

FOR CONSIDERATION By the Committee on Governmental Oversight and Accountability

585-01819-16

20167042pb

1                                   A bill to be entitled  
2           An act relating to state-administered retirement  
3           systems; amending s. 121.71, F.S.; revising required  
4           employer retirement contribution rates for each  
5           membership class and subclass of the Florida  
6           Retirement System; amending s. 121.74, F.S.; revising  
7           the employer assessment rate for offsetting  
8           administrative and educational costs related to the  
9           Florida Retirement System; providing a declaration of  
10          important state interest; providing an effective date.

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

14           Section 1. Subsections (4) and (5) of section 121.71,  
15 Florida Statutes, are amended to read:

16           121.71 Uniform rates; process; calculations; levy.—

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

	Percentage of Gross Compensation, Effective July 1, <u>2016</u> <del>2015</del>
21   Membership Class	
22   Regular Class	<u>2.97%</u> <del>2.91%</del>
23   Special Risk Class	11.35%

585-01819-16

20167042pb

24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

Special Risk Administrative Support Class	<u>3.87%</u> <del>3.71%</del>
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>6.63%</u> <del>6.48%</del>
Elected Officers' Class— Justices, Judges	<u>11.68%</u> <del>11.39%</del>
Elected Officers' Class— County Elected Officers	<u>8.55%</u> <del>8.48%</del>
Senior Management Class	<u>4.38%</u> <del>4.32%</del>
DROP	<u>4.17%</u> <del>4.10%</del>

(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:

Membership Class	Percentage of
------------------	---------------

585-01819-16

20167042pb

Gross  
 Compensation,  
 Effective  
 July 1, 2016 ~~2015~~

37

38

Regular Class 2.83% ~~2.65%~~

39

Special Risk Class 8.92% ~~8.99%~~

40

Special Risk  
 Administrative  
 Support Class 22.47% ~~27.54%~~

41

Elected Officers' Class—  
 Legislators, Governor,  
 Lt. Governor,  
 Cabinet Officers,  
 State Attorneys,  
 Public Defenders 33.75% ~~37.62%~~

42

Elected Officers' Class—  
 Justices, Judges 23.30% ~~22.62%~~

43

Elected Officers' Class—  
 County Elected Officers 32.20% ~~32.09%~~

44

Senior Management Service 15.67% ~~15.41%~~

585-01819-16

20167042pb

Class

DROP

7.10% ~~7.12%~~

Section 2. Section 121.74, Florida Statutes, is amended to read:

121.74 Administrative and educational expenses.—In addition to contributions required to fund member accounts under ss. 121.71 and 121.73, effective July 1, 2010, through June 30, 2014, employers participating in the Florida Retirement System shall contribute an employer assessment amount equal to 0.03 percent of the payroll reported for each class or subclass of Florida Retirement System membership. Effective July 1, 2014, the employer assessment is 0.04 percent of the payroll reported for each class or subclass of membership. Effective July 1, 2016, the employer assessment is 0.06 percent of the payroll reported for each class or subclass of membership. The amount assessed shall be transferred by the Division of Retirement from the Florida Retirement System Contributions Clearing Trust Fund to the State Board of Administration’s Administrative Trust Fund to offset the costs of administering the investment plan and the costs of providing educational services to members of the Florida Retirement System. Approval of the trustees is required before the expenditure of these funds. Payments for third-party administrative or educational expenses shall be made only pursuant to the terms of the approved contracts for such services.

Section 3. The Legislature finds that a proper and legitimate state interest is served when employees, officers,

585-01819-16

20167042pb

72 and retirees of the state and its political subdivisions, and  
73 the dependents, survivors, and beneficiaries of such employees,  
74 officers, and retirees, are extended the basic protections  
75 afforded by governmental retirement systems. These persons must  
76 be provided benefits that are fair and adequate and that are  
77 managed, administered, and funded in an actuarially sound  
78 manner, as required by s. 14, Article X of the State  
79 Constitution and part VII of chapter 112, Florida Statutes.  
80 Therefore, the Legislature determines and declares that this act  
81 fulfills an important state interest.

82 Section 4. This act shall take effect July 1, 2016.