

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

A bill to be entitled  
 An act relating to retiree health insurance subsidy;  
 amending s. 112.363, F.S.; revising provisions for  
 determination of the amount of the subsidy for retirees of  
 the defined benefit program and eligible participants of  
 the Public Employee Optional Retirement Program of the  
 Florida Retirement System or their beneficiaries;  
 providing that the spouse at the time of a Florida  
 Retirement System participant's death is considered the  
 beneficiary for purposes of the retiree health insurance  
 subsidy unless a different beneficiary has been  
 designated; revising the contribution paid by employers of  
 state-administered retirement plans; providing a finding  
 of important state interest; providing an effective date.

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

Section 1. Paragraphs (f) and (g) are added to subsection  
 (3) of section 112.363, Florida Statutes, and paragraphs (g) and  
 (h) are added to subsection (8) of that section, to read:

112.363 Retiree health insurance subsidy.--

(3) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.--

(f)1. Beginning January 1, 2007, each eligible retiree of  
 the defined benefit program of the Florida Retirement System or,  
 if the retiree is deceased, his or her beneficiary who is  
 receiving a monthly benefit from such retiree's account and who  
 is a spouse or a person who meets the definition of a joint  
 annuitant in s. 121.021 shall receive a monthly retiree health

29 insurance subsidy payment equal to the number of years of  
30 creditable service, as defined in s. 121.021, completed at the  
31 time of retirement multiplied by \$6; however, an eligible  
32 retiree or beneficiary may not receive a subsidy payment of more  
33 than \$180 or less than \$36. If there are multiple beneficiaries,  
34 the total payment must not be greater than the payment to which  
35 the retiree was entitled. Notwithstanding any other provision in  
36 this section, the spouse at the time of death shall be the  
37 participant's beneficiary unless such participant has designated  
38 a different beneficiary subsequent to the participant's most  
39 recent marriage. The health insurance subsidy amount payable to  
40 any person receiving the retiree health insurance subsidy  
41 payment on January 1, 2006, may not be reduced solely by  
42 operation of this subparagraph.

43 2. Beginning January 1, 2007, each eligible participant of  
44 the Public Employee Optional Retirement Program of the Florida  
45 Retirement System who has met the requirements of this section  
46 or, if the participant is deceased, his or her spouse who is the  
47 participant's designated beneficiary shall receive a monthly  
48 retiree health insurance subsidy equal to the number of years of  
49 creditable service, as provided in this subparagraph, completed  
50 at the time of retirement multiplied by \$6; however, an eligible  
51 retiree or beneficiary may not receive a subsidy payment of more  
52 than \$180 or less than \$36. For purposes of determining a  
53 participant's creditable service used to calculate the health  
54 insurance subsidy, a participant's years of service credit or  
55 fraction thereof shall be based on the participant's work year  
56 as defined in s. 121.021. Credit shall be awarded for a full

57 work year whenever health insurance subsidy contributions have  
58 been made as required by law for each month in the participant's  
59 work year. In addition, all years of creditable service retained  
60 under the Florida Retirement System defined benefit program  
61 shall be included as creditable service for purposes of this  
62 section. Notwithstanding any other provision in this section,  
63 the spouse at the time of death shall be the participant's  
64 beneficiary unless such participant has designated a different  
65 beneficiary subsequent to the participant's most recent  
66 marriage.

67 (g)1. Beginning January 1, 2008, each eligible retiree of  
68 the defined benefit program of the Florida Retirement System or,  
69 if the retiree is deceased, his or her beneficiary who is  
70 receiving a monthly benefit from such retiree's account and who  
71 is a spouse or a person who meets the definition of a joint  
72 annuitant in s. 121.021 shall receive a monthly retiree health  
73 insurance subsidy payment equal to the number of years of  
74 creditable service, as defined in s. 121.021, completed at the  
75 time of retirement multiplied by \$7; however, an eligible  
76 retiree or beneficiary may not receive a subsidy payment of more  
77 than \$210 or less than \$42. If there are multiple beneficiaries,  
78 the total payment must not be greater than the payment to which  
79 the retiree was entitled. Notwithstanding any other provision in  
80 this section, the spouse at the time of death shall be the  
81 participant's beneficiary unless such participant has designated  
82 a different beneficiary subsequent to the participant's most  
83 recent marriage. The health insurance subsidy amount payable to  
84 any person receiving the retiree health insurance subsidy

85 payment on January 1, 2006, may not be reduced solely by  
86 operation of this subparagraph.

87 2. Beginning January 1, 2008, each eligible participant of  
88 the Public Employee Optional Retirement Program of the Florida  
89 Retirement System who has met the requirements of this section  
90 or, if the participant is deceased, his or her spouse who is the  
91 participant's designated beneficiary shall receive a monthly  
92 retiree health insurance subsidy equal to the number of years of  
93 creditable service, as provided in this subparagraph, completed  
94 at the time of retirement multiplied by \$7; however, an eligible  
95 retiree or beneficiary may not receive a subsidy payment of more  
96 than \$210 or less than \$42. For purposes of determining a  
97 participant's creditable service used to calculate the health  
98 insurance subsidy, a participant's years of service credit or  
99 fraction thereof shall be based on the participant's work year  
100 as defined in s. 121.021. Credit shall be awarded for a full  
101 work year whenever health insurance subsidy contributions have  
102 been made as required by law for each month in the participant's  
103 work year. In addition, all years of creditable service retained  
104 under the Florida Retirement System defined benefit program  
105 shall be included as creditable service for purposes of this  
106 section. Notwithstanding any other provision in this section,  
107 the spouse at the time of death shall be the participant's  
108 beneficiary unless such participant has designated a different  
109 beneficiary subsequent to the participant's most recent  
110 marriage.

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

113        (g) Beginning July 1, 2006, the employer of each member of  
 114 a state-administered retirement plan shall contribute 1.22  
 115 percent of gross compensation each pay period.

116        (h) Beginning July 1, 2007, the employer of each member of  
 117 a state-administered retirement plan shall contribute 1.66  
 118 percent of gross compensation each pay period.

119  
 120 Such contributions shall be submitted to the Department of  
 121 Management Services and deposited in the Retiree Health  
 122 Insurance Subsidy Trust Fund.

123        Section 2. The Legislature finds that a proper and  
 124 legitimate state purpose is served when employees and retirees  
 125 of the state and of its political subdivisions, and the  
 126 dependents, survivors, and beneficiaries of such employees and  
 127 retirees, are extended the basic protections afforded by  
 128 governmental retirement systems that provide fair and adequate  
 129 benefits that are managed, administered, and funded in an  
 130 actuarially sound manner, as required by s. 14, Art. X of the  
 131 State Constitution and part VII of chapter 112, Florida  
 132 Statutes. Therefore, the Legislature determines and declares  
 133 that this act fulfills an important state interest.

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