

MEMORANDUM #027-12HR

TO: Agency Administrators

FROM: Jennifer Henderson, Retirement Coordinator

VIA: Rip Colvin, Executive Director

RE: Retirement Contribution Rates – 2012 -2013

The Florida Department of Management Services, The Division of Retirement, has released the attached Information Release, #2012-155, regarding the contribution rates for the 2012-2013 Fiscal Year. These rates are a result of the passage of House Bill 5005 during the 2012 Florida Legislative Session. The Florida Retirement System (FRS) Employers will continue to pay “uniform” contribution rates based on a member’s retirement class (Regular, Special Risk, Senior Management, or Elected Officer) for members of both FRS plans. These rates are “blended” rates which, combined with the required 3% employee contribution, are utilized to fund future benefits. Although these rates provide for the funding of benefits for all active employees and payees, these rates do not provide for the full funding of the Pension Plan’s unfunded actuarial accrued liability.

Please note that members are still required to pay the 3% employee contribution, pending the outcome of the Florida Legislature’s appeal of the Second Judicial Circuit’s decision to strike down ch. 2011-68, L.O.F., as it applies to members initially enrolled before July 1, 2011. Once a ruling has been made by the Florida Supreme Court, we will provide an update to all circuits and regarding any applicable changes to current retirement contributions and benefits. If you have any questions, or need additional information, please contact Jennifer Henderson at [retirementcoordinator@jac.myflorida.com](mailto:retirementcoordinator@jac.myflorida.com).

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DEPARTMENT OF MANAGEMENT  
**SERVICES**

**RICK SCOTT**  
Governor

**SCOTT STEWART**  
Interim Secretary

**DIVISION OF RETIREMENT  
INFORMATION RELEASE**

**Release # 2012-155**

**April 23, 2012**

**TO:** All FRS Agency Heads and Retirement Coordinators

**FROM:** Sarabeth Snuggs  
State Retirement Director

**SUBJECT: Retirement Contribution Rates for 2012-2013**

**It is very important that this information release is immediately distributed to the appropriate staff within your agency.**

The 2012 Florida Legislature enacted House Bill 5005, Enrolled, that established the Florida Retirement System (FRS) employer contribution rates for the 2012-2013 plan year. Governor Scott signed HB 5005 into law on April 20, 2012.

The uniform contribution rate system is continued. Participating employers make uniform contributions by membership class to support both the Florida Retirement System Pension Plan and Investment Plan. Employers and employees<sup>1</sup> contribute a percentage of the total payroll for each class or subclass of FRS membership based upon the uniform or "blended" rates, regardless of the retirement plan chosen by your employees. Therefore, **your agency pays the same contribution rates for members under both plans**. The allocation rates to the Investment Plan members' accounts are reduced for salaries reported on or after July 1, 2012<sup>2</sup>.

The total contribution rates (employee and employer) for the State University System Optional Retirement Program, the State Community College Optional Retirement Program, and the State Senior Management Service Optional Annuity Program are also reduced for salaries reported on or after July 1, 2012.

The required employee contribution rate remains at 3 percent.<sup>1</sup> The Health Insurance Subsidy contribution rate remains at 1.11 percent, and the assessment for administering the Florida Retirement System Investment Plan and the MyFRS Financial Guidance Program remains at

<sup>1</sup> On March 6, 2012, the Circuit Court of the Second Judicial Circuit issued an order striking down Chapter 2011-68, Laws of Florida, as applied to individuals initially enrolled before July 1, 2011. This law requires employees in the Florida Retirement System to contribute 3% of their salary towards their retirement benefits and reduced the cost-of-living adjustment for benefits earned on or after July 1, 2011. The trial court's decision was appealed, which results in an immediate stay of the order, and will be heard by the Florida Supreme Court. Accordingly, while the stay remains in effect, no changes to benefits or deductions are being made.

<sup>2</sup> See Page 4 of the chart for the new allocation rates to investment plan members.

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0.03 percent. The total employer contribution rates are provided in the attached separate charts. The maximum salary that may be reported for your Florida Retirement System members and other state-administered retirement system members for the 2012-2013 plan year is \$375,800, if they were initially enrolled before July 1, 1996, or \$250,000, if they were initially enrolled on or after July 1, 1996.

