



**FLORIDA
DEPARTMENT
OF
MANAGEMENT
SERVICES**

JEB BUSH
Governor

CYNTHIA A. HENDERSON
Secretary



Division of State Group
Insurance
Post Office Box 5450
Tallahassee, Florida
32314-5450

Telephone:
850-921-4600

Fax:
850-921-4575

Internet:
www.MyFlorida.com

MANAGEMENT ADVISORY #02-008

TO: Agency Personnel Officers and Insurance Coordinators

FROM: Tom Lockridge

SUBJECT: Retirees under the Public Employees' Optional Retirement Program

DATE: September 19, 2002

As a result of the implementation of the Public Employees' Optional Retirement Program (PEORP), there have been changes in the statutory provisions that define the eligibility of State retirees to participate in the State Group Insurance Program. Employees who choose this new retirement option will not receive the traditional benefit from the Division of Retirement when they terminate employment. They will not receive a monthly retirement payment, and so they will not meet the traditional eligibility requirement that they must begin receiving retirement benefits immediately after separation from State employment.

To allow for the participation of former employees enrolled in the PEORP retirement option, Section 110.123(2)(g), Florida Statutes, has been modified. That section now reads:

"Retired state officer or employee" or "retiree" means any state or state university officer or employee who retires under a state retirement system or a state optional annuity or retirement program or is placed on disability retirement, and who was insured under the state group insurance program at the time of retirement, and who begins receiving retirement benefits immediately after retirement from state or state university office or employment. In addition to these requirements, any state officer or state employee who retires under the Public Employee Optional Retirement Program established under part II of chapter 121 shall be considered a "retired state officer or employee" or "retiree" as used in this section if he or she:

- 1. Meets the age and service requirements to qualify for normal retirement as set forth in s.121.021(29); or*
- 2. Has attained the age specified by s. 72(t)(2)(A)(i) of the Internal Revenue Code and has 6 years of creditable service.*

Employees (other than those in the Special Risk Class) attain "normal retirement age" at age 62 or upon completion of 30 years of creditable service. The age specified in the section of the Internal Revenue Code is 59 and a half.

Management Advisory #02-008

September 19, 2002

Page 2

According to these statutory provisions, employees who are enrolled in the PEORP at the time they terminate State employment will have the same eligibility for the State Group Insurance Program as traditional retirees if:

- (1) they have attained age 62; or
- (2) they have completed 30 years of creditable service; or
- (3) they have completed six years of creditable service **and** have reached the age of 59 and a half years at the time they terminate employment.

Pursuant to the provisions of the current Section 110.123(2)(g), Florida Statutes, both retirees who are enrolled in the PEORP and “traditional” retirees, i.e. employees who begin to receive retirement benefits immediately after retirement, are eligible to:

- (1) continue their life insurance coverage (i.e. change their coverage from Active Employee coverage to Retiree coverage);
- (2) continue their health insurance coverage (i.e. change their coverage from Active Employee coverage to Retiree coverage); or
- (3) enroll in health insurance within 31 days prior to termination of employment and before the effective date of retirement.

Please contact Verla Lawson, the DSGI Agency Services Liaison, at (850) 921-4545 (Suncom 291-4545) or by email at bennynet@dms.state.fl.us if you have questions.