

CHAPTER 2015-227

Senate Bill No. 2512-A

An act relating to employer contributions to fund retiree benefits; amending ss. 112.363, 121.052, 121.055, and 121.071, F.S.; revising the employer contribution rates for the retiree health insurance subsidy; amending s. 121.71, F.S.; revising the required employer retirement contribution rates for members of each membership class and subclass of the Florida Retirement System; providing findings of an important state interest; providing for construction of the act in pari materia with laws enacted during the 2015 Regular Session of the Legislature; providing for contingent retroactive operation; providing effective dates.

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

Section 1. Paragraph (i) 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:

(i) Beginning July 1, 2015, the employer of each member of a state-administered plan shall contribute 1.66 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 2. Paragraph (d) of subsection (7) of section 121.052, Florida Statutes, is amended to read:

121.052 Membership class of elected officers.—

(7) CONTRIBUTIONS.—

(d) 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 each such 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%

Dates of Contribution Rate Changes	Contribution Rate
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%
<u>Effective July 1, 2014, through June 30, 2015</u>	1.26%
<u>Effective July 1, 2015</u>	<u>1.66%</u>

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

Section 3. Paragraph (d) 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)

(d) 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 each such 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%
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%
<u>Effective July 1, 2014, through June 30, 2015</u>	1.26%
<u>Effective July 1, 2015</u>	<u>1.66%</u>

Such contributions and accompanying payroll data are due and payable no later than the 5th working day of the month immediately following the

month during which the payroll period ended and shall be deposited by the administrator in the Retiree Health Insurance Subsidy Trust Fund.

Section 4. 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 each such 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%
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%
<u>Effective July 1, 2014, through June 30, 2015</u>	1.26%
<u>Effective July 1, 2015</u>	<u>1.66%</u>

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

Section 5. 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:

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2015</u> 2014
Regular Class	<u>2.91%</u> 3.53%

	Percentage of Gross Compensation, Effective July 1, <u>2015</u> 2014
Membership Class	
Special Risk Class	<u>11.35%</u> 11.01%
Special Risk Administrative Support Class	<u>3.71%</u> 4.18%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>6.48%</u> 6.30%
Elected Officers' Class— Justices, Judges	<u>11.39%</u> 10.10%
Elected Officers' Class— County Elected Officers	<u>8.48%</u> 8.36%
Senior Management Class	<u>4.32%</u> 4.80%
DROP	<u>4.10%</u> 4.30%

(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:

	Percentage of Gross Compensation, Effective July 1, <u>2015</u> 2014
Membership Class	
Regular Class	<u>2.65%</u> 2.54%
Special Risk Class	<u>8.99%</u> 7.51%
Special Risk Administrative Support Class	<u>27.54%</u> 36.59%

	Percentage of Gross Compensation, Effective	
Membership Class	July 1, <u>2015</u> 2014	
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>37.62%</u>	38.66%
Elected Officers' Class— Justices, Judges	<u>22.62%</u>	21.77%
Elected Officers' Class— County Elected Officers	<u>32.09%</u>	33.58%
Senior Management Service Class	<u>15.41%</u>	15.04%
DROP	<u>7.12%</u>	6.72%

Section 6. 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 7. 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 that provide fair and adequate benefits, including health insurance subsidies, and that are managed, administered, and funded in a sustainable manner. Therefore, the Legislature determines and declares that this act fulfills an important state interest.

Section 8. If any law amended by this act was also amended by a law enacted during the 2015 Regular Session of the Legislature, such laws shall be construed as if enacted during the same session of the Legislature, and full effect shall be given to each if possible.

Section 9. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon becoming a law, this act shall

take effect July 1, 2015, or, if this act fails to become a law until after that date, it shall take effect upon becoming a law and operate retroactively to July 1, 2015.

Approved by the Governor June 23, 2015.

Filed in Office Secretary of State June 23, 2015.