

House Bill No. 1821

An act relating to state retirement contributions; amending ss. 121.052, 121.055, 121.071, and 121.40, F.S.; changing contribution rates for specified classes and subclasses; amending ss. 121.35, 121.051, 121.055, and 240.3195, F.S.; changing employer contribution rates for participants in the State University System optional retirement program, the Community College optional retirement program, and the Senior Management Service optional annuity program; providing legislative intent; recognizing excess actuarial assets to fund costs and rate reductions; reducing certain contribution rates; repealing s. 20 of ch. 2000-169, Laws of Florida, relating to increasing contributions rates; amending s. 112.363, 121.052, 121.055, and 121.071, F.S.; changing the employer contribution for the retiree health insurance subsidy; amending s. 121.571, F.S.; adding cross references; providing a finding of important state interest; providing an effective date.

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

Section 1. Paragraph (a) of subsection (7) of section 121.052, Florida Statutes, is amended to read:

121.052 Membership class of elected officers.—

(7) CONTRIBUTIONS.—

(a) The following table states the required retirement contribution rates for members of the Elected Officers' Class and their employers in terms of a percentage of the member's gross compensation. A change in a contribution rate is effective with the first salary paid on or after the beginning date of the change. Contributions shall be made or deducted as may be appropriate for each pay period and are in addition to the contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund.

Dates of Contribution

Rate Changes	Members	Employers
July 1, 1972, through September 30, 1977		
— Legislators	8%	8%
— All Other Members	8%	8%
October 1, 1977, through September 30, 1978		
— Legislators	8%	8%
— All Other Members	4%	12%
October 1, 1978, through September 30, 1979		
— Legislators	8%	10.57%
— All Other Members	4%	16.78%
October 1, 1979, through September 30, 1981		

Dates of Contribution Rate Changes	Members	Employers
— Legislators	8%	10.57%
— Governor, Lt. Governor, Cabinet — Officers	4%	16.78%
— All Other Members	0%	20.78%
 July 1, 1981, through June 30, 1984		
— County Elected Officers	0%	19.30%
 July 1, 1984, through September 30, 1984		
— County Elected Officers	0%	20.25%
 October 1, 1981, through September 30, 1984		
— Legislators	0%	19.30%
— Governor, Lt. Governor, Cabinet — Officers	0%	21.03%
— State Attorneys, Public Defenders	0%	20.95%
— Justices, Judges	0%	22.55%
 October 1, 1984, through September 30, 1986		
— Legislators	0%	10.98%
— Governor, Lt. Governor, Cabinet — Officers	0%	10.98%
— State Attorneys, Public Defenders	0%	10.98%
— Justices, Judges	0%	21.79%
— County Elected Officers	0%	16.97%
 October 1, 1986, through December 31, 1988		
— Legislators	0%	11.50%
— Governor, Lt. Governor, Cabinet — Officers	0%	11.50%
— State Attorneys, Public Defenders	0%	11.50%
— Justices, Judges	0%	20.94%
— County Elected Officers	0%	17.19%
 January 1, 1989, through December 31, 1989		
— Legislators	0%	13.70%
— Governor, Lt. Governor, Cabinet — Officers	0%	13.70%
— State Attorneys, Public Defenders	0%	13.70%
— Justices, Judges	0%	22.58%
— County Elected Officers	0%	18.44%
 January 1, 1990, through December 31, 1990		
— Legislators	0%	15.91%
— Governor, Lt. Governor, Cabinet — Officers	0%	15.91%
— State Attorneys, Public Defenders	0%	15.91%

