1983

Session Law 83-294

Florida Senate & House of Representatives

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<td>Comp./Sim. Bills</td>
<td>HB. 547</td>
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<td>Senate 324</td>
<td>Senate Ref.</td>
<td>PK: B</td>
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<td>Cites</td>
<td>House 177</td>
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### COMMITTEE RECORDS

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### Senate/House Journals

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### Committee/Floor Tapes

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### Other Documentation

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**NOTES**
A bill to be entitled
An act relating to participation in group
insurance programs for retired public officers
and employees; amending § 110.123(4)(e),
Florida Statutes, authorizing the payment of
 premiums by the state for group insurance
coverage for retired state officers and
employees; providing that no state contribution
shall be made for certain surviving spouses and
dependents, amending § 112.0801, Florida
Statutes; requiring local governments which
provide certain types of group insurance
coverage to their officers and employees to
also provide such coverage to retired officers
and employees, providing an effective date.

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

Section 1. Paragraph (e) of subsection (4) of section
110.123, Florida Statutes, is amended to read:
110.123 State group insurance program —
(4) PAYMENT OF PREMIUMS, CONTRIBUTION BY STATE.--
(e) The state contribution for the cost of any part
of the premium shall be made for retirees or surviving spouses
for any type of coverage under the state group insurance
program shall be as provided by the Legislature through the
appropriations act. No state contribution shall be made for
surviving spouses electing to continue coverage under the
state group health insurance program or for coverage continued
on behalf of dependents of a retiree.
Section 2. Section 112.0801, Florida Statutes, is amended to read:

112.0801 Group insurance; participation by retired employees.—Any county, municipality, community college, or district school board which provides for its officers and employees and their dependents life, health, accident, hospitalization, or annuity insurance, or all of any kinds of such insurance, upon a group insurance plan or self-insurance plan shall be authorized to allow retired former personnel and their eligible dependents the option of continuing to participate in such group insurance plan or self-insurance plan. The cost of any such continued participation or any portion thereof for the retired employees only may be paid by the employer or by the retired employees. Any such coverage continued on behalf of the dependents of a retired employee shall be paid for entirely by the retiree. In addition, the county, municipality, community college, or district school board may commingle the claims experience of the retiree group with the claims experience of the active employees. Premiums resulting from the commingling, or any portion thereof, may be paid by the employer or retired employee. However, a municipality or county may pay all or a portion of the cost of any such continued participation if it so desires. The provisions of this section shall not be negotiable or bargainable under the provisions of part II of chapter 447.

Section 3. This act shall take effect October 1, 1983.

SENATE SUMMARY

Authorizes payment of premiums by the state for group insurance coverage for retired officers and employees. Prohibits state contributions for surviving spouses.
To Chairman, Committee on RETIREMENT, PERSONNEL & COLLECTIVE BARGAINING:

Subcommittee on RETIREMENT
Date of meeting May 4, 1983
Time 1:30 p.m.
Place 317 HOB

Bill No. HB 547

FINAL ACTION: ___ FAVORABLE
__ FAVORABLE WITH ___ AMENDMENTS
___ UNFAVORABLE

<table>
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<tr>
<th>Vote</th>
<th>Member</th>
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<tr>
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<td>Rep. Brown, T.</td>
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<td>Rep. Danson, T.</td>
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<td>Rep. Hanson, C.</td>
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<td>Rep. Jones, F.</td>
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<td>Rep. Peeples, V.</td>
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<td>Rep. Sample, D.</td>
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Total Yea 4
Total Nay 2

NOTE: Please indicate by an "X" any State employee appearing at the request of Subcommittee Chairman.

SUBCOMMITTEE APPEARANCE RECORD

The following persons (other than legislators) appeared before the subcommittee during consideration of this bill:

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(If additional persons, enter on reverse side and check here _)

Received by Parent Committee:

H-74(1976)
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<tr>
<td>Yes</td>
<td>REP. BROWN, C.</td>
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<td>REP. BROWN, T.</td>
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<td>REP. CROTTY</td>
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<td>REP. DANSON</td>
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<td>REP. JONES, F.</td>
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<td>REP. MARTIN</td>
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<td>REP. HAZOURI, CH.</td>
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**COMMITEE APPEARANCE RECORD**

The following persons (other than legislators) appeared before the committee during the consideration of this bill:

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**NOTE:** Please indicate by an "X" any State employee appearing at the request of Committee Chairman.