**FOR RETIREMENT COORDINATORS:** The last page includes the schedule of due dates for your monthly payroll reports for the next plan year. Revised chapters of the *FRS Employer Handbook* will be posted outlining changes on the "[Employer](#)" page of our website at [www.frs.MyFlorida.com](http://www.frs.MyFlorida.com). If you have questions about contributions or completing the payroll report, call the Contributions Section of the Bureau of Enrollment and Contributions toll-free at (877) 377-1266 or (850) 488-6011 in the Tallahassee local calling area, or e-mail [contributions@dms.MyFlorida.com](mailto:contributions@dms.MyFlorida.com).

A separate information release detailing the impact of other enacted 2012 Legislation will be provided.

SS/hl

Attachments

**CONTRIBUTION RATES EFFECTIVE JULY 1, 2012**

Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 1.11% HIS contribution rate, 0.03% administrative/educational fee, and any applicable UAL rates<sup>3</sup>.

<b>FRS Membership Plan &amp; Class</b> (Rates below apply to Florida Retirement System members who are in either the FRS Pension Plan or the FRS Investment Plan)	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate</b>	<b>Total Contribution Rate</b>
HA/PA – Regular	3.00%	5.18%	8.18%
HB/PB – Special Risk	3.00%	14.90%	17.90%
HC/PC – Judges	3.00%	11.93%	14.93%
HE/PE – Legislators	3.00%	8.53%	11.53%
HG/PG – Gov./Lt. Gov. & Cabinet	3.00%	8.53%	11.53%
HH/PH – State Atty./Public Defender	3.00%	8.53%	11.53%
HI/PI – County, City, Sp. Dist. Elect. Officers	3.00%	10.23%	13.23%
HJ/PJ – Special Risk Adm. Support	3.00%	5.91%	8.91%
HM/PM – Senior Management (SMSC)	3.00%	6.30%	9.30%

<b>Renewed Membership Plan &amp; Class<sup>4</sup></b> (Rates below apply to renewed members in either the FRS Pension Plan or the FRS Investment Plan, including renewed members in the EOC & SMSC, as well as renewed EOC members who chose to join SMSC)	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate</b>	<b>Total Contribution Rate</b>
RA/QA – Regular	3.00%	5.18%	8.18%
RC/QC – Judges	3.00%	11.93%	14.93%
RE/QE – Legislators	3.00%	8.53%	11.53%
RG/QG – Gov./Lt. Gov. & Cabinet	3.00%	8.53%	11.53%
RH/QH – State Atty./ Public Defender	3.00%	8.53%	11.53%
RI/QI – County, City, Sp. Dist. Elect. Officers	3.00%	10.23%	13.23%
RM/QM – Senior Management (SMSC)	3.00%	6.30%	9.30%
RP/QP – <i>SMSC in lieu of EOC:</i>			
Judges	3.00%	6.30%	9.30%
Legislators	3.00%	6.30%	9.30%
Gov./Lt. Gov. & Cabinet	3.00%	6.30%	9.30%
State Atty./Public Defender	3.00%	6.30%	9.30%
RQ/QQ – <i>SMSC in lieu of EOC:</i>			
County, City, Sp. Dist. Elect. Officers	3.00%	6.30%	9.30%

<b>Institute for Food and Agricultural Science (IFAS) Supplemental Retirement Plan<sup>5</sup></b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate</b>	<b>Total Contribution Rate</b>
HK – IFAS Supplemental	0.00%	18.75%	18.75%

<sup>3</sup> See the rate chart on Page 4 for a complete breakdown of the UAL contribution rates by membership class.

<sup>4</sup> See chart at the top of Page 4 of this attachment for rates for retirees initially reemployed on or after July 1, 2011, who are not eligible for retirement coverage.

<sup>5</sup> IFAS is a closed, grandfathered retirement system and the rates for FY 2011/12 did not change; the 1.11% HIS rate and the 0.03% administrative/educational fee do not apply to members in IFAS.

**CONTRIBUTION RATES EFFECTIVE JULY 1, 2012**

Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 1.11% HIS contribution rate, 0.03% administrative/educational fee, and any applicable UAL rates<sup>6</sup>.