Dates of Contribution Rate Changes	Members	Employers
—Justices, Judges	0%	24.22%
—County Elected Officers	0%	19.71%
January 1, 1991, through December 31, 1991		
—Legislators	0%	17.73%
—Governor, Lt. Governor, Cabinet —Officers	0%	17.73%
—State Attorneys, Public Defenders	0%	17.73%
—Justices, Judges	0%	26.63%
—County Elected Officers	0%	23.32%
January 1, 1992, through December 31, 1992		
—Legislators	0%	19.94%
—Governor, Lt. Governor, Cabinet —Officers	0%	19.94%
—State Attorneys, Public Defenders	0%	19.94%
—Justices, Judges	0%	28.27%
—County Elected Officers	0%	24.59%
January 1, 1993, through December 31, 1993		
—Legislators	0%	22.14%
—Governor, Lt. Governor, Cabinet —Officers	0%	22.14%
—State Attorneys, Public Defenders	0%	22.14%
—Justices, Judges	0%	29.91%
—County Elected Officers	0%	25.84%
January 1, 1994, through December 31, 1994		
—Legislators	0%	22.65%
—Governor, Lt. Governor, Cabinet —Officers	0%	22.65%
—State Attorneys, Public Defenders	0%	22.65%
—Justices, Judges	0%	30.52%
—County Elected Officers	0%	26.07%
January 1, 1995, through December 31, 1995		
—Legislators	0%	22.80%
—Governor, Lt. Governor, Cabinet —Officers	0%	22.80%
—State Attorneys, Public Defenders	0%	22.80%
—Justices, Judges	0%	30.21%
—County Elected Officers	0%	27.48%
January 1, 1996, through June 30, 1996		
—Legislators	0%	22.90%
—Governor, Lt. Governor, Cabinet —Officers	0%	22.90%

Dates of Contribution Rate Changes	Members	Employers
— State Attorneys, Public Defenders	0%	22.90%
— Justices, Judges	0%	30.15%
— County Elected Officers	0%	27.54%
 <u>July 1, 1996, through June 30, 1998</u>		
— Legislators	0%	23.07%
— Governor, Lt. Governor, Cabinet — Officers	0%	23.07%
— State Attorneys, Public Defenders	0%	23.07%
— Justices, Judges	0%	29.55%
— County Elected Officers	0%	27.33%
 <u>July 1, 1998, through June 30, 1999</u>		
— Legislators	0%	22.33%
— Governor, Lt. Governor, Cabinet — Officers	0%	22.33%
— State Attorneys, Public Defenders	0%	22.33%
— Justices, Judges	0%	27.21%
— County Elected Officers	0%	26.99%
 <u>Effective July 1, 1999</u>		
— Legislators	0%	14.31%
— Governor, Lt. Governor, Cabinet — Officers	0%	14.31%
— State Attorneys, Public Defenders	0%	14.31%
— Justices, Judges	0%	20.48%
— County Elected Officers	0%	17.05%
 <u>Effective July 1, 2001</u>		
— Legislators	0%	15.14%
— Governor, Lt. Governor, Cabinet — Officers	0%	15.14%
— State Attorneys, Public Defenders	0%	15.14%
— Justices, Judges	0%	20.61%
— County Elected Officers	0%	17.61%

Section 2. Paragraph (a) of subsection (3) of section 121.055, Florida Statutes, is amended to read:

121.055 Senior Management Service Class.—There is hereby established a separate class of membership within the Florida Retirement System to be known as the “Senior Management Service Class,” which shall become effective February 1, 1987.

(3)(a) The following table states the required retirement contribution rates for members of the Senior Management Service Class and their employers in terms of a percentage of the member’s gross compensation. A change in the contribution rate is effective with the first salary paid on or

after the beginning date of the change. Contributions shall be made for each pay period and are in addition to the contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund.

Dates of Contribution Rate Changes	Members	Employers
February 1, 1987, through — December 31, 1988	0%	13.88%
January 1, 1989, through — December 31, 1989	0%	14.95%
January 1, 1990, through — December 31, 1990	0%	16.04%
January 1, 1991, through — December 31, 1991	0%	18.39%
January 1, 1992, through — December 31, 1992	0%	19.48%
January 1, 1993, through — December 31, 1993	0%	20.55%
January 1, 1994, through — December 31, 1994	0%	23.07%
January 1, 1995, through — December 31, 1995	0%	23.88%
January 1, 1996, through — June 30, 1996	0%	24.14%
July 1, 1996, through — June 30, 1998	0%	21.58%
July 1, 1998, through — June 30, 1999	0%	23.10%
Effective July 1, 1999 —	0%	11.19%
<u>Effective July 1, 2001</u>	<u>0%</u>	<u>11.73%</u>

Section 3. Subsection (1) of section 121.071, Florida Statutes, is amended to read:

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

(1) The following tables state the required retirement contribution rates for members of the Regular Class, Special Risk Class, or Special Risk Administrative Support Class and their employers in terms of a percentage of the member's gross compensation. A change in a contribution rate is effective with the first salary paid on or after the beginning date of the change. Contributions shall be made or deducted as may be appropriate for each pay period and are in addition to the contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund.

