

By Senators Ring and Bradley

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A bill to be entitled

An act relating to local government pension reform; amending s. 175.021, F.S.; revising the legislative declaration to require that all firefighter pension plans meet the requirements of ch. 175, F.S., in order to receive insurance premium tax revenues; amending s. 175.032, F.S.; revising definitions to conform to changes made by the act and providing new definitions; amending s. 175.071, F.S.; conforming a cross-reference; amending s. 175.091, F.S.; revising existing payment provisions and providing for an additional mandatory payment by the municipality or special fire control district to the firefighters' pension trust fund; amending s. 175.162, F.S.; deleting a provision basing the availability of additional benefits upon state funding; amending s. 175.351, F.S., relating to municipalities and special fire control districts that have their own pension plans and want to participate in the distribution of a tax fund; revising criteria governing the use of income from the premium tax; authorizing a pension plan to reduce excess benefits if the plan continues to meet its required benefits and certain minimum standards; requiring plan sponsors to have a defined contribution plan in place by a certain date; authorizing a municipality to implement certain changes to a local law plan which are contrary to ch. 175, F.S., for a limited time; amending s. 185.01, F.S.; revising the legislative declaration to require

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30 that all police officer pension plans meet the
31 requirements of ch. 185, F.S., in order to receive
32 insurance premium tax revenues; amending s. 185.02,
33 F.S.; revising definitions to conform to changes made
34 by the act and adding new definitions; deleting a
35 provision allowing a local law plan to limit the
36 amount of overtime payments which can be used for
37 retirement benefit calculations; amending s. 185.06,
38 F.S.; conforming a cross-reference; amending s.
39 185.07, F.S.; revising existing payment provisions and
40 providing for an additional mandatory payment by the
41 municipality to the police officers' retirement trust
42 fund; amending s. 185.16, F.S.; deleting a provision
43 basing the availability of additional benefits upon
44 state funding; amending s. 185.35, F.S., relating to
45 municipalities that have their own pension plans for
46 police officers and want to participate in the
47 distribution of a tax fund; conforming a cross-
48 reference; revising criteria governing the use of
49 income from the premium tax; authorizing a plan to
50 reduce excess benefits if the plan continues to meet
51 its required benefits and certain minimum standards;
52 requiring plan sponsors to have a defined contribution
53 plan in place by a certain date; authorizing a
54 municipality to implement certain changes to a local
55 law plan which are contrary to ch. 185, F.S., for a
56 limited time; providing a declaration of important
57 state interest; providing an effective date.
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Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (2) of section 175.021, Florida Statutes, is amended to read:

175.021 Legislative declaration.—

(2) This chapter hereby establishes, for all municipal and special district pension plans existing ~~now or hereafter~~ under this chapter, including chapter plans and local law plans, required minimum benefits and minimum standards for the operation and funding of such plans, hereinafter referred to as firefighters' pension trust funds, which must be met as a condition precedent to the plan or plan sponsor receiving a distribution of insurance premium tax revenues under s. 175.121. The required minimum benefits and minimum standards for each plan as set forth in this chapter may not be diminished by local charter, ordinance, or resolution or by special act of the Legislature and may not, ~~nor may the minimum benefits or minimum standards~~ be reduced or offset by any other local, state, or federal law that includes ~~may include~~ firefighters in its operation, except as provided under s. 112.65.

Section 2. Section 175.032, Florida Statutes, is amended to read:

175.032 Definitions.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, the term ~~following words and phrases have the following meanings:~~

(1) "Additional premium tax revenues" means revenues received by a municipality or special fire control district

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88 pursuant to s. 175.121 which exceed base premium tax revenues.

89 ~~(2)(1)(a)~~ "Average final compensation" for:

90 (a) A full-time firefighter means one-twelfth of the
91 average annual compensation of the 5 best years of the last 10
92 years of creditable service before ~~prior to~~ retirement,
93 termination, or death, or the career average as a full-time
94 firefighter since July 1, 1953, whichever is greater. A year is
95 ~~shall be~~ 12 consecutive months or such other consecutive period
96 of time as is used and consistently applied.

97 ~~(b) "Average final compensation" for~~ A volunteer
98 firefighter means the average salary of the 5 best years of the
99 last 10 best contributing years before ~~prior to~~ change in status
100 to a permanent full-time firefighter or retirement as a
101 volunteer firefighter or the career average of a volunteer
102 firefighter, since July 1, 1953, whichever is greater.