(If additional persons, enter on reverse side and check here.)

File 2 copies with Clerk

H-22(197)
BILL SUMMARY AND ANALYSIS

Summary:

Current law provides that state retirees (and their spouses) may continue to participate in the State Employees Group Insurance Program after retirement, provided that the retiree (or spouse) pays the entire amount of the premium. (Prior to retirement the state contributes 75 percent of the premium for individual coverage and 50 percent of family coverage under the group health insurance program; the state also pays 66-2/3 percent of the premium for life insurance for state employees.)

Current law authorizes local governments, community colleges and district school boards on a permissive basis, to allow their retirees and eligible dependents to continue participation in their group insurance program. The law further stipulates that the cost of such participation may be borne by the employer and/or the retiree.

Analysis

This bill provides that the Legislature may, via the Appropriations Act, provide a contribution toward the cost of the premiums for retirees who continue participation in the state group insurance program. The bill also provides that the state shall not make a contribution on behalf of surviving spouses or dependents who elect to continue coverage after the retired member is deceased.

Finally, the bill makes it mandatory, instead of permissive, that county, city, community college and district school board retirees be allowed to continue participation in their respective group insurance programs after retirement.

Technical Problems

None.
Actuarial Impact Statement

No actuarial fiscal impact.

L. J. Gibney
State Retirement Actuary

History:

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| Passed House            |     |    |         |
|                         |     |    |         |

| Passed Senate           |     |    |         |
|                         |     |    |         |

| Major Opposition        |     |    |         |
|                         |     |    |         |

| Major Support           |     |    |         |
|                         |     |    |         |

COMMITTEE ASSIGNMENTS:

(1) ____________________ (2) ____________________ (3) ____________________
Sub______________________ ____________________ ____________________
Reported__________________ ____________________ ____________________
Amendments________________ ____________________ ____________________

Doug Mann, Administrator
Research, Education & Policy
5-13-83

McMahan III, Director
Division of Retirement
5-13-83
FISCAL NOTE
Senate Bill 1029

There would be an indeterminable, but substantial, fiscal impact on state government if the Legislature decided to pay a portion of the group insurance coverage for state retirees. Currently there are 6,891 state retirees participating in the group health insurance program. There are approximately 20,000 total retired state employees. Present annual premiums for coverage under the state health insurance program are $637.92 ($53.16/month) for individual coverage and $1,482.24 ($123.52/month) for family coverage.

The portion of the bill affecting county, city, community college and district school board group insurance plans would have a fiscal impact, although it is presently indeterminable. If these entities paid all or a portion of the premium for their retirees, then the cost could be significant. On the other hand, if these entities required the retiree to pay for the total premium, then the cost would be insignificant to the employing entity.
I. SUMMARY:

A. Present Situation:

Current law provides that state retirees (and their spouses) may continue to participate in the State Employees Group Insurance Program after retirement provided that the retiree (or spouse) pays the entire amount of the premium. (Prior to retirement, the state contributes 75 percent of the premium for individual coverage and 50 percent of family coverage under the group health insurance program; the state also pays 66 2/3 percent of the premium for life insurance for state employees.)

Insofar as local government, community college and district school board retirees are concerned, current law authorizes such entities, on a permissive basis, to allow their retirees and eligible dependents to continue participation in their group insurance program. The law further stipulates that the cost of such participation may be borne by the employer and/or the retiree.

B. Effect of Proposed Changes:

The bill provides that the Legislature may, via the Appropriations Act, provide a contribution toward the cost of the premiums for retirees who continue participation in the state group insurance program. The bill also provides that the state shall not make a contribution on behalf of surviving spouses or dependents who elect to continue coverage after the retired member is deceased.

Finally, the bill makes it mandatory, instead of permissive, that county, city, community college and district school board retirees be allowed to continue participation in their respective group insurance programs after retirement.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public: None

B. Government:

There would be an indeterminable, but substantial, fiscal impact on state government if the Legislature decided to pay a portion of the group insurance coverage for state retirees. Currently there are 6,891 state retirees participating in the group health insurance program. The Division of Retirement indicates that there are approximately 20,000 retired state employees. Present annual premiums for coverage under the state health insurance program are $637.92 ($53.16/month) for individual coverage and $1,482.24 ($123.52/month) for family coverage.
The portion of the bill affecting county, city, community college and district school board group insurance plans would have a fiscal impact, although it is presently indeterminable. If these entities paid all or a portion of the premium for their retirees, then the cost could be significant. On the other hand, if these entities required the retiree to pay for the total premium, then the cost would be insignificant to the employing entity.

