

HB 0663

2004

1 A bill to be entitled
 2 An act relating to retiree health insurance subsidies;
 3 amending s. 112.363, F.S.; revising the formula for
 4 determining the monthly benefit amount of a health
 5 insurance subsidy payment for retirees under the defined
 6 benefit program and the Public Employee Optional
 7 Retirement Program of the Florida Retirement System to
 8 increase the monthly benefit; providing limitations;
 9 increasing the required employer contribution for the
 10 retiree health insurance subsidy; deleting obsolete
 11 provisions; providing a statement of important state
 12 interest; providing an effective date.

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

16 Section 1. Subsections (3) and (8) of section 112.363,
 17 Florida Statutes, are amended to read:

18 112.363 Retiree health insurance subsidy.--

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

20 ~~(a) Beginning January 1, 1988, each eligible retiree or a~~
 21 ~~beneficiary who is a spouse or financial dependent thereof shall~~
 22 ~~receive a monthly retiree health insurance subsidy payment equal~~
 23 ~~to the number of years of creditable service, as defined in s.~~
 24 ~~121.021(17), completed at the time of retirement multiplied by~~
 25 ~~\$1; however, no retiree may receive a subsidy payment of more~~
 26 ~~than \$30 or less than \$10.~~

27 ~~(b) Beginning January 1, 1989, each eligible retiree or a~~
 28 ~~beneficiary who is a spouse or financial dependent shall receive~~
 29 ~~a monthly retiree health insurance subsidy payment equal to the~~

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30 ~~number of years of creditable service, as defined in s.~~
 31 ~~121.021(17), completed at the time of retirement multiplied by~~
 32 ~~\$2; however, no retiree may receive a subsidy payment of more~~
 33 ~~than \$60 or less than \$20.~~

34 ~~(c) Beginning January 1, 1991, each eligible retiree or a~~
 35 ~~beneficiary who is a spouse or financial dependent shall receive~~
 36 ~~a monthly retiree health insurance subsidy payment equal to the~~
 37 ~~number of years of creditable service, as defined in s.~~
 38 ~~121.021(17), completed at the time of retirement multiplied by~~
 39 ~~\$3; however, no retiree may receive a subsidy payment of more~~
 40 ~~than \$90 or less than \$30.~~

41 ~~(d) Beginning January 1, 1999, each eligible retiree or,~~
 42 ~~if the retiree is deceased, his or her beneficiary who is~~
 43 ~~receiving a monthly benefit from such retiree's account and who~~
 44 ~~is a spouse, or a person who meets the definition of joint~~
 45 ~~annuitant in s. 121.021(28), shall receive a monthly retiree~~
 46 ~~health insurance subsidy payment equal to the number of years of~~
 47 ~~creditable service, as defined in s. 121.021(17), completed at~~
 48 ~~the time of retirement multiplied by \$5; however, no eligible~~
 49 ~~retiree or such beneficiary may receive a subsidy payment of~~
 50 ~~more than \$150 or less than \$50. If there are multiple~~
 51 ~~beneficiaries, the total payment must not be greater than the~~
 52 ~~payment to which the retiree was entitled.~~

53 (a)(e)1. ~~Beginning July 1, 2001, Each eligible retiree of~~
 54 ~~the defined benefit program of the Florida Retirement System,~~
 55 ~~or, if the retiree is deceased, his or her beneficiary who is~~
 56 ~~receiving a monthly benefit from such retiree's account and who~~
 57 ~~is a spouse, or a person who meets the definition of joint~~
 58 ~~annuitant in s. 121.021(28), shall receive a monthly retiree~~

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59 health insurance subsidy payment equal to the number of years of
 60 creditable service, as defined in s. 121.021(~~17~~), completed at
 61 the time of retirement multiplied by \$7 ~~\$5~~; however, no eligible
 62 retiree or beneficiary may receive a subsidy payment of more
 63 than \$210 ~~\$150~~ or less than \$42 ~~\$30~~. If there are multiple
 64 beneficiaries, the total payment must not be greater than the
 65 payment to which the retiree was entitled. The health insurance
 66 subsidy amount payable to any person receiving the retiree
 67 health insurance subsidy payment on January 1, 2005 ~~July 1,~~
 68 ~~2001~~, shall not be reduced solely by operation of this
 69 subparagraph.

70 (b)2. ~~Beginning July 1, 2002,~~ Each eligible participant of
 71 the Public Employee Optional Retirement Program of the Florida
 72 Retirement System who has met the requirements of this section,
 73 or, if the participant is deceased, his or her spouse who is the
 74 participant's designated beneficiary, shall receive a monthly
 75 retiree health insurance subsidy payment equal to the number of
 76 years of creditable service, as provided in this subparagraph,
 77 completed at the time of retirement, multiplied by \$7 ~~\$5~~;
 78 however, no eligible retiree or beneficiary may receive a
 79 subsidy payment of more than \$210 ~~\$150~~ or less than \$42 ~~\$30~~. For
 80 purposes of determining a participant's creditable service used
 81 to calculate the health insurance subsidy, a participant's years
 82 of service credit or fraction thereof shall be based on the
 83 participant's work year as defined in s. 121.021(~~54~~). Credit
 84 shall be awarded for a full work year whenever health insurance
 85 subsidy contributions have been made as required by law for each
 86 month in the participant's work year. In addition, all years of
 87 creditable service retained under the Florida Retirement System

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88 defined benefit program shall be included as creditable service
 89 for purposes of this section.

90 (8) CONTRIBUTIONS.--For purposes of funding the insurance
 91 subsidy provided by this section,÷

92 ~~(a) Beginning October 1, 1987, the employer of each member~~
 93 ~~of a state-administered retirement plan shall contribute 0.24~~
 94 ~~percent of gross compensation each pay period.~~

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

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

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

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

107 ~~(f) Beginning July 1, 2001, the employer of each member of~~
 108 ~~a state-administered plan shall contribute 1.55 ~~1.11~~ percent of~~
 109 ~~gross compensation each pay period. Such contributions shall be~~
 110 ~~submitted to the Department of Management Services and deposited~~
 111 ~~in the Retiree Health Insurance Subsidy Trust Fund.~~

112 Section 2. The Legislature finds that a proper and
 113 legitimate state purpose is served when employees and retirees
 114 of the state and of its political subdivisions, and the
 115 dependents, survivors, and beneficiaries of such employees and
 116 retirees, are extended the basic protections afforded by

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117 governmental retirement systems that provide fair and adequate
118 benefits that are managed, administered, and funded in an
119 actuarially sound manner, as required by s. 14, Art. X of the
120 State Constitution and part VII of chapter 112, Florida
121 Statutes. Therefore, the Legislature determines and declares
122 that this act fulfills an important state interest.

123 Section 3. This act shall take effect January 1, 2005.