103 (3) "Base benefits" means the level of benefits in
104 existence for firefighters on March 12, 1999.

105 (4) "Base premium tax revenues" means the revenues received
106 by a municipality or special fire control district pursuant to
107 s. 175.121 for calendar year 1997.

108 ~~(5)(2)~~ "Chapter plan" means a separate defined benefit
109 pension plan for firefighters which incorporates by reference
110 the provisions of this chapter and has been adopted by the
111 governing body of a municipality or special district. Except as
112 ~~may be~~ specifically authorized in this chapter, the provisions
113 of a chapter plan may not differ from the plan provisions set
114 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial
115 valuations of chapter plans shall be conducted by the division
116 as provided by s. 175.261(1).

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117 (6)~~(3)~~ "Compensation" or "salary" means, for
118 noncollectively bargained service earned before July 1, 2011, or
119 for service earned under collective bargaining agreements in
120 place before July 1, 2011, the fixed monthly remuneration paid a
121 firefighter. If remuneration is based on actual services
122 rendered, as in the case of a volunteer firefighter, the term
123 means the total cash remuneration received yearly for such
124 services, prorated on a monthly basis. For noncollectively
125 bargained service earned on or after July 1, 2011, or for
126 service earned under collective bargaining agreements entered
127 into on or after July 1, 2011, the term has the same meaning
128 except that when calculating retirement benefits, up to 300
129 hours per year in overtime compensation may be included as
130 specified in the plan or collective bargaining agreement, but
131 payments for accrued unused sick or annual leave may not be
132 included.

133 (a) Any retirement trust fund or plan that meets the
134 requirements of this chapter does not, solely by virtue of this
135 subsection, reduce or diminish the monthly retirement income
136 otherwise payable to each firefighter covered by the retirement
137 trust fund or plan.

138 (b) The member's compensation or salary contributed as
139 employee-elective salary reductions or deferrals to any salary
140 reduction, deferred compensation, or tax-sheltered annuity
141 program authorized under the Internal Revenue Code shall be
142 deemed to be the compensation or salary the member would receive
143 if he or she were not participating in such program and ~~shall be~~
144 treated as compensation for retirement purposes under this
145 chapter.

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146 (c) For any person who first becomes a member in any plan
147 year beginning on or after January 1, 1996, compensation for
148 that plan year may not include any amounts in excess of the
149 Internal Revenue Code s. 401(a)(17) limitation, as amended by
150 the Omnibus Budget Reconciliation Act of 1993, which limitation
151 of \$150,000 shall be adjusted as required by federal law for
152 qualified government plans and ~~shall be~~ further adjusted for
153 changes in the cost of living in the manner provided by Internal
154 Revenue Code s. 401(a)(17)(B). For any person who first became a
155 member before the first plan year beginning on or after January
156 1, 1996, the limitation on compensation may not be less than the
157 maximum compensation amount that was allowed to be taken into
158 account under the plan in effect on July 1, 1993, which
159 limitation shall be adjusted for changes in the cost of living
160 since 1989 in the manner provided by Internal Revenue Code s.
161 401(a)(17)(1991).

162 (7)(4) "Creditable service" or "credited service" means the
163 aggregate number of years of service~~7~~ and fractional parts of
164 years of service~~7~~ of any firefighter, omitting intervening years
165 and fractional parts of years when such firefighter may not have
166 been employed by the municipality or special fire control
167 district, subject to the following conditions:

168 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
169 or fractional parts of years of service if he or she has
170 withdrawn his or her contributions to the fund for those years
171 or fractional parts of years of service, unless the firefighter
172 repays into the fund the amount he or she has withdrawn, plus
173 interest determined by the board. The member shall have at least
174 90 days after his or her reemployment to make repayment.

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175 (b) A firefighter may voluntarily leave his or her
176 contributions in the fund for ~~a period of~~ 5 years after leaving
177 the employ of the fire department, pending the possibility of
178 being rehired by the same department, without losing credit for
179 the time he or she has participated actively as a firefighter.
180 If the firefighter is not reemployed as a firefighter, with the
181 same department, within 5 years, his or her contributions shall
182 be returned without interest.

