



HB 0471

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

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

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

18 112.08 Group insurance for public officers, employees, and
 19 certain volunteers; physical examinations.--

20 (1) As used in this section, the term "local governmental
 21 unit" means any county, municipality, community college
 22 district, school board, or special district or any county
 23 officer listed in s. 1(d), Art. VIII of the State Constitution.

24 The term "local governmental unit" also means regional benefit
 25 cooperatives of two or more counties, municipalities, community
 26 college districts, school boards, or special districts.

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

29 112.363 Retiree health insurance subsidy.--

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



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31 (a) Beginning January 1, 1988, each eligible retiree or a
32 beneficiary who is a spouse or financial dependent thereof shall
33 receive a monthly retiree health insurance subsidy payment equal
34 to the number of years of creditable service, as defined in s.
35 121.021(17), completed at the time of retirement multiplied by
36 \$1; however, no retiree may receive a subsidy payment of more
37 than \$30 or less than \$10.

38 (b) Beginning January 1, 1989, each eligible retiree or a
39 beneficiary who is a spouse or financial dependent shall receive
40 a monthly retiree health insurance subsidy payment equal to the
41 number of years of creditable service, as defined in s.
42 121.021(17), completed at the time of retirement multiplied by
43 \$2; however, no retiree may receive a subsidy payment of more
44 than \$60 or less than \$20.

45 (c) Beginning January 1, 1991, each eligible retiree or a
46 beneficiary who is a spouse or financial dependent shall receive
47 a monthly retiree health insurance subsidy payment equal to the
48 number of years of creditable service, as defined in s.
49 121.021(17), completed at the time of retirement multiplied by
50 \$3; however, no retiree may receive a subsidy payment of more
51 than \$90 or less than \$30.

52 (d) Beginning January 1, 1999, each eligible retiree or,
53 if the retiree is deceased, his or her beneficiary who is
54 receiving a monthly benefit from such retiree's account and who
55 is a spouse, or a person who meets the definition of joint
56 annuitant in s. 121.021(28), shall receive a monthly retiree
57 health insurance subsidy payment equal to the number of years of
58 creditable service, as defined in s. 121.021(17), completed at
59 the time of retirement multiplied by \$5; however, no eligible
60 retiree or such beneficiary may receive a subsidy payment of



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61 more than \$150 or less than \$50. If there are multiple
62 beneficiaries, the total payment must not be greater than the
63 payment to which the retiree was entitled.

64 (e)1. Beginning July 1, 2001, each eligible retiree of the
65 defined benefit program of the Florida Retirement System, or, if
66 the retiree is deceased, his or her beneficiary who is receiving
67 a monthly benefit from such retiree's account and who is a
68 spouse, or a person who meets the definition of joint annuitant
69 in s. 121.021(28), shall receive a monthly retiree health
70 insurance subsidy payment equal to the number of years of
71 creditable service, as defined in s. 121.021(17), completed at
72 the time of retirement multiplied by \$5; however, no eligible
73 retiree or beneficiary may receive a subsidy payment of more
74 than \$150 or less than \$30. If there are multiple beneficiaries,
75 the total payment must not be greater than the payment to which
76 the retiree was entitled. The health insurance subsidy amount
77 payable to any person receiving the retiree health insurance
78 subsidy payment on July 1, 2001, shall not be reduced solely by
79 operation of this subparagraph.

80 2. Beginning July 1, 2002, each eligible participant of
81 the Public Employee Optional Retirement Program of the Florida
82 Retirement System who has met the requirements of this section,
83 or, if the participant is deceased, his or her spouse who is the
84 participant's designated beneficiary, shall receive a monthly
85 retiree health insurance subsidy payment equal to the number of
86 years of creditable service, as provided in this subparagraph,
87 completed at the time of retirement, multiplied by \$5; however,
88 no eligible retiree or beneficiary may receive a subsidy payment
89 of more than \$150 or less than \$30. For purposes of determining
90 a participant's creditable service used to calculate the health



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91 insurance subsidy, a participant's years of service credit or
 92 fraction thereof shall be based on the participant's work year
 93 as defined in s. 121.021(54). Credit shall be awarded for a full
 94 work year whenever health insurance subsidy contributions have
 95 been made as required by law for each month in the participant's
 96 work year. In addition, all years of creditable service retained
 97 under the Florida Retirement System defined benefit program
 98 shall be included as creditable service for purposes of this
 99 section.

100 (f)1. Beginning January 1, 2004, each eligible retiree of
 101 the defined benefit program of the Florida Retirement System,
 102 or, if the retiree is deceased, his or her beneficiary who is
 103 receiving a monthly benefit from such retiree's account and who
 104 is a spouse or a person who meets the definition of a joint
 105 annuitant in s. 121.021(28), shall receive a monthly retiree
 106 health insurance subsidy payment equal to the number of years of
 107 creditable service, as defined in s. 121.021(17), completed at
 108 the time of retirement multiplied by \$7; however, no eligible
 109 retiree or beneficiary may receive a subsidy payment of more
 110 than \$210 or less than \$42. If there are multiple
 111 beneficiaries, the total payment must not be greater than the
 112 payment to which the retiree was entitled. The health insurance
 113 subsidy amount payable to any person receiving the retiree
 114 health insurance subsidy payment on January 1, 2004, shall not
 115 be reduced solely by operation of this subparagraph.

116 2. Beginning January 1, 2004, each eligible participant of
 117 the Public Employee Optional Retirement Program of the Florida
 118 Retirement System who has met the requirements of this section,
 119 or, if the participant is deceased, his or her spouse who is the
 120 participant's designated beneficiary, shall receive a monthly



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121 retiree health insurance subsidy equal to the number of years of
122 creditable service, as provided in this subparagraph, completed
123 at the time of retirement, multiplied by \$7; however, no
124 eligible retiree or beneficiary may receive a subsidy payment of
125 more than \$210 or less than \$42. For purposes of determining a
126 participant's creditable service used to calculate the health
127 insurance subsidy, a participant's years of service credit or
128 fraction thereof shall be based on the participant's work year
129 as defined in s. 121.021(54). Credit shall be awarded for a
130 full work year whenever health insurance subsidy contributions
131 have been made as required by law for each month in the
132 participant's work year. In addition, all years of creditable
133 service retained under the Florida Retirement System defined
134 benefit program shall be included as creditable service for
135 purposes of this section.

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

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

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

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

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



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

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

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

159
 160 Such contributions shall be submitted to the Department of
 161 Management Services and deposited in the Retiree Health
 162 Insurance Subsidy Trust Fund.

163 Section 3. The Department of Management Services is
 164 authorized to contract for an actuarial study to determine the
 165 feasibility of implementing a statewide health insurance program
 166 for retirees from the Florida Retirement System.

167 Section 4. The Legislature finds that a proper and
 168 legitimate state purpose is served when employees and retirees
 169 of the state and of its political subdivisions, and the
 170 dependents, survivors, and beneficiaries of such employees and
 171 retirees, are extended the basic protections afforded by
 172 governmental retirement systems that provide fair and adequate
 173 benefits that are managed, administered, and funded in an
 174 actuarially sound manner, as required by s. 14, Art. X of the
 175 State Constitution and part VII of chapter 112, Florida
 176 Statutes. Therefore, the Legislature determines and declares
 177 that this act fulfills an important state interest.

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