

Bill No. SB 2266

Barcode 943078

CHAMBER ACTION

Senate

House

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The Committee on Governmental Oversight and Productivity
(Lawson) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

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

112.363 Retiree health insurance subsidy.--

(3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.--

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

(b) Beginning January 1, 1989, each eligible retiree
or a beneficiary who is a spouse or financial dependent shall
receive a monthly retiree health insurance subsidy payment

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

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

12 (d) Beginning January 1, 1999, each eligible retiree
13 or, if the retiree is deceased, his or her beneficiary who is
14 receiving a monthly benefit from such retiree's account and
15 who is a spouse, or a person who meets the definition of joint
16 annuitant in s. 121.021(28), shall receive a monthly retiree
17 health insurance subsidy payment equal to the number of years
18 of creditable service, as defined in s. 121.021(17), completed
19 at the time of retirement multiplied by \$5; however, no
20 eligible retiree or such beneficiary may receive a subsidy
21 payment of more than \$150 or less than \$50. If there are
22 multiple beneficiaries, the total payment must not be greater
23 than the payment to which the retiree was entitled.

24 (e)1. Beginning July 1, 2001, each eligible retiree of
25 the defined benefit program of the Florida Retirement System,
26 or, if the retiree is deceased, his or her beneficiary who is
27 receiving a monthly benefit from such retiree's account and
28 who is a spouse, or a person who meets the definition of joint
29 annuitant in s. 121.021(28), shall receive a monthly retiree
30 health insurance subsidy payment equal to the number of years
31 of creditable service, as defined in s. 121.021(17), completed

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1 at the time of retirement multiplied by \$5; however, no
 2 eligible retiree or beneficiary may receive a subsidy payment
 3 of more than \$150 or less than \$30. If there are multiple
 4 beneficiaries, the total payment must not be greater than the
 5 payment to which the retiree was entitled. The health
 6 insurance subsidy amount payable to any person receiving the
 7 retiree health insurance subsidy payment on July 1, 2001,
 8 shall not be reduced solely by operation of this subparagraph.

9 2. Beginning July 1, 2002, each eligible participant
 10 of the Public Employee Optional Retirement Program of the
 11 Florida Retirement System who has met the requirements of this
 12 section, or, if the participant is deceased, his or her spouse
 13 who is the participant's designated beneficiary, shall receive
 14 a monthly retiree health insurance subsidy payment equal to
 15 the number of years of creditable service, as provided in this
 16 subparagraph, completed at the time of retirement, multiplied
 17 by \$5; however, no eligible retiree or beneficiary may receive
 18 a subsidy payment of more than \$150 or less than \$30. For
 19 purposes of determining a participant's creditable service
 20 used to calculate the health insurance subsidy, a
 21 participant's years of service credit or fraction thereof
 22 shall be based on the participant's work year as defined in s.
 23 121.021(54). Credit shall be awarded for a full work year
 24 whenever health insurance subsidy contributions have been made
 25 as required by law for each month in the participant's work
 26 year. In addition, all years of creditable service retained
 27 under the Florida Retirement System defined benefit program
 28 shall be included as creditable service for purposes of this
 29 section. Notwithstanding any other provision in this section
 30 to the contrary, the spouse at the time of death shall be the
 31 participant's beneficiary unless such participant has

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1 designated a different beneficiary subsequent to the
2 participant's most recent marriage.

3 (f)1. Beginning January 1, 2006, each eligible retiree
4 of the defined benefit program of the Florida Retirement
5 System or, if the retiree is deceased, his or her beneficiary
6 who is receiving a monthly benefit from such retiree's account
7 and who is a spouse or a person who meets the definition of a
8 joint annuitant in s. 121.021 shall receive a monthly retiree
9 health insurance subsidy payment equal to the number of years
10 of creditable service, as defined in s. 121.021, completed at
11 the time of retirement multiplied by \$6; however, an eligible
12 retiree or beneficiary may not receive a subsidy payment of
13 more than \$180 or less than \$36. If there are multiple
14 beneficiaries, the total payment must not be greater than the
15 payment to which the retiree was entitled. Notwithstanding any
16 other provision in this section to the contrary, the spouse at
17 the time of death shall be the participant's beneficiary
18 unless such participant has designated a different beneficiary
19 subsequent to the participant's most recent marriage. The
20 health insurance subsidy amount payable to any person
21 receiving the retiree health insurance subsidy payment on
22 January 1, 2005, may not be reduced solely by operation of
23 this subparagraph.