183 (c) Credited service under this chapter shall be provided
184 only for service as a firefighter, ~~as defined in subsection (8),~~
185 or for military service and does not include credit for any
186 other type of service. A municipality ~~may~~, by local ordinance,
187 or a special fire control district ~~may~~, by resolution, may
188 provide for the purchase of credit for military service prior to
189 employment as well as for prior service as a firefighter for
190 some other employer as long as a firefighter is not entitled to
191 receive a benefit for such prior service ~~as a firefighter~~. For
192 purposes of determining credit for prior service as a
193 firefighter, in addition to service as a firefighter in this
194 state, credit may be given for federal, other state, or county
195 service if the prior service is recognized by the Division of
196 State Fire Marshal as provided in ~~under~~ chapter 633, or the
197 firefighter provides proof to the board of trustees that his or
198 her service is equivalent to the service required to meet the
199 definition of a firefighter under subsection (12) ~~(8)~~.

200 (d) In determining the creditable service of any
201 firefighter, credit for up to 5 years of the time spent in the
202 military service of the Armed Forces of the United States shall
203 be added to the years of actual service if:

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204 1. The firefighter is in the active employ of an employer
205 immediately prior to such service and leaves a position, other
206 than a temporary position, for the purpose of voluntary or
207 involuntary service in the Armed Forces of the United States.

208 2. The firefighter is entitled to reemployment under the
209 provisions of the Uniformed Services Employment and Reemployment
210 Rights Act.

211 3. The firefighter returns to his or her employment as a
212 firefighter of the municipality or special fire control district
213 within 1 year from the date of release from such active service.

214 (8)-(5) "Deferred Retirement Option Plan" or "DROP" means a
215 local law plan retirement option in which a firefighter may
216 elect to participate. A firefighter may retire for all purposes
217 of the plan and defer receipt of retirement benefits into a DROP
218 account while continuing employment with his or her employer.
219 However, a firefighter who enters the DROP and who is otherwise
220 eligible to participate may shall not thereby be precluded from
221 participation or continued participation participating, or
222 continuing to participate, in a supplemental plan in existence
223 on, or created after, March 12, 1999 the effective date of this
224 act.

225 (9) "Defined contribution plan" means the component of a
226 local law plan to which deposits are made to provide benefits
227 for firefighters, or for firefighters and police officers if
228 both are included. Such component is an element of a local law
229 plan and exists in conjunction with the defined benefit
230 component that meets the required benefits and minimum standards
231 of this chapter. The retirement benefits of the defined
232 contribution plan shall be provided through individual member

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233 accounts in accordance with the applicable provisions of the
234 Internal Revenue Code and related regulations and are limited to
235 the contributions made into each member's account and the actual
236 accumulated earnings, net of expenses, earned on the member's
237 account.

238 (10)~~(6)~~ "Division" means the Division of Retirement of the
239 Department of Management Services.

240 (11)~~(7)~~ "Enrolled actuary" means an actuary who is enrolled
241 under Subtitle C of Title III of the Employee Retirement Income
242 Security Act of 1974 and who is a member of the Society of
243 Actuaries or the American Academy of Actuaries.

244 (12)~~(8)~~ (a) "Firefighter" means a person employed solely by
245 a constituted fire department of any municipality or special
246 fire control district who is certified as a firefighter as a
247 condition of employment in accordance with s. 633.408 and whose
248 duty it is to extinguish fires, to protect life, or to protect
249 property. The term includes all certified, supervisory, and
250 command personnel whose duties include, in whole or in part, the
251 supervision, training, guidance, and management responsibilities
252 of full-time firefighters, part-time firefighters, or auxiliary
253 firefighters but does not include part-time firefighters or
254 auxiliary firefighters. However, for purposes of this chapter
255 only, the term also includes public safety officers who are
256 responsible for performing both police and fire services, who
257 are certified as police officers or firefighters, and who are
258 certified by their employers to the Chief Financial Officer as
259 participating in this chapter before October 1, 1979. Effective
260 October 1, 1979, public safety officers who have not been
261 certified as participating in this chapter are considered police

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officers for retirement purposes and are eligible to participate in chapter 185. Any plan may provide that the fire chief has an option to participate, ~~or not~~, in that plan.