<b>Teachers' Retirement System<sup>7</sup> (TRS)</b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate</b>	<b>Total Contribution Rate</b>
IA – TRS Plan A	Individual Rates	Individual Rates	Individual Rates
IB – TRS Plan B	"	"	"
IC – TRS Plan C	"	"	"
ID – TRS Plan D	"	"	"
IE – TRS Plan E	6.25%	11.35%	17.60%
IF – TRS Plan E (plus Social Security)	6.25%	11.35%	17.60%

<b>State and County Officers and Employees' Retirement System<sup>5</sup> (SCOERS)</b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate</b>	<b>Total Contribution Rate</b>
AA – Division A	6.00%	11.10%	17.10%
AB – Division A, High Hazard	8.50%	11.10%	19.60%
AD – Division B	4.00%	9.10%	13.10%
AE – Division B	4.00%	9.10%	13.10%
AF – Division B	4.00%	9.10%	13.10%
FK – Division A (plus Social Security)	6.00%	11.10%	17.10%

<b>EOC Members Who Chose to Join SMSC</b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate</b>	<b>Total Contribution Rate</b>
HP/PP – Judges	3.00%	6.30%	9.30%
Legislators	3.00%	6.30%	9.30%
Gov./Lt. Gov. & Cabinet	3.00%	6.30%	9.30%
State Atty./Public Defender	3.00%	6.30%	9.30%
HQ/PQ – County, City, Sp. Dist. Elected Officers	3.00%	6.30%	9.30%

<b>Deferred Retirement Option Program (DROP)</b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate</b>	<b>Total Contribution Rate<sup>8</sup></b>
DP – DROP from FRS	N/A	5.44%	5.44%
DR – DROP from Plan A, SCOERS	N/A	5.44%	5.44%
DS – DROP from Plan B, SCOERS	N/A	5.44%	5.44%
DT – DROP from TRS, all plans	N/A	5.44%	5.44%
DE, DF, DG, DH – DROP terminated in EOC	N/A	1.11% <sup>6</sup>	1.11% <sup>6</sup>

<sup>6</sup> See the rate chart on Page 4 for a complete breakdown of the UAL rates by membership class.

<sup>7</sup> Member contribution rates did not change in FY 2012/13 for TRS or SCOERS.

<sup>8</sup> The DROP rate includes the 1.11% HIS rate but the 0.03% administrative/educational fee does not apply to DROP participants and the UAL contribution rate is not being paid on the salaries of DROP participants for FY 2012/13.

**CONTRIBUTION RATES EFFECTIVE JULY 1, 2012**

Rates for optional programs listed below include an amount provided to program participants in lieu of the health insurance subsidy and may include an administrative charge, as indicated. The 0.03 % administrative/educational fee does not apply to participants of these plans.

Optional Programs	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
HO – Local Annuity Programs	---- <sup>9</sup>	8	---- <sup>8</sup>	0.00	0.00
OP – SUS Optional Retirement Program	3.00%	5.14%	0.01%	0.49%	8.64%
OM – SMS Optional Annuity Program	3.00%	6.27%	N/A	0.32%	9.59%
OC – State Comm. College System Optional Retirement Program	3.00%	5.15%	---- <sup>10</sup>	0.49%	8.64%

EOC Members Opting out of the SMSC into the SMSOAP or Local Annuity	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
OM – Judges	3.00%	6.27%	N/A	0.32%	9.59%
Legislators	3.00%	6.27%	N/A	0.32%	9.59%
Gov./Lt. Gov. & Cabinet	3.00%	6.27%	N/A	0.32%	9.59%
State Atty./Public Defender	3.00%	6.27%	N/A	0.32%	9.59%
HO – County, City, Sp. Dist. Elected Officers	---- <sup>8</sup>	---- <sup>8</sup>	---- <sup>8</sup>	0.00%	0.00%

Renewed Membership Optional Programs	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
OR – State Senior Managers	3.00%	6.27%	N/A	0.32%	9.59%
OZ – Local Senior Managers	---- <sup>8</sup>	---- <sup>8</sup>	---- <sup>8</sup>	0.00%	0.00% <sup>8</sup>
OS – SUS Optional Retirement Program	3.00%	5.14%	0.01%	0.49%	8.64%
OD – State Comm. College System	3.00%	5.15%	---- <sup>9</sup>	0.49%	8.64%