(a) Retirement contributions for regular members are as follows:

Dates of Contribution Rate Changes	Members	Employers
December 1, 1970, through December 31, 1974, for state agencies, state universities, community colleges, and district school boards	4%	4%
December 1, 1970, through September 30, 1975, for all other local government agencies	4%	4%
January 1, 1975, through September 30, 1978, for state agencies and state universities	0%	9%
January 1, 1975, through July 31, 1978, for com- munity colleges and district school boards	0%	9%
October 1, 1975, through September 30, 1978, for all other local government agencies	0%	9%
August 1, 1978, through September 30, 1981, for community colleges and district school boards	0%	9.1%
October 1, 1978, through September 30, 1981, for all other agencies	0%	9.1%
October 1, 1981, through — September 30, 1984	0%	10.93%
October 1, 1984, through — September 30, 1986	0%	12.24%
October 1, 1986, through — December 31, 1988	0%	13.14%
January 1, 1989, through — December 31, 1989	0%	13.90%
January 1, 1990, through — December 31, 1990	0%	14.66%
January 1, 1991, through — December 31, 1991	0%	15.72%
January 1, 1992, through — December 31, 1992	0%	16.51%
January 1, 1993, through — December 31, 1993	0%	17.27%
January 1, 1994, through — December 31, 1994	0%	17.10%
January 1, 1995, through		

Dates of Contribution Rate Changes	Members	Employers
—December 31, 1995	0%	16.91%
January 1, 1996, through —June 30, 1996	0%	17.00%
July 1, 1996, through —June 30, 1998	0%	16.77%
July 1, 1998, through —June 30, 1999	0%	15.51%
Effective July 1, 1999 —	0%	9.21%
<u>Effective July 1, 2001</u>	<u>0%</u>	<u>9.91%</u>

(b) Retirement contributions for special risk members are as follows:

Dates of Contribution Rate Changes	Members	Employers
December 1, 1970, through —September 30, 1974	6%	6%
October 1, 1974, through December 31, 1974, for state agencies, state universities, community colleges, and district school boards	8%	8%
October 1, 1974, through September 30, 1975, for all other local government agencies	8%	8%
January 1, 1975, through September 30, 1978, for state agencies, state universities, community colleges, and district school boards	0%	13%
October 1, 1975, through September 30, 1978, for other local government agencies	0%	13%
October 1, 1978, through —September 30, 1981	0%	13.95%
October 1, 1981, through —September 30, 1984	0%	13.91%
October 1, 1984, through —September 30, 1986	0%	14.67%
October 1, 1986, through —December 31, 1988	0%	15.11%
January 1, 1989, through		

Dates of Contribution Rate Changes	Members	Employers
December 31, 1989	0%	17.50%
January 1, 1990, through December 31, 1990	0%	19.90%
January 1, 1991, through December 31, 1991	0%	25.52%
January 1, 1992, through December 31, 1992	0%	26.35%
January 1, 1993, through December 31, 1993	0%	27.14%
January 1, 1994, through December 31, 1994	0%	27.03%
January 1, 1995, through December 31, 1995	0%	26.83%
January 1, 1996, through June 30, 1996	0%	26.84%
July 1, 1996, through June 30, 1998	0%	26.44%
July 1, 1998, through June 30, 1999	0%	24.38%
July 1, 1999, through June 30, 2000	0%	20.22%
Effective July 1, 2000	0%	20.35%
<u>Effective July 1, 2001</u>	0%	<u>22.07%</u>

(c) Retirement contributions for special risk administrative support members are as follows:

Dates of Contribution Rate Changes	Members	Employers
July 1, 1982, through September 30, 1984	0%	11.14%
October 1, 1984, through September 30, 1986	0%	13.09%
October 1, 1986, through December 31, 1988	0%	15.44%