III. COMMENTS:

The bill would take effect on October 1, 1983.

IV. AMENDMENTS:

By Personnel, Retirement and Collective Bargaining:

#1 Removes Section 1 of the bill relating to the State making a contribution toward the cost of state retiree's participation in the State Employees Group Insurance Program.

#2 Title Amendment
C3-75: File with Secretary of Senate)

COMMITTEE ON Personnel, Retirement and Collective Bargaining

DATE May 10, 1983

TIME 9:00 a.m. - 12:00 noon

PLACE Rm. C, Senate Office Building

DATE Reported 5/11/83

FINAL ACTION.

Favorably with 2 amendments

Unfavorably

Temporarily Passed

Not Considered

Final Approved

(Attach additional page if necessary)

The key sponsor appeared (XX)
A Senator appeared ( )
Sponsor's aide appeared ( )
Other appearance ( )
The Committee on...PR&CB......recommended the following amendment which was moved by Senator..........and adopted:

Amendment

On page ....1....., lines ..19 - 30.., strike

All of said lines and renumber subsequent sections

and insert:

CODING. Words in struck through type are deletions from existing law, words underlined are additions.

* Amendment No. ___, taken up by committee: Adopted   *
* Offered by ____________________________   Failed   *

(Amendment No. ___  Adopted ___  Failed ___  Date ___/___/___)
SENATE COMMITTEE AMENDMENT

PROPOSED

The Committee on.......PRCB............recommended the following amendment which was moved by Senator.................and adopted:

Title Amendment

On page ....l...., lines ...4 - 10..., strike
beginning with word "amending" on line 4, strike all of said
lines down through the semicolon (;) after the word
"dependents" on line 10.

and insert:

CODING. Words in struck through type are deletions from existing law, words underlined are additions.

* Amendment No. ___, taken up by committee: Adopted / Failed *
* Offered by _______________________________ Failed *

(Amendment No. ___  Adopted ___  Failed ___  Date __/__/_)
A bill to be entitled
An act relating to public officers and
employees; amending s. 112.0801, Florida
Statutes, authorizing special taxing districts
to allow retired employees to continue to
participate in certain group or self-insurance
plans; providing an effective date.

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

Section 1. Section 112.0801, Florida Statutes, is
amended to read:

112.0801 Group insurance; participation by retired
employees.--Any county, municipality, special taxing district,
community college, or district school board which provides for
its officers and employees and their dependents life, health,
accident, hospitalization, or annuity insurance, or all of any
kinds of such insurance, upon a group insurance plan or self­
insurance plan is authorized to allow retired former personnel
and their eligible dependents the option of continuing to
participate in such group insurance plan or self­insurance
plan. The cost of any such continued participation or any
portion thereof for the retired employees only may be paid by
the employer or by the retired employees. Any such coverage
continued on behalf of the dependents of a retired employee
shall be paid for entirely by the retiree. In addition, the
county, municipality, special taxing district, community
college, or district school board may commingle the claims
experience of the retiree group with the claims experience of
the active employees. Premiums resulting from the
commingling, or any portion thereof, may be paid by the

CODING: Words in struck through type are deletions from existing law, words underlined are additions.
employer or retired employee. However, a municipality or county may pay all or a portion of the cost of any such continued participation if it so desires. The provisions of this section shall not be negotiable or bargainable under the provisions of part II of chapter 447.

Section 2. This act shall take effect October 1, 1983.
HOUSE SUMMARY

Includes special taxing districts within the group of governmental entities which may allow retired former employees to continue to participate in group insurance or self-insurance plans for their officers or employees. Requires the retired employee to pay all premiums for coverage of his dependents. Authorizes the special taxing district to pay all or part of the coverage of the retired employees and to commingle the claims experience of active and retired employees.
April 4, 1983

The Honorable Tom Hazouri, Chairman
Retirement, Personnel & Collective Bargaining Committee
306 House Office Building
Tallahassee, Florida 32301

Dear Tom:

Re: HB 547 - An act relating to public officers and employees

HB-547 amends s. 112.0801 to include special taxing districts with other entities to allow retired former personnel and eligible dependents to continue to participate in group insurance plans.

