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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%

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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	Effective July 1, 2014, <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	

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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%

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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	Effective <u>July 1, 2014, 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

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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%
Effective July 1, 2014, <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

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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:

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

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Lt. Governor,
 Cabinet Officers,
 State Attorneys,
 Public Defenders

135

Elected Officers' Class-
 Justices, Judges

11.39% ~~10.10%~~

136

Elected Officers' Class-
 County Elected Officers

8.48% ~~8.36%~~

137

Senior Management Class

4.32% ~~4.80%~~

138

DROP

4.10% ~~4.30%~~

139

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

144

Percentage of
 Gross
 Compensation,
 Effective

Membership Class

July 1, 2015 ~~2014~~

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

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.