

**HB 5007
FLORIDA RETIREMENT SYSTEM RATE BILL**

The Florida Senate and the Florida House of Representatives passed HB 5007 to establish the Florida Retirement System employer rates for FY 2018-2019 **Please note as you calculate the impact of the rate changes for the district the following rates are not changed by provisions of these bills. The rates for these elements of the FRS will be the same in FY 2018-2019 as they are in FY 2017-2018.**

The rates charged to and paid by employees will not change.

The rates charged to and paid by the employers for the Health Insurance Subsidy will not change.

The rates charged to and paid for by the employers for Administration and Education costs will not change.

HB 5007 provided the current 2017 and recommended 2018 rates for these employee classes. These are the employee classes most common to school districts. The normal rates are imposed to fund the basic retirement costs of these employee groups. The Unfunded Actuarial Liability (UAL) rates are charged to add the funds necessary to pay for the difference between current balances in the fund and the balances needed to pay 100% of the projected claims that are and will be made by members.

Employee Class	2017 Normal Rate	2018 Normal Rate	2017 UAL Rate	2018 UAL Rate
Regular	2.90%	3.04%	3.30%	3.50%
Special Risk	11.86%	12.18%	9.69%	10.60%
County Elected Officers	8.54%	8.50%	35.24%	38.48%
Senior Management	4.29%	4.45%	16.70%	17.89%
DROP	4.17%	4.41%	7.43%	7.96%

The combined normal and unfunded actuarial liability rates for FY 2017 and 2018 are displayed below. **Remember that the current applicable employee rates are in addition to these amounts. Employers are required to pay the current applicable rates for the Health Insurance Subsidy and the Administrative and Education components of the FRS rates in addition to the combined rates displayed below.**

Employee Class	2017 Combined Regular and UAL Rates	2018 Combined Regular and UAL Rates
Regular	6.20%	6.54%
Special Risk	21.55%	22.78%
County Elected Officers	43.78%	46.98%
Senior Management	20.99%	22.34%
DROP	11.6%	12.37%

The staff analysis from the House and the Senate both estimate a total impact on school boards statewide to be \$54.4 million. These costs must be paid from the total potential funds provided to the district in the Florida Education Finance Program. The process of estimating the FY 2018-2019 state budget took the cost of the FRS rate increases into consideration, but there is no separate appropriation to pay these costs.