

1                   A bill to be entitled  
2           An act relating to retirement; amending s. 121.101,  
3           F.S.; specifying the minimum amount of the factor used  
4           to calculate the cost-of-living adjustment of benefits  
5           for certain retirees and beneficiaries of the Florida  
6           Retirement System; providing a declaration of  
7           important state interest; providing an effective date.  
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9   Be It Enacted by the Legislature of the State of Florida:  
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11           Section 1. Subsection (4) of section 121.101, Florida  
12           Statutes, is amended to read:

13           121.101 Cost-of-living adjustment of benefits.—

14           (4) For members whose effective retirement date is on or  
15           after July 1, 2011, the benefit of each retiree and annuitant  
16           shall be adjusted annually on July 1 as follows:

17           (a) For those retirees and annuitants who have never  
18           received a cost-of-living adjustment under this subsection, the  
19           amount of the monthly benefit payable for the 12-month period  
20           commencing on the adjustment date shall be the amount of the  
21           member's initial benefit plus an amount equal to a percentage of  
22           the member's initial benefit. This percentage is derived by  
23           dividing the number of months the member has received an initial  
24           benefit by 12, and multiplying the result by the factor  
25           calculated pursuant to paragraph (c).

26 (b) For those retirees and annuitants who have received a  
27 cost-of-living adjustment under this subsection, the adjusted  
28 monthly benefit shall be the amount of the monthly benefit being  
29 received on June 30 immediately preceding the adjustment date  
30 plus an amount determined by multiplying the benefit by the  
31 factor calculated pursuant to paragraph (c).

32 (c) The department shall calculate a cost-of-living factor  
33 for each retiree and beneficiary retiring on or after July 1,  
34 2011. This factor shall equal the product of 3 percent  
35 multiplied by the quotient of the sum of the member's service  
36 credit earned for service before July 1, 2011, divided by the  
37 sum of the member's total service credit earned. However,  
38 beginning July 1, 2019, for a retiree who was a member of the  
39 Special Risk Class, and his or her beneficiary, retiring on or  
40 after July 1, 2011, with service credit earned before July 1,  
41 2011, the factor calculated pursuant to this paragraph may not  
42 be a product of less than 2.

43 Section 2. The Legislature finds that a proper and  
44 legitimate state purpose is served when employees and retirees  
45 of the state and its political subdivisions, and the dependents,  
46 survivors, and beneficiaries of such employees and retirees, are  
47 extended the basic protections afforded by governmental  
48 retirement systems. These persons must be provided benefits that  
49 are fair and adequate and that are managed, administered, and  
50 funded in an actuarially sound manner, as required by s. 14,

51 Article X of the State Constitution and part VII of chapter 112,  
52 Florida Statutes. Therefore, the Legislature determines and  
53 declares that this act fulfills an important state interest.

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