FLORIDA DEPARTMENT OF MANAGEMENT SERVICES
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Rick Scott, Governor

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DIVISION OF RETIREMENT
INFORMATION RELEASE

Release # 2014-172

June 3, 2014

TO: All FRS Agency Heads and Retirement Coordinators

FROM: Dan Drake
State Retirement Director

SUBJECT: **Retirement Contribution Rates for 2014-2015**

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

Governor Scott signed House Bill 5005, Enrolled, into law on June 2, 2014, that establishes the Florida Retirement System (FRS) employer contribution rates for the 2014-2015 plan year. The new rates should be reflected on your first payroll dated on or after July 1, 2014.

The uniform contribution rate system is continued. Participating employers make uniform contributions by membership class to support both the FRS Pension Plan and Investment Plan. Employers 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 by membership class or subclass for members under both plans**.

The required employee contribution rate remains at 3 percent. The Health Insurance Subsidy contribution rate increases from 1.20 percent to 1.26 percent, and the assessment for administering the FRS Investment Plan and the MyFRS Financial Guidance Program increases from 0.03 percent to 0.04 percent. The maximum salary that may be reported for your FRS members and other state-administered retirement system members for fiscal year 2014-15 is $387,620 if they were initially enrolled before July 1, 1996, or $260,000 if they were initially enrolled on or after July 1, 1996.

The total contribution rates by reporting plan code are provided in the attached separate charts.

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 Employers page of the division's website at 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 email contributions@dms.myflorida.com.

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Attachments

CONTRIBUTION RATES EFFECTIVE JULY 1, 2014

Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 1.26 percent HIS contribution rate, 0.04 percent administrative/educational fee, and any applicable UAL rates[1].

FRS Membership Plan and Class (Rates below apply to FRS members who are in either the FRS Pension Plan or the FRS Investment Plan)	**Employee Contribution Rate**	**Employer Contribution Rate**	**Total Contribution Rate**
HA/PA – Regular Class	3.00%	7.37%	10.37%
HB/PB – Special Risk Class	3.00%	19.82%	22.82%
HC/PC – Judges – Elected Officers' Class (EOC)	3.00%	33.17%	36.17%
HE/PE – Legislators - EOC	3.00%	46.26%	49.26%
HG/PG – Governor, Lt. Gov., Cabinet - EOC	3.00%	46.26%	49.26%
HH/PH – State Attorney, Public Defender - EOC	3.00%	46.26%	49.26%
HI/PI – County, City, Special District Elected Officers - EOC	3.00%	43.24%	46.24%
HJ/PJ – Special Risk Administrative Support Class	3.00%	42.07%	45.07%
HM/PM – Senior Management Service Class (SMSC)	3.00%	21.14%	24.14%

Renewed Membership Plan and Class[2] (Rates below apply to renewed members in either the FRS Pension Plan or the FRS Investment Plan, including renewed members in the EOC and SMSC, as well as renewed EOC members who chose to join SMSC)	**Employee Contribution Rate**	**Employer Contribution Rate**	**Total Contribution Rate**
RA/QA – Regular	3.00%	7.37%	10.37%
RC/QC – Judges	3.00%	33.17%	36.17%
RE/QE – Legislators	3.00%	46.26%	49.26%
RG/QG – Governor, Lt. Gov., Cabinet	3.00%	46.26%	49.26%
RH/QH – State Attorney, Public Defender	3.00%	46.26%	49.26%
RI/QI – County, City, Sp. Dist. Elect. Officers	3.00%	43.24%	46.24%
RM/QM – Senior Management (SMSC)	3.00%	21.14%	24.14%
RP/QP – SMSC in lieu of EOC:			
Judges	3.00%	21.14%	24.14%
Legislators	3.00%	21.14%	24.14%
Governor, Lt. Gov., Cabinet	3.00%	21.14%	24.14%
State Attorney, Public Defender	3.00%	21.14%	24.14%
RQ/QQ – SMSC in lieu of EOC:			
County, City, Sp. Dist. Elect. Officers	3.00%	21.14%	24.14%

Institute for Food and Agricultural Science (IFAS) Supplemental Retirement Plan[3]	**Employee Contribution Rate**	**Employer Contribution Rate**	**Total Contribution Rate**
HK – IFAS Supplemental	0.00%	18.75%	18.75%

[1] See the rate chart on Page 4 for a complete breakdown of the UAL contribution rates by membership class.
[2] See chart at the top of Page 4 of this attachment for rates for retirees initially reemployed on or after July 1, 2010, who are not eligible for retirement coverage.
[3] IFAS is a closed, grandfathered retirement system and the rates for F Y 2014-15 did not change; the 1.26 percent HIS rate, the 0.04 percent administrative/educational fee, and UAL rates do not apply to members in IFAS.

CONTRIBUTION RATES EFFECTIVE JULY 1, 2014

Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 1.26 percent HIS contribution rate, 0.04 percent administrative/educational fee, and any applicable UAL rates[4].