Dates of Contribution Rate Changes	Members	Employers
January 1, 1989, through — December 31, 1989	0%	14.76%
January 1, 1990, through — December 31, 1990	0%	14.09%
January 1, 1991, through — December 31, 1991	0%	20.16%
January 1, 1992, through — December 31, 1992	0%	19.51%
January 1, 1993, through — December 31, 1993	0%	18.83%
January 1, 1994, through — December 31, 1994	0%	18.59%
January 1, 1995, through — December 31, 1995	0%	17.81%
January 1, 1996, through — June 30, 1996	0%	17.80%
July 1, 1996, through — June 30, 1998	0%	17.20%
July 1, 1998, through — June 30, 1999	0%	14.64%
July 1, 1999, through — June 30, 2000	0%	11.53%
Effective July 1, 2000 —	0%	11.74%
<u>Effective July 1, 2001</u>	<u>0%</u>	<u>12.55%</u>

Section 4. Paragraph (b) of subsection (12) of section 121.40, Florida Statutes, is amended to read:

121.40 Cooperative extension personnel at the Institute of Food and Agricultural Sciences; supplemental retirement benefits.—

(12) CONTRIBUTIONS.—

(b) The monthly contributions required to be paid pursuant to paragraph (a) on the gross monthly salaries, from all sources with respect to such employment, paid to those employees of the institute who hold both state and federal appointments and who participate in the federal Civil Service Retirement System shall be as follows:

Dates of Contribution Rate Changes	Percentage Due
July 1, 1985, through December 31, 1988	6.68%
January 1, 1989, through December 31, 1993	6.35%
January 1, 1994, through December 31, 1994	6.69%
January 1, 1995, through June 30, 1996	6.82%
July 1, 1996, through June 30, 1998	5.64%
<u>Effective July 1, 1998, through June 30, 2001</u>	7.17%
<u>Effective July 1, 2001</u>	6.96%

Section 5. Paragraph (a) of subsection (4) of section 121.35, Florida Statutes, is amended to read:

121.35 Optional retirement program for the State University System.—

(4) CONTRIBUTIONS.—

(a) Through June 30, 2001, each employer shall contribute on behalf of each participant in the optional retirement program an amount equal to the normal cost portion of the employer retirement contribution which would be required if the participant were a regular member of the Florida Retirement System defined benefit program, plus the portion of the contribution rate required in s. 112.363(8) that would otherwise be assigned to the Retiree Health Insurance Subsidy Trust Fund. Effective July 1, 2001, each employer shall contribute on behalf of each participant in the optional program an amount equal to 10.43 percent of the participant's gross monthly compensation. The department shall deduct, less an amount approved by the Legislature which shall be deducted by the department to provide for the administration of this program. The payment of the contributions to the optional program which is required by this paragraph for each participant shall be made by the employer to the department, which shall forward the contributions to the designated company or companies contracting for payment of benefits for the participant under the program. However, such contributions paid on behalf of an employee described in paragraph (3)(c) shall not be forwarded to a company and shall not begin to accrue interest until the employee has executed an annuity contract and notified the department.

Section 6. Paragraph (c) of subsection (2) of section 121.051, Florida Statutes, is amended to read:

121.051 Participation in the system.—

(2) OPTIONAL PARTICIPATION.—

(c) Employees of members of the Florida Community College System or charter technical career centers sponsored by members of the Florida Community College System, as designated in s. 240.3031, who are members of the Regular Class of the Florida Retirement System and who comply with the criteria set forth in this paragraph and in s. 240.3195 may elect, in lieu of participating in the Florida Retirement System, to withdraw from the Florida Retirement System altogether and participate in a lifetime monthly annuity program, to be known as the State Community College System

Optional Retirement Program, which may be provided by the employing agency under s. 240.3195. Pursuant thereto:

1. Through June 30, 2001, the cost to the employer for such annuity shall equal the normal cost portion of the employer retirement contribution which would be required if the employee were a member of the Regular Class defined benefit program, plus the portion of the contribution rate required by s. 112.363(8) that would otherwise be assigned to the Retiree Health Insurance Subsidy Trust Fund. Effective July 1, 2001, each employer shall contribute on behalf of each participant in the optional program an amount equal to 10.43 percent of the participant's gross monthly compensation. The employer shall deduct, and less an amount approved by the employer to provide for the administration of the optional retirement program. The employer providing such annuity shall contribute an additional amount to the Florida Retirement System Trust Fund equal to the unfunded actuarial accrued liability portion of the Regular Class contribution rate.

