

By Senator Polsky

29-00951-21

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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

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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, for a  
38 retiree and beneficiary retiring on or after July 1, 2011, with  
39 service credit earned before July 1, 2011, the factor calculated  
40 pursuant to this paragraph may not be a product of less than 2.

41 Section 2. The Legislature finds that a proper and  
42 legitimate state purpose is served when employees and retirees  
43 of the state and its political subdivisions, and the dependents,  
44 survivors, and beneficiaries of such employees and retirees, are  
45 extended the basic protections afforded by governmental  
46 retirement systems. These persons must be provided benefits that  
47 are fair and adequate and that are managed, administered, and  
48 funded in an actuarially sound manner, as required by s. 14,  
49 Article X of the State Constitution and part VII of chapter 112,  
50 Florida Statutes. Therefore, the Legislature determines and  
51 declares that this act fulfills an important state interest.

52 Section 3. This act shall take effect July 1, 2021.