

By Senator Smith

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A bill to be entitled

An act relating to the retiree health insurance subsidy; amending s. 112.363, F.S.; defining the term "the member begins drawing retirement benefits" for purposes of determining eligibility for the subsidy; revising the method of calculating the subsidy amount for certain retirees and beneficiaries; providing an effective date.

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

Section 1. Paragraph (b) of subsection (2) and paragraph (d) of subsection (3) of section 112.363, Florida Statutes, are amended to read:

112.363 Retiree health insurance subsidy.--

(2) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.--

(b) For purposes of this section, a person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System as described in s. 121.021(39) and:

1. For a participant of the Public Employee Optional Retirement Program established under part II of chapter 121, the participant meets the age or service requirements to qualify for normal retirement as set forth in s. 121.021(29).

2. For a member of the Florida Retirement System defined benefit program, or any employee who maintains creditable service under both the defined benefit program and the Public Employee Optional Retirement Program, the member

1 begins drawing retirement benefits from the defined benefit
2 program of the Florida Retirement System. As used in this
3 subparagraph, the term "the member begins drawing retirement
4 benefits" means that the retired member has received his or
5 her monthly retirement benefit at a place of his or her
6 choosing.

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

8 (d)1. 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 2. Beginning July 1, 2005, 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, in addition to a maximum of 60
29 months the retiree participated in DROP, multiplied by \$5;
30 however, no eligible retiree or beneficiary may receive a
31 subsidy payment of more than \$150 or less than \$30. If there

1 are multiple beneficiaries, the total payment must not be
2 greater than the payment to which the retiree was entitled.
3 The health insurance subsidy amount payable to any person
4 receiving the retiree health insurance subsidy payment on July
5 1, 2001, may not be reduced solely by operation of this
6 subparagraph.

7 Section 2. This act shall take effect July 1, 2005.

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10 SENATE SUMMARY

11 Defines the term "the member begins drawing retirement
12 benefits" for purposes of determining eligibility for the
13 retiree health insurance subsidy. Revises the method for
14 calculating the subsidy, reducing the minimum payment of
15 \$30 a month. However, a person receiving a subsidy on
16 July 1, 2001, may not have his or her subsidy amount
17 reduced solely by reason of this act.
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