2. The decision to participate in such an optional retirement program shall be irrevocable for as long as the employee holds a position eligible for participation. Any service creditable under the Florida Retirement System shall be retained after the member withdraws from the Florida Retirement System; however, additional service credit in the Florida Retirement System shall not be earned while a member of the optional retirement program.

3. Participation in an optional annuity program shall be limited to those employees who satisfy the following eligibility criteria:

a. The employee must be otherwise eligible for membership in the Regular Class of the Florida Retirement System, as provided in s. 121.021(11) and (12).

b. The employee must be employed in a full-time position classified in the Accounting Manual for Florida's Public Community Colleges as:

(I) Instructional; or

(II) Executive Management, Instructional Management, or Institutional Management, if a community college determines that recruiting to fill a vacancy in the position is to be conducted in the national or regional market, and:

(A) The duties and responsibilities of the position include either the formulation, interpretation, or implementation of policies; or

(B) The duties and responsibilities of the position include the performance of functions that are unique or specialized within higher education and that frequently involve the support of the mission of the community college.

c. The employee must be employed in a position not included in the Senior Management Service Class of the Florida Retirement System, as described in s. 121.055.

4. Participants in the program are subject to the same reemployment limitations, renewed membership provisions, and forfeiture provisions as

are applicable to regular members of the Florida Retirement System under ss. 121.091(9), 121.122, and 121.091(5), respectively.

5. Eligible community college employees shall be compulsory members of the Florida Retirement System until, pursuant to the procedures set forth in s. 240.3195, the first day of the next full calendar month following the filing of both a written election to withdraw and a completed application for an individual contract or certificate with the program administrator and receipt of such election by the division.

Section 7. Paragraph (d) of subsection (6) of section 121.055, Florida Statutes, is amended to read:

121.055 Senior Management Service Class.—There is hereby established a separate class of membership within the Florida Retirement System to be known as the “Senior Management Service Class,” which shall become effective February 1, 1987.

(6)

(d) Contributions.—

1. Through June 30, 2001, each employer shall contribute on behalf of each participant in the Senior Management Service Optional Annuity Program an amount equal to the normal cost portion of the employer retirement contribution which would be required if the participant were a Senior Management Service Class member of the Florida Retirement System defined benefit program, plus the portion of the contribution rate required in s. 112.363(8) that would otherwise be assigned to the Retiree Health Insurance Subsidy Trust Fund. Effective July 1, 2001, each employer shall contribute on behalf of each participant in the optional program an amount equal to 12.49 percent of the participant’s gross monthly compensation. The department shall deduct, ~~less an amount approved by the Legislature which shall be deducted by the department~~ to provide for the administration of this program. The payment of the contributions to the optional program which is required by this subparagraph for each participant shall be made by the employer to the department, which shall forward the contributions to the designated company or companies contracting for payment of benefits for the participant under the program.

2. Each employer shall contribute on behalf of each participant in the Senior Management Service Optional Annuity Program an amount equal to the unfunded actuarial accrued liability portion of the employer contribution which would be required for members of the Senior Management Service Class in the Florida Retirement System. This contribution shall be paid to the department for transfer to the Florida Retirement System Trust Fund.

3. An Optional Annuity Program Trust Fund shall be established in the State Treasury and administered by the department to make payments to provider companies on behalf of the optional annuity program participants, and to transfer the unfunded liability portion of the state optional annuity program contributions to the Florida Retirement System Trust Fund.

4. Contributions required for social security by each employer and each participant, in the amount required for social security coverage as now or hereafter may be provided by the federal Social Security Act shall be maintained for each participant in the Senior Management Service retirement program and shall be in addition to the retirement contributions specified in this paragraph.

5. Each participant in the Senior Management Service Optional Annuity Program may contribute by way of salary reduction or deduction a percentage amount of the participant's gross compensation not to exceed the percentage amount contributed by the employer to the optional annuity program. Payment of the participant's contributions shall be made by the employer to the department, which shall forward the contributions to the designated company or companies contracting for payment of benefits for the participant under the program.

