
 106 subsidy contribution with respect to each such member. A change

HB 5005

2015

107 in the contribution rate is effective with the first salary paid  
 108 on or after the beginning date of the change. The retiree health  
 109 insurance subsidy contribution rate is as follows:

Dates of Contribution Rate Changes	Contribution Rate
October 1, 1987, through December 31, 1988	0.24%
January 1, 1989, through December 31, 1993	0.48%
January 1, 1994, through December 31, 1994	0.56%
January 1, 1995, through June 30, 1998	0.66%
July 1, 1998, through June 30, 2001	0.94%
July 1, 2001, through June 30, 2013	1.11%
July 1, 2013, through June 30, 2014	1.20%
<del>Effective July 1, 2014,</del> <u>through June 30, 2015</u>	1.26%
<u>Effective July 1, 2015</u>	<u>1.66%</u>

121 Such contributions shall be deposited by the administrator in

122 the Retiree Health Insurance Subsidy Trust Fund.

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

125 121.71 Uniform rates; process; calculations; levy.—

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

129

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2015</u> <del>2014</del>
130	
131	
132 Regular Class	<u>2.91%</u> <del>3.53%</del>
133 Special Risk Class	<u>11.35%</u> <del>11.01%</del>
134 Special Risk Administrative Support Class	<u>3.71%</u> <del>4.18%</del>
Elected Officers' Class— Legislators, Governor,	<u>6.48%</u> <del>6.30%</del>

HB 5005

2015

135	Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	
136	Elected Officers' Class- Justices, Judges	<u>11.39%</u> <del>10.10%</del>
137	Elected Officers' Class- County Elected Officers	<u>8.48%</u> <del>8.36%</del>
138	Senior Management Class	<u>4.32%</u> <del>4.80%</del>
139	DROP	<u>4.10%</u> <del>4.30%</del>

140 (5) In order to address unfunded actuarial liabilities of  
 141 the system, the required employer retirement contribution rates  
 142 for each membership class and subclass of the Florida Retirement  
 143 System for both retirement plans are as follows:

144		Percentage of Gross Compensation, Effective
145	Membership Class	July 1, <u>2015</u> <del>2014</del>

HB 5005

2015

146	Regular Class	<u>2.65%</u> <del>2.54%</del>
147	Special Risk Class	<u>8.99%</u> <del>7.51%</del>
148	Special Risk Administrative Support Class	<u>27.54%</u> <del>36.59%</del>
149	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>37.62%</u> <del>38.66%</del>
150	Elected Officers' Class— Justices, Judges	<u>22.62%</u> <del>21.77%</del>
151	Elected Officers' Class— County Elected Officers	<u>32.09%</u> <del>33.58%</del>
152	Senior Management Service Class	<u>15.41%</u> <del>15.04%</del>
153	DROP	<u>7.12%</u> <del>6.72%</del>

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

167       Section 7. The Legislature finds that a proper and  
168 legitimate state purpose is served when employees, officers, and  
169 retirees of the state and its political subdivisions, and the  
170 dependents, survivors, and beneficiaries of such employees,  
171 officers, and retirees, are extended the basic protections  
172 afforded by governmental retirement systems that provide fair  
173 and adequate benefits, including health insurance subsidies, and  
174 that are managed, administered, and funded in a sustainable  
175 manner. Therefore, the Legislature determines and declares that  
176 this act fulfills an important state interest.

177       Section 8. This act shall take effect July 1, 2015.