

By Senator Sebesta

16-1196A-03

See HB 471

1 A bill to be entitled
 2 An act relating to health insurance; amending
 3 s. 112.08, F.S.; redefining the term "local
 4 governmental unit" with respect to certain
 5 group insurance for public officers, employees,
 6 and certain volunteers; amending s. 112.363,
 7 F.S.; revising the minimum and maximum health
 8 insurance subsidies; revising the contribution
 9 paid by employers of state-administered
 10 retirement plans; authorizing the Department of
 11 Management Services to contract for an
 12 actuarial study on providing for a statewide
 13 retiree health insurance program; providing a
 14 statement of significant state interest;
 15 providing effective dates.

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

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 19 Section 1. Subsection (1) of section 112.08, Florida
 20 Statutes, is amended to read:

21 112.08 Group insurance for public officers, employees,
 22 and certain volunteers; physical examinations.--

23 (1) As used in this section, the term "local
 24 governmental unit" means any county, municipality, community
 25 college district, school board, or special district or any
 26 county officer listed in s. 1(d), Art. VIII of the State
 27 Constitution. The term "local governmental unit" also means
 28 regional benefit cooperatives of two or more counties,
 29 municipalities, community college districts, school boards, or
 30 special districts.

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1 Section 2. Effective January 1, 2004, subsections (3)
2 and (8) of section 112.363, Florida Statutes, are amended to
3 read:

4 112.363 Retiree health insurance subsidy.--

5 (3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.--

6 (a) Beginning January 1, 1988, each eligible retiree
7 or a beneficiary who is a spouse or financial dependent
8 thereof shall receive a monthly retiree health insurance
9 subsidy payment equal to the number of years of creditable
10 service, as defined in s. 121.021(17), completed at the time
11 of retirement multiplied by \$1; however, no retiree may
12 receive a subsidy payment of more than \$30 or less than \$10.

13 (b) Beginning January 1, 1989, each eligible retiree
14 or a beneficiary who is a spouse or financial dependent shall
15 receive a monthly retiree health insurance subsidy payment
16 equal to the number of years of creditable service, as defined
17 in s. 121.021(17), completed at the time of retirement
18 multiplied by \$2; however, no retiree may receive a subsidy
19 payment of more than \$60 or less than \$20.

20 (c) Beginning January 1, 1991, each eligible retiree
21 or a beneficiary who is a spouse or financial dependent shall
22 receive a monthly retiree health insurance subsidy payment
23 equal to the number of years of creditable service, as defined
24 in s. 121.021(17), completed at the time of retirement
25 multiplied by \$3; however, no retiree may receive a subsidy
26 payment of more than \$90 or less than \$30.

27 (d) Beginning January 1, 1999, each eligible retiree
28 or, if the retiree is deceased, his or her beneficiary who is
29 receiving a monthly benefit from such retiree's account and
30 who is a spouse, or a person who meets the definition of joint
31 annuitant in s. 121.021(28), shall receive a monthly retiree

1 health insurance subsidy payment equal to the number of years
2 of creditable service, as defined in s. 121.021(17), completed
3 at the time of retirement multiplied by \$5; however, no
4 eligible retiree or such beneficiary may receive a subsidy
5 payment of more than \$150 or less than \$50. If there are
6 multiple beneficiaries, the total payment must not be greater
7 than the payment to which the retiree was entitled.

8 (e)1. Beginning July 1, 2001, each eligible retiree of
9 the defined benefit program of the Florida Retirement System,
10 or, if the retiree is deceased, his or her beneficiary who is
11 receiving a monthly benefit from such retiree's account and
12 who is a spouse, or a person who meets the definition of joint
13 annuitant in s. 121.021(28), shall receive a monthly retiree
14 health insurance subsidy payment equal to the number of years
15 of creditable service, as defined in s. 121.021(17), completed
16 at the time of retirement multiplied by \$5; however, no
17 eligible retiree or beneficiary may receive a subsidy payment
18 of more than \$150 or less than \$30. If there are multiple
19 beneficiaries, the total payment must not be greater than the
20 payment to which the retiree was entitled. The health
21 insurance subsidy amount payable to any person receiving the
22 retiree health insurance subsidy payment on July 1, 2001,
23 shall not be reduced solely by operation of this subparagraph.

