

By Senator Stewart

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1 A bill to be entitled
2 An act relating to cost-of-living adjustment of
3 retirement benefits; amending s. 121.101, F.S.;
4 specifying the minimum amount of the factor used to
5 calculate the cost-of-living adjustment of benefits
6 for certain retirees and beneficiaries of the Florida
7 Retirement System; providing a declaration of
8 important state interest; providing an effective date.
9

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

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12 Section 1. Subsection (4) of section 121.101, Florida
13 Statutes, is amended to read:

14 121.101 Cost-of-living adjustment of benefits.—

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

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

27 (b) For those retirees and annuitants who have received a
28 cost-of-living adjustment under this subsection, the adjusted
29 monthly benefit shall be the amount of the monthly benefit being

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30 received on June 30 immediately preceding the adjustment date
31 plus an amount determined by multiplying the benefit by the
32 factor calculated pursuant to paragraph (c).

33 (c) The department shall calculate a cost-of-living factor
34 for each retiree and beneficiary retiring on or after July 1,
35 2011. This factor shall equal the product of 3 percent
36 multiplied by the quotient of the sum of the member's service
37 credit earned for service before July 1, 2011, divided by the
38 sum of the member's total service credit earned. However, for a
39 retiree and beneficiary retiring on or after July 1, 2011, with
40 service credit earned before July 1, 2011, the factor calculated
41 pursuant to this paragraph may not be a product of less than 4.

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

53 Section 3. This act shall take effect July 1, 2023.