

By Senator Rodriguez

40-01763A-25

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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 revising the amount of the Florida Retirement System
5 annual cost-of-living adjustment; revising how the
6 cost-of-living adjustment of benefits for certain
7 retirees and beneficiaries is calculated; providing a
8 declaration of important state interest; providing an
9 effective date.

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

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13 Section 1. Present subsections (5) through (9) of section
14 121.101, Florida Statutes, are redesignated as subsections (6)
15 through (10), respectively, a new subsection (5) is added to
16 that section, and subsection (4) of that section is amended, to
17 read:

18 121.101 Cost-of-living adjustment of benefits.—

19 (4) Commencing for members whose effective retirement date
20 ~~is on or after~~ July 1, 2011, the benefit of each retiree and
21 annuitant whose retirement date is before July 1, 2025, shall be
22 adjusted annually on July 1 as follows:

23 (a) For those retirees and annuitants who have never
24 received a cost-of-living adjustment under this subsection, the
25 amount of the monthly benefit payable for the 12-month period
26 commencing on the adjustment date shall be the amount of the
27 member's initial benefit plus an amount equal to a percentage of
28 the member's initial benefit. This percentage is derived by
29 dividing the number of months the member has received an initial

40-01763A-25

20251126__

30 benefit by 12, and multiplying the result by the factor
31 calculated pursuant to paragraph (c).

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

38 (c) The department shall calculate a cost-of-living factor
39 for each retiree and beneficiary retiring on or after July 1,
40 2011. This factor shall equal the product of 3 percent
41 multiplied by the quotient of the sum of the member's service
42 credit earned for service before July 1, 2011, divided by the
43 sum of the member's total service credit earned. Effective July
44 1, 2025, this factor may not be below 2 percent.

45 (5) For members whose effective retirement date is on or
46 after July 1, 2025, the benefit of each retiree and annuitant
47 shall be adjusted annually on July 1 as follows:

48 (a) For those retirees and annuitants who have never
49 received a cost-of-living adjustment under this section, the
50 amount of the monthly benefit payable for the 12-month period
51 commencing on the adjustment date shall be the amount of the
52 member's initial benefit plus an amount equal to a percentage of
53 the member's initial benefit. This percentage is derived by
54 dividing the number of months the member has received an initial
55 benefit by 12, and multiplying the result by 2.

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

40-01763A-25

20251126__

59 received on June 30 immediately preceding the adjustment date
60 plus an amount equal to 2 percent of this benefit.

61 Section 2. The Legislature finds that a proper and
62 legitimate state purpose is served when employees and retirees
63 of the state and its political subdivisions, and the dependents,
64 survivors, and beneficiaries of such employees and retirees, are
65 extended the basic protections afforded by governmental
66 retirement systems that provide fair and adequate benefits and
67 that are managed, administered, and funded in an actuarially
68 sound manner as required by s. 14, Art. X of the State
69 Constitution and part VII of chapter 112, Florida Statutes.
70 Therefore, the Legislature determines and declares that this act
71 fulfills an important state interest.

72 Section 3. This act shall take effect July 1, 2025.