(b) "Volunteer firefighter" means any person whose name is carried on the active membership roll of a constituted volunteer fire department or a combination of a paid and volunteer fire department of any municipality or special fire control district and whose duty it is to extinguish fires, to protect life, and to protect property. Compensation for services rendered by a volunteer firefighter does ~~shall~~ not disqualify him or her as a volunteer. A person may ~~shall~~ not be disqualified as a volunteer firefighter solely because he or she has other gainful employment. Any person who volunteers assistance at a fire but is not an active member of a department described herein is not a volunteer firefighter within the meaning of this paragraph.

~~(13)(9)~~ "Firefighters' Pension Trust Fund" means a trust fund, by whatever name known, as provided under s. 175.041, for the purpose of assisting municipalities and special fire control districts in establishing and maintaining a retirement plan for firefighters.

~~(14)(10)~~ "Local law municipality" is any municipality in which ~~there exists~~ a local law plan exists.

~~(15)(11)~~ "Local law plan" means a retirement defined benefit pension plan, which includes both a defined benefit plan component and a defined contribution plan component, for firefighters, or for firefighters or police officers if both are ~~where~~ included, as described in s. 175.351, established by municipal ordinance, special district resolution, or special act of the Legislature, which ~~enactment~~ sets forth all plan

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provisions. Local law plan provisions may vary from the provisions of this chapter ~~if the, provided that~~ required ~~minimum~~ benefits and minimum standards of this chapter are met. However, any such variance must ~~shall~~ provide a greater benefit for firefighters. Actuarial valuations of local law plans shall be conducted by an enrolled actuary as provided in s. 175.261(2).

(16) ~~(12)~~ "Local law special fire control district" means ~~is~~ any special fire control district in which ~~there exists~~ a local law plan exists.

(17) "Long-term funded ratio" or "funded ratio" means the ratio of the actuarial value of assets of the plan to the actuarial accrued liabilities of the plan, as reported in the most recent actuarial valuation of the plan, deemed to be in compliance with chapter 112 by the Department of Management Services.

(18) "Minimum benefits" means the benefits set forth in ss. 175.021-175.341 and ss. 175.361-175.401.

(19) "Minimum standards" means the standards set forth in ss. 175.021-175.341 and ss. 175.361-175.401.

(20) ~~(13)~~ "Property insurance" means property insurance as defined in s. 624.604 and covers real and personal property within the corporate limits of a ~~any~~ municipality, or within the boundaries of a ~~any~~ special fire control district, within the state. "Multiple peril" means a combination or package policy that includes both property and casualty coverage for a single premium.

(21) "Required benefits" means the lesser of the minimum benefits set forth in this chapter or the base benefits of the

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320 plan. For local law plans created after March 1, 2013, the term
321 means the minimum benefits set forth in this chapter.

322 (22)(14) "Retiree" or "retired firefighter" means a
323 firefighter who has entered retirement status. For the purposes
324 of a plan that includes a Deferred Retirement Option Plan
325 (DROP), a firefighter who enters the DROP is ~~shall be~~ considered
326 a retiree for all purposes of the plan. However, a firefighter
327 who enters ~~the~~ DROP and who is otherwise eligible to participate
328 may shall not ~~thereby~~ be precluded from participation or
329 continued participation ~~participating, or continuing to~~
330 ~~participate,~~ in a supplemental plan in existence on, or created
331 after, March 12, 1999 ~~the effective date of this act.~~

332 (23)(15) "Retirement" means a firefighter's separation from
333 city or fire district employment as a firefighter with immediate
334 eligibility for ~~receipt of~~ benefits under the plan. For purposes
335 of a plan that includes a Deferred Retirement Option Plan
336 (DROP), "retirement" means the date a firefighter enters ~~the~~
337 DROP.

338 (24) "Special benefits" means benefits provided in a
339 defined contribution plan for firefighters.

340 (25)(16) "Special fire control district" means a special
341 district, as defined in s. 189.403~~(1)~~, established for the
342 purposes of extinguishing fires, protecting life, and protecting
343 property within the incorporated or unincorporated portions of a
344 ~~any~~ county or combination of counties, or within any combination
345 of incorporated and unincorporated portions of a ~~any~~ county or
346 combination of counties. The term does not include any dependent
347 or independent special district, as those terms are defined in
348 s. 189.403 ~~whose s. 189.403(2) and (3), respectively, the~~

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employees ~~of which~~ are members of the Florida Retirement System pursuant to s. 121.051(1) or (2).