Section 8. Paragraph (a) of subsection (4) of section 240.3195, Florida Statutes, is amended to read:

240.3195 State Community College System Optional Retirement Program.—Each community college may implement an optional retirement program, if such program is established therefor pursuant to s. 240.319(4)(r), under which annuity contracts providing retirement and death benefits may be purchased by, and on behalf of, eligible employees who participate in the program. Except as otherwise provided herein, this retirement program, which shall be known as the State Community College System Optional Retirement Program, may be implemented and administered only by an individual community college or by a consortium of community colleges.

(4)(a) Through June 30, 2001, each college must contribute on behalf of each program participant an amount equal to the normal cost portion of the employer retirement contribution which would be required if the program participant were a member of the Regular Class of the Florida Retirement System as provided in s. 121.071, plus the portion of the contribution rate required in s. 112.363(8) that would otherwise be assigned to the Retiree Health Insurance Subsidy Trust Fund. Effective July 1, 2001, each college must contribute on behalf of each program participant an amount equal to 10.43 percent of the participant's gross monthly compensation. The college shall deduct, and less an amount approved by the community college to provide for the administration of the optional retirement program. Payment of this contribution must be made either directly by the community college or through the program administrator to the designated company contracting for payment of benefits to the program participant.

(b) Each community college must contribute on behalf of each program participant an amount equal to the unfunded actuarial accrued liability portion of the employer contribution which would be required if the program participant were a member of the Regular Class of the Florida Retirement System. Payment of this contribution must be made directly by the college to the department for deposit in the Florida Retirement System Trust Fund.

(c) Each program participant who has executed an annuity contract may contribute by way of salary reduction or deduction a percentage of the

program participant's gross compensation, but this percentage may not exceed the corresponding percentage contributed by the community college to the optional retirement program. Payment of this contribution may be made either directly by the college or through the program administrator to the designated company contracting for payment of benefits to the program participant.

(d) Contributions to an optional retirement program by a college or a program participant are in addition to, and have no effect upon, contributions required now or in future by the federal Social Security Act.

Section 9. (1) It is the intent of the Legislature that the normal costs attributable to the actuarial experience study and six-year vesting as determined by Milliman & Robertson, Inc., consulting actuaries for the system, shall be funded by recognition of a lump sum from the excess actuarial assets of the Florida Retirement System Trust Fund. For fiscal year 2001-2002, the lump sum to be recognized shall be the annual cost attributable to the actuarial experience study and six-year vesting.

(2) Effective July 1, 2001, for fiscal year 2001-2002 only, the contribution rates set forth in sections 1 through 3 of this act shall be reduced as follows:

(a) The contribution rate that applies to the Regular Class of the Florida Retirement System defined benefit program shall be reduced by 0.70 percentage points.

(b) The contribution rate that applies to the Special Risk Class of the Florida Retirement System defined benefit program shall be reduced by 1.72 percentage points.

(c) The contribution rate that applies to the Special Risk Administrative Support Class of the Florida Retirement System defined benefit program shall be reduced by 0.81 percentage points.

(d) The contribution rate that applies to the Judicial subclass of the Elected Officers' Class of the Florida Retirement System defined benefit program shall be reduced by 0.14 percentage points.

(e) The contribution rate that applies to the legislative-attorney-Cabinet subclass of the Elected Officers' Class of the Florida Retirement System defined benefit program shall be reduced by 0.83 percentage points.

(f) The contribution rate that applies to the County Officers' subclass of the Elected Officers' Class of the Florida Retirement System defined benefit program shall be reduced by 0.56 percentage points.

(g) The contribution rate that applies to the Senior Management Service Class of the Florida Retirement System defined benefit program shall be reduced by 0.54 percentage points.

Section 10. (1) Effective July 1, 2001, for fiscal year 2001-2002 only, the contribution rates for the defined benefit program for the Regular Class, Special Risk Class, Special Risk Administrative Support Class, each subclass of the Elected Officers' Class, and the Senior Management Service

Class each shall be reduced by 3.02 percentage points. These reductions shall be in addition to all other changes to such contribution rates which may be enacted into law after July 1, 2001.