24 2. Beginning July 1, 2002, each eligible participant
25 of the Public Employee Optional Retirement Program of the
26 Florida Retirement System who has met the requirements of this
27 section, or, if the participant is deceased, his or her spouse
28 who is the participant's designated beneficiary, shall receive
29 a monthly retiree health insurance subsidy payment equal to
30 the number of years of creditable service, as provided in this
31 subparagraph, completed at the time of retirement, multiplied

1 by \$5; however, no eligible retiree or beneficiary may receive
2 a subsidy payment of more than \$150 or less than \$30. For
3 purposes of determining a participant's creditable service
4 used to calculate the health insurance subsidy, a
5 participant's years of service credit or fraction thereof
6 shall be based on the participant's work year as defined in s.
7 121.021(54). Credit shall be awarded for a full work year
8 whenever health insurance subsidy contributions have been made
9 as required by law for each month in the participant's work
10 year. In addition, all years of creditable service retained
11 under the Florida Retirement System defined benefit program
12 shall be included as creditable service for purposes of this
13 section.

14 (f)1. Beginning January 1, 2004, each eligible retiree
15 of the defined benefit program of the Florida Retirement
16 System, or, if the retiree is deceased, his or her beneficiary
17 who is receiving a monthly benefit from such retiree's account
18 and who is a spouse or a person who meets the definition of a
19 joint annuitant in s. 121.021(28), shall receive a monthly
20 retiree health insurance subsidy payment equal to the number
21 of years of creditable service, as defined in s. 121.021(17),
22 completed at the time of retirement multiplied by \$7; however,
23 no eligible retiree or beneficiary may receive a subsidy
24 payment of more than \$210 or less than \$42. If there are
25 multiple beneficiaries, the total payment must not be greater
26 than the payment to which the retiree was entitled. The
27 health insurance subsidy amount payable to any person
28 receiving the retiree health insurance subsidy payment on
29 January 1, 2004, shall not be reduced solely by operation of
30 this subparagraph.

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1 2. Beginning January 1, 2004, each eligible
2 participant of the Public Employee Optional Retirement Program
3 of the Florida Retirement System who has met the requirements
4 of this section, or, if the participant is deceased, his or
5 her spouse who is the participant's designated beneficiary,
6 shall receive a monthly retiree health insurance subsidy equal
7 to the number of years of creditable service, as provided in
8 this subparagraph, completed at the time of retirement,
9 multiplied by \$7; however, no eligible retiree or beneficiary
10 may receive a subsidy payment of more than \$210 or less than
11 \$42. For purposes of determining a participant's creditable
12 service used to calculate the health insurance subsidy, a
13 participant's years of service credit or fraction thereof
14 shall be based on the participant's work year as defined in s.
15 121.021(54). Credit shall be awarded for a full work year
16 whenever health insurance subsidy contributions have been made
17 as required by law for each month in the participant's work
18 year. In addition, all years of creditable service retained
19 under the Florida Retirement System defined benefit program
20 shall be included as creditable service for purposes of this
21 section.

22 (8) CONTRIBUTIONS.--For purposes of funding the
23 insurance subsidy provided by this section:

24 (a) Beginning October 1, 1987, the employer of each
25 member of a state-administered retirement plan shall
26 contribute 0.24 percent of gross compensation each pay period.

27 (b) Beginning January 1, 1989, the employer of each
28 member of a state-administered retirement plan shall
29 contribute 0.48 percent of gross compensation each pay period.

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1 (c) Beginning January 1, 1994, the employer of each
2 member of a state-administered retirement plan shall
3 contribute 0.56 percent of gross compensation each pay period.

4 (d) Beginning January 1, 1995, the employer of each
5 member of a state-administered retirement plan shall
6 contribute 0.66 percent of gross compensation each pay period.

7 (e) Beginning July 1, 1998, the employer of each
8 member of a state-administered retirement plan shall
9 contribute 0.94 percent of gross compensation each pay period.

10 (f) Beginning July 1, 2001, the employer of each
11 member of a state-administered plan shall contribute 1.11
12 percent of gross compensation each pay period.

13 (g) Beginning January 1, 2004, the employer of each
14 member of a state-administered retirement plan shall
15 contribute percent of gross compensation each pay period.

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17 Such contributions shall be submitted to the Department of
18 Management Services and deposited in the Retiree Health
19 Insurance Subsidy Trust Fund.

20 Section 3. The Department of Management Services is
21 authorized to contract for an actuarial study to determine the
22 feasibility of implementing a statewide health insurance
23 program for retirees from the Florida Retirement System.

24 Section 4. The Legislature finds that a proper and
25 legitimate state purpose is served when employees and retirees
26 of the state and of its political subdivisions, and the
27 dependents, survivors, and beneficiaries of such employees and
28 retirees, are extended the basic protections afforded by
29 governmental retirement systems that provide fair and adequate
30 benefits that are managed, administered, and funded in an
31 actuarially sound manner, as required by section 14, Article X

1 of the State Constitution and part VII of chapter 112, Florida
2 Statutes. Therefore, the Legislature determines and declares
3 that this act fulfills an important state interest.

4 Section 5. Except as otherwise provided herein, this
5 act shall take effect July 1, 2003.

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