

1989

Session Law 89-119

Florida Senate & House of Representatives

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S 687 GENERAL BILL/1ST ENG by Kirkpatrick and others (Similar CS/H 763, S 731, Compare CS/1ST ENG/H 374, S 692)

Organized Militia/National Guard; reduces age that person must attain in order to be retired from Organized Militia of Florida & receive retirement pay; authorizes Army Board to acquire, renovate, or construct facilities to be used as Fla. National Guard Armories & authorizes board to enter certain types of contracts to finance such acquisition, renovation, or construction. Amends 250.22, 42. Effective Date: 06/26/89.

03/28/89 SENATE Prefiled
04/07/89 SENATE Introduced, referred to Personnel, Retirement and Collective Bargaining; Governmental Operations; Appropriations -SJ 103
04/10/89 SENATE On Committee agenda—Personnel, Retirement and Collective Bargaining, 04/12/89, 3:45 pm, Room-H-(428)
04/12/89 SENATE Comm. Report: Favorable by Personnel, Retirement and Collective Bargaining -SJ 124
04/13/89 SENATE Now in Governmental Operations -SJ 124
04/19/89 SENATE On Committee agenda—Governmental Operations, 04/26/89, 8:30 am, Room-H-(428)
04/26/89 SENATE Comm. Report: Favorable by Governmental Operations -SJ 210
04/27/89 SENATE Now in Appropriations -SJ 210
05/03/89 SENATE Extension of time granted Committee Appropriations
05/16/89 SENATE On Committee agenda—Appropriations, 05/18/89, 12:00 noon, Room-A-(LL-37)
05/18/89 SENATE Comm. Report: Favorable by Appropriations, placed on Calendar -SJ 402
05/31/89 SENATE Placed on Special Order Calendar -SJ 618
06/01/89 SENATE Placed on Special Order Calendar -SJ 686; Passed as amended; YEAS 37 NAYS 0 -SJ 730
06/01/89 HOUSE In Messages; Received, placed on Calendar; Read second time; Read third time; Passed; YEAS 105 NAYS 0 -HJ 1065
06/01/89 Ordered enrolled -SJ 691
06/12/89 Signed by Officers and presented to Governor
06/26/89 Approved by Governor; Chapter No. 89-119.

NOTES: Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

8d-11d

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. Jones _____	Jones _____	1. PRCB _____	Favorable _____
2. Hosack _____	Stengle _____	2. GO _____	Favorable _____
3. Seay _____	Smith _____	3. AP _____	Favorable _____
4. _____	_____	4. _____	_____

SUBJECT:

Military Personnel;
Retirement Age

BILL NO. AND SPONSOR:

SB 687 by
Senator Kirkpatrick

I. SUMMARY:

A. Present Situation:

Chapter 250, F.S., sets forth the Military Code for the State of Florida, and establishes the Florida Department of Military Affairs, which is comprised of the military forces of the state. The Organized Militia of the state are the Florida National Guard and other organized military forces as provided by law, and the Governor is the Commander-in-Chief.

The National Guard is governed by the concurrent laws of the federal and state governments. Currently, there are approximately 14,000 Florida National Guardsmen who are paid by the federal government in accordance with the federal military pay scale. Such National Guardsmen may be eligible to receive both federal and state retirement benefits.

Section 250.22, F.S., 1988 Supp., provides that members of the Organized Militia of Florida may retire with full retirement benefits after 30 years of service as an officer or enlisted man, provided they have attained age 64. As provided by law, such benefits are equal to one-half of the base pay for someone in full-time active duty at that rank or rating, reduced by any pay which he is eligible to receive from the federal government. Alternatively, such officers and enlisted men who are between the ages of 60 and 63, inclusive, may elect to take early retirement and receive a reduced retirement benefit. Such benefits are paid by the state from the General Revenue Fund.

The federal retirement benefit is paid to National Guardsmen who have served for 20 years. Such guardsmen are required by federal law to retire from the National Guard at age 60, at which time they begin drawing federal benefits. Since the Guardsmen are not eligible for the Florida benefit until they reach age 64, most retiring Guardsmen opt to take a reduced benefit.

According to the Department of Military Affairs, only a small percentage of Florida National Guardsmen are able to complete the 30 years of service eligibility requirement because of military restrictions on promotion and advancement. Consequently, about 164 retired guardsmen are currently receiving the Florida supplemental retirement benefit and, since 1984, this number has increased by about 12 new retirees a year. The Florida supplemental retirement benefit averages about \$455 per month, and the total paid out for FY 1987-88 was approximately \$760,000.

B. Effect of Proposed Changes:

The Military Code of Florida would be amended to provide that the normal retirement age for officers and enlisted men of the

Florida National Guard would be reduced from age 64 to 62. Such officers and enlisted men would continue to be required to have accrued 30 years of service, however.

Further, such individuals could elect early retirement between ages 60 and 62, as opposed to the current provision of ages 60 to 63.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

None.

B. Government:

At the present time, approximately 164 Florida National Guardsmen are receiving retirement benefits at an average of \$455 per month from the General Revenue Fund.

The State Retirement Actuary has estimated that the bill will result in the following minimal increases in General Revenue Appropriations:

<u>1990</u>	<u>1991</u>	<u>1992</u>
\$12,000	\$24,000	\$36,000

(These increased costs reflect the decreased usage of early retirement reduction factors pursuant to the bill's provisions.)

III. COMMENTS:

Changing the normal retirement age for Florida National Guardsmen from 64 to 62 would make their normal retirement age consistent with the normal retirement age of 62 under the Florida Retirement System.

