

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. Subsections (5) through (9) of section 121.101,**  
 14 **Florida Statutes, are renumbered as subsection (6) through (10),**  
 15 **respectively, subsection (4) is amended, and a new subsection**  
 16 **(5) is added to that section, to read:**

17           121.101 Cost-of-living adjustment of benefits.—

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

22           (a) For those retirees and annuitants who have never  
 23 received a cost-of-living adjustment under this subsection, the  
 24 amount of the monthly benefit payable for the 12-month period  
 25 commencing on the adjustment date shall be the amount of the

26 member's initial benefit plus an amount equal to a percentage of  
27 the member's initial benefit. This percentage is derived by  
28 dividing the number of months the member has received an initial  
29 benefit by 12, and multiplying the result by the factor  
30 calculated pursuant to paragraph (c).

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

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

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

47 (a) For those retirees and annuitants who have never  
48 received a cost-of-living adjustment under this section, the  
49 amount of the monthly benefit payable for the 12-month period  
50 commencing on the adjustment date shall be the amount of the

51 member's initial benefit plus an amount equal to a percentage of  
52 the member's initial benefit. This percentage is derived by  
53 dividing the number of months the member has received an initial  
54 benefit by 12, and multiplying the result by 2.

55 (b) For those retirees and annuitants who have received a  
56 cost-of-living adjustment under this subsection, the adjusted  
57 monthly benefit shall be the amount of the monthly benefit being  
58 received on June 30 immediately preceding the adjustment date  
59 plus an amount equal to 2 percent of this benefit.

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

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