Teachers' Retirement System (TRS)[5]	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
IE – TRS Plan E	6.25%	11.50%	17.75%

EOC Members Who Chose to Join SMSC	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
HP/PP – Judges	3.00%	21.14%	24.14%
Legislators	3.00%	21.14%	24.14%
Governor, Lt. Gov., Cabinet	3.00%	21.14%	24.14%
State Attorney, Public Defender	3.00%	21.14%	24.14%
HQ/PQ – County, City, Sp. Dist. Elected Officers	3.00%	21.14%	24.14%

Deferred Retirement Option Program (DROP)	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate[6]
DP – DROP from FRS	N/A	12.28%	12.28%
DR – DROP from Plan A, SCOERS	N/A	12.28%	12.28%
DS – DROP from Plan B, SCOERS	N/A	12.28%	12.28%
DT – DROP from TRS, all plans	N/A	12.28%	12.28%
DE, DF, DG, DH – DROP terminated in EOC	N/A	7.98%[7]	7.98%[7]

[4] See the rate chart on Page 4 for a complete breakdown of the UAL rates by membership class.
[5] TRS is a grandfathered retirement system; the 0.04 percent administrative/educational fee and UAL rates do not apply to the salaries of members in TRS.
[6] The DROP rate includes the 1.26 percent HIS rate and any applicable UAL rates, but the 0.04 percent administrative/educational fee does not apply to DROP participants.
[7] Only the HIS and UAL rate are owed on the salaries of these elected officials.

CONTRIBUTION RATES EFFECTIVE JULY 1, 2014

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 0.04 percent administrative/educational fee does not apply to participants of these plans.

Non-Integrated Optional Programs	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
HO – Local Annuity Programs	----[8]	----[8]	----[8]	N/A	----[8]
OP – SUS Optional Retirement Program	3.00%	5.14%	0.01%	2.54%	10.69%
OM – SMS Optional Annuity Program	3.00%	6.27%	N/A	15.04%	24.31%
OC – State College System Optional Retirement Program	3.00%	5.15%	----[9]	2.54%	10.69%

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	15.04%	24.31%
Legislators	3.00%	6.27%	N/A	15.04%	24.31%
Governor, Lt. Gov., Cabinet	3.00%	6.27%	N/A	15.04%	24.31%
State Attorney, Public Defender	3.00%	6.27%	N/A	15.04%	24.31%
HO – County, City, Sp. Dist. Elected Officers	----[8]	----[8]	----[8]	N/A	----[8]

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	15.04%	24.31%
OZ – Local Senior Managers	----[8]	----[8]	----[8]	N/A	----[8]
OS – SUS Optional Retirement Program	3.00%	5.14%	0.01%	2.54%	10.69%
OD – State College System	3.00%	5.15%	----[9]	2.54%	10.69%

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	15.04%	24.31%
Legislators	3.00%	6.27%	N/A	15.04%	24.31%
Governor, Lt. Gov., Cabinet	3.00%	6.27%	N/A	15.04%	24.31%
State Attorney, Public Defender	3.00%	6.27%	N/A	15.04%	24.31%
OQ – County, City, Sp. Dist. Elected Officers	----[8]	----[8]	----[8]	N/A	----[8]

[8] This contribution rate is established by local authority [see section 121.055 (1)(b)2., Florida Statutes].
[9] Colleges choosing to charge an administrative fee must reduce the employer contribution by the amount of the fee.

CONTRIBUTION RATES EFFECTIVE JULY 1, 2014

Rates listed below include the 1.26 percent HIS contribution rate and any applicable UAL rates[10].

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 Class	3.80%	UG – Governor, Lt. Gov., Cabinet – EOC	39.92%
UB – Special Risk Class	8.77%	UH – State Attorney, Public Defender – EOC	39.92%
UC – Judges –EOC	23.03%	UI – County, City, Sp. Dist. Elected Officers	34.84%
UE – Legislators – EOC	39.92%	UM – Senior Management Service Class	16.30%

Unfunded Actuarial Liability (UAL) Contribution By FRS Membership Class (Rates below apply to the salaries of FRS members who are in the FRS Pension Plan, the FRS Investment Plan, reemployed retirees without renewed membership in a regularly established position, or the non-integrated defined contribution plans) for FY 2014-15.	**UAL Rate**
Regular Class[11]	2.54%
Special Risk Class	7.51%
Judges - EOC	21.77%
Legislators - EOC	38.66%
Governor, Lt. Gov., Cabinet - EOC	38.66%
State Attorney, Public Defender - EOC	38.66%
County, City, Sp. Dist. Elected Officers - EOC	33.58%
Special Risk Administrative Support Class	36.59%
Senior Management Service Class[12]	15.04%
DROP	6.72%

FRS Investment Plan Allocations to the Member's Account On or After July 1, 2012 (Total employer and employee contribution rates below apply to salaries of investment plan members based on the membership class for that position. The contribution rates do not include the employer funded disability rates.)	**Employee and Employer Contribution to Member Account**
Regular Class	6.30%
Special Risk Class	14.00%
Special Risk Administrative Support Class	7.95%
Senior Management Service Class	7.67%
Elected Officers' Class	
Judges	13.23%
Legislators, Governor, Lt. Gov., Cabinet	9.38%
State Attorney, Public Defender	9.38%
County, City, Sp. Dist. Elected Officers	11.34%

DATES CONTRIBUTIONS AND REPORTS ARE DUE*

Report Month	Date Due	Report Month	Date Due
June 2014	July 8	January 2015	February 6
July 2014	August 7	February 2015	March 6
August 2014	September 8	March 2015	April 7
September 2014	October 7	April 2015	May 7
October 2014	November 7	May 2015	June 5
November 2014	December 5	June 2015	July 8
December 2014	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 fourth business day of each month for the Division to receive them by the fifth business day of each month.

[10] See the rate chart on this page for a complete breakdown of the UAL rates by membership class.
[11] Also applies to the State University System Optional Retirement Program and the State Community College System Optional Retirement Program.
[12] Also applies to the Senior Management Service Optional Annuity Program.