Other states provide benefits of some type (such as free license plates, insurance, etc.) to members of their state militia, but Florida is one of only three or four states which provide a retirement supplement to their guard members. No other state's benefits equal the Florida benefit, however.

IV. AMENDMENTS:

None.

AS PASSED BY THE 1989 LEGISLATURE

STORAGE NAME: h0763s-f.emr

DATE: June 8, 1989

HOUSE OF REPRESENTATIVES
COMMITTEE ON EMPLOYEE & MANAGEMENT RELATIONS
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: CS/HB 763 (passed as section 1 of SB 687)

RELATING TO: Florida National Guard Retirement Age

SPONSOR(S): Committee on Employee & Management Relations and
Representative Locke

EFFECTIVE DATE: Upon Becoming a Law

DATE BECAME LAW: June 26, 1989

CHAPTER #: 89-119, Laws of Florida

COMPANION BILL(S): SB 731 (Similar) & SB 687 (Identical)

OTHER COMMITTEES OF REFERENCE: (1) Appropriations

(2)

I. SUMMARY:

CS/HB 763 will allow officers and enlisted men, after 30 years of service in the Florida National Guard, to receive a full pension from the State of Florida at age 62 instead of age 64.

A. PRESENT SITUATION:

Under s. 250.22, F.S., of the Military Code, persons who have reached 64 years of age and have completed 30 years of service in the Organized Militia of Florida (Florida National Guard) may retire with the rank or rating then held and receive a retirement benefit equal to one-half of the base pay for someone in full-time active duty at that rank or rating, reduced by any retirement pay which he is eligible to receive from the Federal Government. Anyone who is at least 60 years of age may elect to retire at that time and take a reduced benefit. This benefit, hereinafter referred to as the "Florida supplement," is paid each year out of General Revenue.

National Guardsmen are required by federal law to retire from the National Guard at age 60, at which time they begin drawing federal benefits. However, since they are not eligible for the full Florida supplement until they reach age 64, most retiring Guardsmen opt to take a reduced benefit instead.

At the time the Florida supplement was established in the early 1940's, the retirement age for other retirees was age 65. Normal retirement age for the Florida Retirement System is now age 62.

B. EFFECT OF PROPOSED CHANGES:

CS/HB 763 changes the normal retirement age for officers and enlisted men of the Florida National Guard from age 64 to age 62. The bill also provides that such individuals may elect early retirement between ages 60 and 62, as opposed to the current option between ages 60 and 64.

C. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 250.22(1) and (2), F.S., to reduce the age at which members of the Florida National Guard may draw full benefits from age 64 to age 62.

Section 2. Provides that the act shall take effect upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT: FY 89-90 FY 90-91

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

State Retirement System		
General Revenue	\$ 12,000	\$ 24,000

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

State Retirement System		
General Revenue	12,000	24,000

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None

2. Direct Private Sector Benefits:

None

3. Effects on Competition, Private Enterprise, and Employment Markets:

None

D. FISCAL COMMENTS:

The State Retirement Actuary estimates that reduction of the retirement age will have impact of \$36,000 on the State Retirement System in 1992.

III. LONG RANGE CONSEQUENCES:

None

IV. COMMENTS:

To draw a benefit under s. 250.22, F.S., a person must have entered the Florida National Guard no later than age 30 and remained in the Guard for at least 30 years, each of which must have been a "qualifying year" (or a year in which the required amount of points were earned for participation in various Guard activities).

In the National Guard, "reservists" (those who put in one weekend a month plus 2 weeks in summer) and full-time Guardsmen (those who make a career out of Guard service) retire with the same benefit. A full-time member of the Guard gets, in effect, two checks -- one amount for his normal 8-5 weekday service and one amount for his weekend/summer service -- adding up, with the Florida supplement, to a benefit equivalent to 100% of active pay. (This is also true for any other state employee who is also a member of the Guard.)

Benefits are calculated upon base pay for final rank at retirement. The federal benefit is usually from 18% to 25% of base pay, depending on "points earned" and other factors. The Florida supplement is **whatever is required** to bring the total benefit (federal + state) up to a level equal to **half of the base pay**. (As the federal benefit goes up through cost-of-living increases, the Florida supplement is

reduced; but when the **base pay** increases for the rank in active service, through pay or classification adjustments, Florida's share increases. DOA manually refigures the supplement two or three times a year.

Based on current pay tables, in the Florida National Guard, pay at retirement ranges from a low of \$1,342 per month to a high of \$5,545 per month. The federal+state benefit equals half of that amount (ranging from \$671/mo. to \$2,772/mo.) The average Florida supplement is \$455/mo. This benefit is in addition to any other retirement or Social Security benefit the National Guard retiree might be entitled to receive.

How does this compare to the Army Reserve and other reserve services? The federal benefit is calculated in the same manner for all reserve services and for the national guard/state militia. Since other reservists are not considered state employees, there is no state supplement provided to them. A non-Guard reservist can transfer into the Florida Guard and receive credit for his reserve service toward his federal retirement benefits ONLY. In both the Guard and the other reserve services, it takes 20 years of service to qualify for a federal retirement benefit (compared to 30 years of service to qualify for the Florida supplement).

Other states do provide benefits of some type (such as free license plates, insurance, etc.) to members of their state militia, but Florida is one of only three or four states providing a retirement supplement to its Guard members. No other state's benefits are as generous as ours.

V. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

Sharon K Lowe

Sharon K. Lowe

Staff Director:

Ron Poppell

Ron Poppell

SECOND COMMITTEE OF REFERENCE:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Mark A. Maxwell

Staff Director:

Dr. James A. Zingale