



### **POLICY 3.79**

**4-E** I recommend the Board adopt the proposed new Policy 3.79, to be entitled "Definition of 'Retiree' for Purposes of the Health Plan."

[Contact: Dianne Howard, 434-8414]

#### **Development**

#### **CONSENT ITEM**

- The Board approved this proposed new Policy as a first reading on August 2, 2004, and the Adoption Notice was duly advertised on August 16.
- For purposes of continuation in the health insurance plan, this proposed Policy clarifies which persons will qualify as "retirees" under the FRS Pension Plan and the FRS Investment Plan (Public Employee Optional Retirement Program).
- Local government entities may determine which employees in the FRS Investment Plan are to be deemed "retired" and given the option of continuing in the District's health insurance plan under Fla. Stat. § 112.0801.

## POLICY 3.79

**DEFINITION OF "RETIREE" FOR PURPOSES OF THE HEALTH PLAN**

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5 **1. Purpose.--** For purposes of a retiree's option of continuing in the District's health  
6 insurance program under Fla. Stat. § 112.0801, this Policy is adopted to clarify the  
7 terms "retirement," "retiree," or "retired employee" under the FRS Pension Plan and  
8 the FRS Investment Plan.  
9
- 10 **2. General Definitions.--** The following terms are defined as follows:  
11
- 12 a. "FRS Pension Plan" means the defined-benefit retirement plan administered  
13 under Part I of Florida Statutes Chapter 121.  
14
- 15 b. "FRS Investment Plan" means the Public Employee Optional Retirement  
16 Program, a defined contribution plan created under Part II of Florida Statutes  
17 Chapter 121, which began enrolling members in July 2002.  
18
- 19 **3. Definition of "Retiree" under the FRS Pension Plan.--** For purposes of continuing  
20 in the District's health insurance program, the term "retiree" or "retired employee"  
21 under the FRS Pension Plan means, similar to Fla. Stat. § 110.123(2)(g), a person  
22 who meets all of the following criteria:  
23
- 24 a. has retired and terminated employment under the FRS Pension Plan or is  
25 placed on FRS disability retirement with a minimum of one (1) full year of  
26 creditable service, as defined by FRS, in Palm Beach County School District  
27 immediately preceding retirement;  
28
- 29 b. was insured under the District's group health insurance program at the time of  
30 retirement; and  
31
- 32 c. begins receiving FRS retirement benefits immediately after termination of  
33 employment.  
34
- 35 **4. Definition of "Retiree" under the FRS Investment Plan --** For purposes of  
36 continuing in the District's health insurance program, the term "retiree" or "retired  
37 employee" under the FRS Investment Plan means, similar to Fla. Stat. §§  
38 121.4501(2)(j) and 110.123(2)(g), a person who meets all of the following criteria:  
39
- 40 a. has retired and terminated employment or been placed on disability retirement  
41 under the FRS Investment Plan;  
42
- 43 b. was insured under the District's group health insurance program at the time of  
44 retirement;

45  
46 c. begins receiving retirement benefits immediately after termination of  
47 employment (i.e., has taken a distribution (either lump sum, direct rollover, or  
48 periodic amount as provided in Fla Stat. § 121.591(1)(c), except for a  
49 mandatory distribution of a de minimis account authorized by the State Board  
50 of Administration): and

51  
52 d. meets one of the following age and service requirements, as applicable:  
53

54 i. Regular and Senior-Management Class Employees and Elected Class  
55 Members: having six (6) years of creditable Palm Beach County School  
56 District service within the immediate past ten (10) years and either:  
57

58 A. reaching age sixty-two (62); or

59 B. completion of 30 years of creditable service, regardless of age,  
60 which may include a maximum of 4 years of military service credit as  
61 long as such credit is not claimed under any other system.  
62

63 ii. Special Risk Employees (as defined by FRS): having six (6) years of  
64 creditable Palm Beach County School District service within the  
65 immediate past ten (10) years, and either  
66

67 A. reaching age fifty-five (55); or

68 B. completing 25 years of creditable service in the Special Risk Class,  
69 regardless of age; or

70 C. completing 25 years of creditable service and attaining age 52, which  
71 service may include a maximum of 4 years of military service credit  
72 as long as such credit is not claimed under any other system and the  
73 remaining years are in the Special Risk Class).  
74

75 iii. Special Situation under IRS Code and Fla. Stat. § 110.121(2)(g)2 when  
76 applicable: the age specified by section 72(t)(2)(A)(i) of the Internal  
77 Revenue Code (age 59½) with six (6) years of creditable Palm Beach  
78 County School District service within the immediate past ten (10) years.  
79

80 STATUTORY AUTHORITY: §§ 1001.41(2); 1001.43(2), (11), Fla. Stat.

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82 LAWS IMPLEMENTED: §§ 110.123(2)(g); 112.0801; 121.021(29); 121.4501(2)(j),  
83 Fla. Stat.

84 HISTORY: \_\_\_ / \_\_\_ /04

Legal Signoff:

The Legal Department has reviewed proposed Policy 3.79 and finds it legally sufficient for development.

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Attorney

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Date