Renewed EOC Members Opting out of the SMSC into the SMSOAP or a Local Annuity	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
OR – Judges	3.00%	6.27%	N/A	0.32%	9.59%
Legislators	3.00%	6.27%	N/A	0.32%	9.59%
Gov./Lt. Gov. & Cabinet	3.00%	6.27%	N/A	0.32%	9.59%
State Atty./Public Defender	3.00%	6.27%	N/A	0.32%	9.59%
OQ – County, City, Sp. Dist. Elected Officers	---- <sup>8</sup>	---- <sup>8</sup>	---- <sup>8</sup>	0.00%	0.00% <sup>8</sup>

<sup>9</sup> This contribution rate is established by local authority [see section 121.055 (1)(b)2., Florida Statutes.].

<sup>10</sup> Community colleges choosing to charge an administrative fee must reduce the employer contribution by the amount of the fee.

**CONTRIBUTION RATES EFFECTIVE JULY 1, 2012**

Rates listed below include the 1.11% HIS contribution rate and any applicable UAL rates<sup>11</sup>.

**Retirees Initially Reemployed On or After July 1, 2010, Who Are Not Eligible For Retirement Coverage**

(Rates below apply to salaries of retirees based on the membership class that the position is covered by even though the individual is not eligible to participate in a state-administered retirement plan.)

**Total Employer Contribution**

UA – Regular	1.60%	UG – Gov./Lt. Gov. & Cabinet	1.99%
UB – Special Risk	3.86%	UH – State Atty./Public Defender	1.99%
UC – Judges	1.88%	UI – County, City, Sp. Dist. Elected Officers	1.84%
UE – Legislators	1.99%	UM – Senior Management (SMSC)	1.43%

<b>Unfunded Actuarial Liability (UAL) Contribution By FRS Membership Class</b> (Rates below apply to Florida Retirement System members who are in the FRS Pension Plan, the FRS Investment Plan, or the non-integrated defined contribution plans) for FY 2012/13 year.	<b>UAL Rate</b>	<b>FRS Investment Plan Allocations to the Member's Account On or After July 1, 2012</b> (Total employer and employee contribution rates below apply to salaries of investment plan members based on the membership class that the position is covered by, does not include disability funding.)	<b>Total Employer Contribution</b>
Regular <sup>12</sup>	0.49%	Regular Class	6.30%
Special Risk	2.75%	Special Risk Class	14.00%
Judges	0.77%	Special Risk Administrative Support Class	7.95%
Legislators	0.88%	Elected County Officers' Class	11.34%
Gov./Lt. Gov. & Cabinet	0.88%	Senior Management Service Class	7.67%
State Atty./Public Defender	0.88%	Judicial Subclass	13.23%
County, City, Sp. Dist. Elected Officers	0.73%	Legislators, Governor, Lt. Gov., Cabinet	9.38%
Special Risk Administrative Support	0.83%	State Attorney, Public Defender	9.38%
Senior Management Service <sup>13</sup>	0.32%		
DROP	0.00%		

**DATES CONTRIBUTIONS AND REPORTS ARE DUE\***

Report Month	Date Due	Report Month	Date Due
June 2012	July 9	January 2013	February 7
July 2012	August 7	February 2013	March 7
August 2012	September 10	March 2013	April 5
September 2012	October 5	April 2013	May 7
October 2012	November 7	May 2013	June 7
November 2012	December 7	June 2013	July 8
December 2012	January 8		

\* Contribution payments made using the Department of Revenue's Electronic Tax Payment System must be initiated no later than 5 p.m., E.S.T., on the 4<sup>th</sup> business day of each month for us to receive them by the 5<sup>th</sup> business day of each month.

<sup>11</sup> See the rate chart on this page for a complete breakdown of the UAL rates by membership class

<sup>12</sup> Applies to the State University System Optional Retirement Program and the State Community College Optional Retirement Program.

<sup>13</sup> Applies to the Senior Management Service Optional Annuity Program.