(2) It is the intent of the Legislature that the costs attributable to the reduction of contribution rates pursuant to subsection (1) shall be funded by recognition of a lump sum equal to the annual cost attributable to this reduction of the contribution rates from the excess actuarial assets of the Florida Retirement System Trust Fund.

Section 11. Section 20 of chapter 2000-169, Laws of Florida, is repealed.

Section 12. The Legislature finds that a proper and legitimate state purpose is served when employees, officers, and retirees of the state and of 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 that provide fair and adequate benefits and that are managed, administered, and funded in an actuarially sound manner, as required by s. 14 of Art. X of the State Constitution and part VII of chapter 112 of the Florida Statutes. Therefore, the Legislature hereby determines and declares that the provisions of this act fulfill an important state interest.

Section 13. Paragraph (f) is added to subsection (8) of section 112.363, Florida Statutes, to read:

112.363 Retiree health insurance subsidy.—

(8) CONTRIBUTIONS.—For purposes of funding the insurance subsidy provided by this section:

(f) Beginning July 1, 2001, the employer of each member of a state-administered plan shall contribute 1.11 percent of gross compensation each pay period.

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

Section 14. Paragraph (c) of subsection (7) of section 121.052, Florida Statutes, is amended to read:

121.052 Membership class of elected officers.—

(7) CONTRIBUTIONS.—

(c) The following table states the required employer contribution on behalf of each member of the Elected Officers' Class in terms of a percentage of the member's gross compensation. Such contribution constitutes the entire health insurance subsidy contribution with respect to the member. A change in the contribution rate is effective with the first salary paid on or after the beginning date of the change. The retiree health 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%
<u>Effective July 1, 1998, through June 30, 2001</u>	0.94%
<u>Effective July 1, 2001</u>	<u>1.11%</u>

Such contributions shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

Section 15. Paragraph (c) of subsection (3) of section 121.055, Florida Statutes, is amended to read:

121.055 Senior Management Service Class.—There is hereby established a separate class of membership within the Florida Retirement System to be known as the “Senior Management Service Class,” which shall become effective February 1, 1987.

(3)

(c) The following table states the required employer contribution on behalf of each member of the Senior Management Service Class in terms of a percentage of the member’s gross compensation. Such contribution constitutes the entire health insurance subsidy contribution with respect to the member. A change in the contribution rate is effective with the first salary paid on or after the beginning date of the change. The retiree health 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%
<u>Effective July 1, 1998, through June 30, 2001</u>	0.94%
<u>Effective July 1, 2001</u>	<u>1.11%</u>

Such contributions shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

Section 16. Subsection (4) of section 121.071, Florida Statutes, is amended to read:

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

(4) The following table states the required employer contribution on behalf of each member of the Regular Class, Special Risk Class, or Special Risk Administrative Support Class in terms of a percentage of the member’s gross

compensation. Such contribution constitutes the entire health insurance subsidy contribution with respect to the member. A change in the contribution rate is effective with the first salary paid on or after the beginning date of the change. The retiree health 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%
<u>Effective July 1, 1998, through June 30, 2001</u>	0.94%
<u>Effective July 1, 2001</u>	<u>1.11%</u>

Such contributions shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

Section 17. Subsection (4) of section 121.571, Florida Statutes, is amended to read:

121.571 Contributions.—Contributions to the Public Employee Optional Retirement Program shall be made as follows:

(4) CONTRIBUTIONS FOR SOCIAL SECURITY COVERAGE AND FOR RETIREE HEALTH INSURANCE SUBSIDY.—Contributions required under this section shall be in addition to employer and member contributions required for social security and the Retiree Health Insurance Subsidy Trust Fund as provided in ss. 112.363, 121.052, 121.055, and s. 121.071, as appropriate.

Section 18. The Legislature finds that a proper and legitimate state purpose is served when employees, officers, and retirees of the state and of its political subdivisions, and the dependents, survivors, and beneficiaries of such employees, officers, and retirees, are extended the basic protections afforded governmental retirement systems that provide fair and adequate benefits, including health insurance subsidies, and that are managed, administered, and funded in a reasonable manner. Therefore, the Legislature hereby determines and declares that the provisions of this act fulfill an important state interest.

Section 19. This act shall take effect July 1, 2001.

Approved by the Governor June 15, 2001.

Filed in Office Secretary of State June 15, 2001.