However, in the existing statute, I think we all agree that we have some redundant language. The language appears on page 2, lines 1, 2, and 3 of the copy of the bill attached: "However, a municipality or county may pay all or a portion of the cost of any such continued participation if it so desires."

Lines 22, 23, and 24 of page 1, I believe, say the same thing. Would you take committee action regarding this redundancy?

Sincerely,

Charles L. Nergard

CN:cp
Enclosure
BILL SUMMARY AND ANALYSIS

Summary:

Every local governmental unit, including a special taxing district, is authorized to provide and pay for all or part of the premium for life, health, accident, hospitalization, or annuity insurance, or all or any kinds of such insurance, for the officers and employees of the unit and for health, accident, and hospitalization insurance for their dependents upon a group insurance plan or self-insurance plan. In addition, each local governmental unit is authorized to commingle, in a common fund, plan, or program, all payments for all kinds of insurance whether paid by the governmental unit, officer or employee, or otherwise.

Any county, municipality, community college, or district school board which provides for its officers and employees and their dependents previously enumerated insurance plans is authorized to allow retired former personnel and their eligible dependents the option of continuing to participate in the group insurance plan or self-insurance plan. The cost of participation by the retired employee, or any portion thereof, may be paid by the employer or the retired employee. Any coverage continued on behalf of the dependents of the retiree must be borne solely by the retiree. The statute also authorizes the commingling of the claims experience of the retiree group with that of the active group. Premiums resulting from the commingling, or any portion thereof, may be paid by the employer or retired employee.

Analysis

This bill would include special taxing districts within the provision of the statute allowing retired employees to continue to participate in group insurance or self-insurance plans provided for current officers and employees. The special taxing districts and the retired employees would be subject to the cost of participation and commingling of experience provisions as currently provided in the statutes.

Technical Problems

None.
Actuarial Impact Statement

None.

L. J. Gibney
State Retirement Actuary

History:

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Filed in Previous Years
Passed House
Passed Senate
Major Opposition
Major Support

COMMITTEE ASSIGNMENTS:

(1) ____________________ (2) ____________________ (3) ____________________
Sub ____________________ ________________ ________________
Reported ____________________ ________________ ________________
Amendments ____________________ ________________ ________________

Doug Mann, Administrator
Research, Education & Policy
Date 5-14-83

A. J. McMullan III, Director
Division of Retirement
Date 5-19-83
FISCAL IMPACT

House Bill 547

The cost to the special taxing districts would be determined by those districts exercising the option to participate in the program; the portion of funding which the district would choose to assume, and the number of retired employees that would enroll in the program. Exact figures are not ascertainable due to these variables.

The retired employees of a special taxing district may realize savings based on the degree of participation their employer takes in funding the insurance plan.
employer or retired employee. However, a municipality or county may pay all or a portion of the cost of any such continued participation if it so desires. The provisions of this section shall not be negotiable or bargainable under the provisions of part II of chapter 447.

Section 2. This act shall take effect October 1, 1983.

********************

HOUSE SUMMARY

Includes special taxing districts within the group of governmental entities which may allow retired former employees to continue to participate in group insurance or self-insurance plans for their officers or employees. Requires the retired employee to pay all premiums for coverage of his dependents. Authorizes the special taxing district to pay all or part of the coverage of the retired employees and to commingle the claims experience of active and retired employees.

CODING Words in struck through type are deletions from existing law. Words underlined are additions.
A bill to be entitled

An act relating to public officers and employees; amending s. 112.0801, Florida Statutes, authorizing special taxing districts to allow retired employees to continue to participate in certain group or self-insurance plans; providing an effective date

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

Section 1. Section 112.0801, Florida Statutes, is amended to read:

112.0801 Group insurance; participation by retired employees.—Any county, municipality, special taxing district, community college, or district school board which provides for its officers and employees and their dependents life, health, accident, hospitalization, or annuity insurance, or all of any kinds of such insurance, upon a group insurance plan or self-insurance plan is authorized to allow retired former personnel and their eligible dependents the option of continuing to participate in such group insurance plan or self-insurance plan. The cost of any such continued participation or any portion thereof for the retired employees only may be paid by the employer or by the retired employees. Any such coverage continued on behalf of the dependents of a retired employee shall be paid for entirely by the retiree. In addition, the county, municipality, special taxing district, community college, or district school board may commingle the claims experience of the retiree group with the claims experience of the active employees. Premiums resulting from the commingling, or any portion thereof, may be paid by the...