

FREA Legislative Committee Meeting Announcement 3/17/2010

The FREA Legislative Committee met in Tallahassee Monday and Tuesday for our annual legislative activity. After being reassured that our retirement system is sound one of the most secure in the country, we move our effort toward legislative activity. With our eyes watching bills that have been introduced, we felt that we had a few concerns to speak to our legislators about. However, as we talked to legislative staff members, we began to see an entirely new set of activities that are going on "quietly" with apparent momentum that haven't been made public or introduced as legislative bills so that everyone would be aware of them. Here are just a few of the most important ones that affect retirees and members of the Florida Retirement System who plan to retire someday. I list them in order of financial impact to retirees.

1. This session of the Legislature may very well drop the 1.1 percent required contribution from employers to the Florida Retirement System (FRS) Health Insurance Subsidy (HIS) Trust Fund. If they do, the Trust Fund will be depleted sometime near the end of 2010 (perhaps December). If this occurs, the HIS will not be included as part of your January benefit check. Your Health Insurance will cost you up to \$150 more per month.
2. This session of the Legislature may very well end the annual 3 percent Cost Of Living Adjustment (COLA) to our retirement benefit, and in its place would be a COLA based on the Consumer Price Index (CPI) similar to Social Security - which sometimes means nothing more is added to our retirement benefit in our July statement.
3. There is a good possibility that Senator Fasano will be able to finally get his required investment retirement plan legislation passed. While the legislation WILL NOT affect retirees or currently employed members of the FRS, it would mean that persons hired after June 30, 2010, would not be able to get into the FRS pension or defined benefits retirement plans. This basically removes retirement security as an option for the new hire.
4. This is listed as 4th because we heard from legislators that the bills are not liked; there is legislation (HB- 1025 and SB - 1710) that would allow group insurance plan providers to separate premium calculation of premiums for employed persons and retired persons. This clearly would be to save employers money as they could get lower premiums for employees, and retirees would have to foot the bills for higher premiums as they generally have a higher number of health issues.

There are other important issues related to the FRS; especially the one about requiring employees to contribute to their retirement plan, but the first three are of critical importance to all FRS retirees in the state. The time for action is immediate!! If we wait until the bills are written and introduced into the legislative process, the steamroller may be going too fast to stop it. Not only should we contact every legislator who represents the district we live in, we should also spread the word to every FRS Retiree we know in any way, and tell currently employed FRS members they are also under attack as they would eventually be affected in the same way we will be. Please sound the alarm and get busy contacting your legislators. Post cards, emails and telephone calls telling to please stop these three legislative initiatives.

Larry Carmichael, Chairman