

**FY 2019-2020 FLORIDA RETIREMENT SYSTEM RATE BILL
SB 7016**

As part of the process of making appropriations for Fiscal Year (FY) 2019-2020 both the Florida House of Representatives and the Florida Senate have taken up and passed SB 7016 to set Florida Retirement System (FRS) rates for FY 2019-2020. The bill was enrolled, sent to the Governor, and the Governor signed the bill on April 15, 2019. The rates established in the bill are now officially the Florida Retirement System rates for fiscal year 2019-2020. The rate changes reflect the recommendations of the actuarial firm that is retained to provide those data. The Staff Analysis estimates that the rate increase will have a statewide cost to school districts of \$35,000,000. The rates for the employee classifications commonly employed by the school district are provided below.

Employee Classification	2018-2019 Base Employer Rate	2018-2019 Unfunded Actuarial Liability Employer Rate	2019-2020 Base Employer Rate	2019-2020 Unfunded Actuarial Liability Employer Rate	2019-2020 Combined Regular and UAL Employer Rate
Regular Class	3.04%	3.50%	3.19%	3.56%	6.75%
Special Risk Class	12.18 %	10.60%	12.53%	11.14%	23.67%
Elected County Officials Class	8.50%	38.48%	8.73%	38.37%	47.10%
Senior Management Class	4.45%	17.89%	4.60%	19.09%	23.69%
DROP Class	4.41%	7.96%	4.68%	8.24%	12.92%

In addition to the employer rates above, the employer must also pay an assessment of 1.66% of each employee's salary to support the Health Insurance Subsidy, and .06% of each employee's salary to support the administrative and educational costs associated with the Florida Retirement System.

Each employee must also pay 3% of his or her salary in addition to the employer rates posted above.

For your reference, below are pasted the most current sections of Florida Statutes related the Health Insurance Subsidy rates and the Administrative and Education expense.

112.363 Retiree health insurance subsidy.—

(1) PURPOSE OF SECTION.—The purpose of this section is to provide a monthly subsidy payment to retired members of any state-administered retirement system in order to assist such retired members in paying the costs of health insurance.

(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.

121.74 Administrative and educational expenses.—In addition to contributions required to fund member accounts under s. 121.71, ... "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... to offset the costs of administering the investment plan and the costs of providing educational services to members of the Florida Retirement System."