24 2. Beginning January 1, 2006, each eligible
25 participant of the Public Employee Optional Retirement Program
26 of the Florida Retirement System who has met the requirements
27 of this section or, if the participant is deceased, his or her
28 spouse who is the participant's designated beneficiary shall
29 receive a monthly retiree health insurance subsidy equal to
30 the number of years of creditable service, as provided in this
31 subparagraph, completed at the time of retirement multiplied

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1 by \$6; however, an eligible retiree or beneficiary may not
 2 receive a subsidy payment of more than \$180 or less than \$36.
 3 For 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. Credit shall be awarded for a full work year whenever
 8 health insurance subsidy contributions have been made as
 9 required by law for each month in the participant's work year.
 10 In addition, all years of creditable service retained under
 11 the Florida Retirement System defined benefit program shall be
 12 included as creditable service for purposes of this section.
 13 Notwithstanding any other provision in this section to the
 14 contrary, the spouse at the time of death shall be the
 15 participant's beneficiary unless such participant has
 16 designated a different beneficiary subsequent to the
 17 participant's most recent marriage.

18 (q)1. Beginning January 1, 2007, each eligible retiree
 19 of the defined benefit program of the Florida Retirement
 20 System or, if the retiree is deceased, his or her beneficiary
 21 who is receiving a monthly benefit from such retiree's account
 22 and who is a spouse or a person who meets the definition of a
 23 joint annuitant in s. 121.021 shall receive a monthly retiree
 24 health insurance subsidy payment equal to the number of years
 25 of creditable service, as defined in s. 121.021, completed at
 26 the time of retirement multiplied by \$7; however, an eligible
 27 retiree or beneficiary may not receive a subsidy payment of
 28 more than \$210 or less than \$42. If there are multiple
 29 beneficiaries, the total payment must not be greater than the
 30 payment to which the retiree was entitled. Notwithstanding any
 31 other provision in this section to the contrary, the spouse at

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1 the time of death shall be the participant's beneficiary
2 unless such participant has designated a different beneficiary
3 subsequent to the participant's most recent marriage. The
4 health insurance subsidy amount payable to any person
5 receiving the retiree health insurance subsidy payment on
6 January 1, 2005, may not be reduced solely by operation of
7 this subparagraph.

8 (g)2. Beginning January 1, 2007, each eligible
9 participant of the Public Employee Optional Retirement Program
10 of the Florida Retirement System who has met the requirements
11 of this section or, if the participant is deceased, his or her
12 spouse who is the participant's designated beneficiary shall
13 receive a monthly retiree health insurance subsidy equal to
14 the number of years of creditable service, as provided in this
15 subparagraph, completed at the time of retirement multiplied
16 by \$7; however, an eligible retiree or beneficiary may not
17 receive a subsidy payment of more than \$210 or less than \$42.
18 For purposes of determining a participant's creditable service
19 used to calculate the health insurance subsidy, a
20 participant's years of service credit or fraction thereof
21 shall be based on the participant's work year as defined in s.
22 121.021. Credit shall be awarded for a full work year whenever
23 health insurance subsidy contributions have been made as
24 required by law for each month in the participant's work year.
25 In addition, all years of creditable service retained under
26 the Florida Retirement System defined benefit program shall be
27 included as creditable service for purposes of this section.
28 Notwithstanding any other provision in this section to the
29 contrary, the spouse at the time of death shall be the
30 participant's beneficiary unless such participant has
31 designated a different beneficiary subsequent to the

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1 participant's most recent marriage.

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

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

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

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

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

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

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

22 (g) Beginning July 1, 2006, the employer of each
23 member of a state-administered retirement plan shall
24 contribute 1.75 percent of gross compensation each pay period.

25
26 Such contributions shall be submitted to the Department of
27 Management Services and deposited in the Retiree Health
28 Insurance Subsidy Trust Fund.

29 Section 2. The Legislature finds that a proper and
30 legitimate state purpose is served when employees and retirees
31 of the state and of its political subdivisions, and the

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1 dependents, survivors, and beneficiaries of such employees and
 2 retirees, are extended the basic protections afforded by
 3 governmental retirement systems that provide fair and adequate
 4 benefits that are managed, administered, and funded in an
 5 actuarially sound manner, as required by section 14, Article X
 6 of the State Constitution and part VII of chapter 112, Florida
 7 Statutes. Therefore, the Legislature determines and declares
 8 that this act fulfills an important state interest.

9 Section 3. This act shall take effect upon becoming a
 10 law.

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13 ===== T I T L E A M E N D M E N T =====

14 And the title is amended as follows:

15 Delete everything before the enacting clause

16
 17 and insert:

18 A bill to be entitled
 19 An act relating to the retiree health insurance
 20 subsidy; amending s. 112.363, F.S.; increasing
 21 the minimum and maximum health insurance
 22 subsidies; increasing the contribution paid by
 23 employers of members in state-administered
 24 retirement plans; providing legislative
 25 findings; providing effective dates.

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