

By Senator Lawson

6-1318A-05

1 A bill to be entitled
2 An act relating to the retiree health insurance
3 subsidy; amending s. 112.363, F.S.; increasing
4 the minimum and maximum health insurance
5 subsidies; providing for an annual
6 cost-of-living adjustment to the subsidy;
7 increasing the contribution paid by employers
8 of members in state-administered retirement
9 plans; providing legislative findings;
10 providing effective dates.

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

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

16 112.363 Retiree health insurance subsidy.--

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

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

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

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

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

20 (e)1. Beginning July 1, 2001, each eligible retiree of
21 the defined benefit program of the Florida Retirement System,
22 or, if the retiree is deceased, his or her beneficiary who is
23 receiving a monthly benefit from such retiree's account and
24 who is a spouse, or a person who meets the definition of joint
25 annuitant in s. 121.021(28), shall receive a monthly retiree
26 health insurance subsidy payment equal to the number of years
27 of creditable service, as defined in s. 121.021(17), completed
28 at the time of retirement multiplied by \$5; however, no
29 eligible retiree or beneficiary may receive a subsidy payment
30 of more than \$150 or less than \$30. If there are multiple
31 beneficiaries, the total payment must not be greater than the

1 payment to which the retiree was entitled. The health
2 insurance subsidy amount payable to any person receiving the
3 retiree health insurance subsidy payment on July 1, 2001,
4 shall not be reduced solely by operation of this subparagraph.

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

30 ~~(f)1.~~ Beginning January 1, 2006, each eligible retiree
31 of the defined benefit program of the Florida Retirement

1 System or, if the retiree is deceased, his or her beneficiary
2 who is receiving a monthly benefit from such retiree's account
3 and who is a spouse or a person who meets the definition of a
4 joint annuitant in s. 121.021 shall receive a monthly retiree
5 health insurance subsidy payment equal to the number of years
6 of creditable service, as defined in s. 121.021, completed at
7 the time of retirement multiplied by \$7; however, an eligible
8 retiree or beneficiary may not receive a subsidy payment of
9 more than \$210 or less than \$42. If there are multiple
10 beneficiaries, the total payment must not be greater than the
11 payment to which the retiree was entitled. The health
12 insurance subsidy amount payable to any person receiving the
13 retiree health insurance subsidy payment on January 1, 2005,
14 may not be reduced solely by operation of this subparagraph.

15 2. Beginning January 1, 2006, each eligible
16 participant of the Public Employee Optional Retirement Program
17 of the Florida Retirement System who has met the requirements
18 of this section or, if the participant is deceased, his or her
19 spouse who is the participant's designated beneficiary shall
20 receive a monthly retiree health insurance subsidy equal to
21 the number of years of creditable service, as provided in this
22 subparagraph, completed at the time of retirement multiplied
23 by \$7; however, an eligible retiree or beneficiary may not
24 receive a subsidy payment of more than \$210 or less than \$42.
25 For purposes of determining a participant's creditable service
26 used to calculate the health insurance subsidy, a
27 participant's years of service credit or fraction thereof
28 shall be based on the participant's work year as defined in s.
29 121.021. Credit shall be awarded for a full work year whenever
30 health insurance subsidy contributions have been made as
31 required by law for each month in the participant's work year.

1 In addition, all years of creditable service retained under
2 the Florida Retirement System defined benefit program shall be
3 included as creditable service for purposes of this section.

4 (g) Beginning January 1, 2007, and each January 1
5 thereafter, the health insurance subsidy shall be adjusted by
6 a cost-of-living factor. The adjusted monthly health insurance
7 subsidy for retirees and annuitants will equal the health
8 insurance subsidy paid in the month before the adjustment plus
9 an amount equal to 3 percent of the health insurance subsidy
10 paid in that month.

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

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

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

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

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

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

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

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