(26)~~(17)~~ "Supplemental plan" means a plan to which deposits are made to provide extra benefits for firefighters, or for firefighters and police officers if both are ~~where~~ included ~~under this chapter~~. Such a plan is an element of a local law plan and exists in conjunction with a defined benefit component ~~plan~~ that meets the required ~~minimum~~ benefits and minimum standards of this chapter. Any supplemental plan in existence on March 1, 2014, shall be deemed to be a defined contribution plan in compliance with s. 175.351(8).

(27)~~(18)~~ "Supplemental plan municipality" means a ~~any~~ local law municipality in which any ~~there existed a~~ supplemental plan ~~existed, of any type or nature,~~ as of December 1, 2000.

Section 3. Subsection (7) of section 175.071, Florida Statutes, is amended to read:

175.071 General powers and duties of board of trustees.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(7) To assist the board in meeting its responsibilities under this chapter, the board, if it so elects, may:

(a) Employ independent legal counsel at the pension fund's expense.

(b) Employ an independent enrolled actuary, as defined in s. 175.032~~(7)~~, at the pension fund's expense.

(c) Employ such independent professional, technical, or other advisers as it deems necessary at the pension fund's expense.

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378
379 If the board chooses to use the municipality's or special
380 district's legal counsel, ~~or~~ actuary, or ~~chooses to use~~ any of
381 ~~its the municipality's or special district's other~~ professional,
382 technical, or other advisers, it must do so only under terms and
383 conditions acceptable to the board.

384 Section 4. Paragraphs (d) through (g) of subsection (1) of
385 section 175.091, Florida Statutes, are amended, and a new
386 paragraph (e) is added to that subsection, to read:

387 175.091 Creation and maintenance of fund.—For any
388 municipality, special fire control district, chapter plan, local
389 law municipality, local law special fire control district, or
390 local law plan under this chapter:

391 (1) The firefighters' pension trust fund in each
392 municipality and in each special fire control district shall be
393 created and maintained in the following manner:

394 (d) By mandatory payment by the municipality or special
395 fire control district of a sum equal to the normal cost of and
396 the amount required to fund any actuarial deficiency shown by an
397 actuarial valuation conducted under as provided in part VII of
398 chapter 112 after taking into account the amounts described in
399 paragraphs (b), (c), (f), (g), and (h) and the tax proceeds
400 described in paragraph (a) which must be used to fund defined
401 benefit plan benefits, except as otherwise excluded from
402 consideration in determining the mandatory payment.

403 (e) For local law plans, in addition to the mandatory
404 payment specified in paragraph (d), by mandatory payment by the
405 municipality or special fire control district of the amount
406 specified in s. 175.351(3), if the long-term funded ratio of the

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407 plan is less than 80 percent.

408 (f)~~(e)~~ By all gifts, bequests, and devises when donated to
409 the fund.

410 (g)~~(f)~~ By all accretions to the fund, such as ~~by way of~~
411 interest or dividends on bank deposits, ~~or otherwise.~~

412 (h)~~(g)~~ By all other sources or income now or hereafter
413 authorized by law for the augmentation of such firefighters'
414 pension trust fund.

415
416 Nothing in this section shall be construed to require adjustment
417 of member contribution rates in effect on the date this act
418 becomes a law, including rates that exceed 5 percent of salary,
419 provided that such rates are at least one-half of 1 percent of
420 salary.

421 Section 5. Paragraph (a) of subsection (2) of section
422 175.162, Florida Statutes, is amended to read:

423 175.162 Requirements for retirement.—For any municipality,
424 special fire control district, chapter plan, local law
425 municipality, local law special fire control district, or local
426 law plan under this chapter, any firefighter who completes 10 or
427 more years of creditable service as a firefighter and attains
428 age 55, or completes 25 years of creditable service as a
429 firefighter and attains age 52, and who for such minimum period
430 has been a member of the firefighters' pension trust fund
431 operating under a chapter plan or local law plan, is eligible
432 for normal retirement benefits. Normal retirement under the plan
433 is retirement from the service of the municipality or special
434 fire control district on or after the normal retirement date. In
435 such event, payment of retirement income will be governed by the

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436 following provisions of this section:

437 (2)(a) The amount of monthly retirement income payable to a
438 full-time firefighter who retires on or after his or her normal
439 retirement date shall be an amount equal to the number of his or
440 her years of credited service multiplied by 2 percent of his or
441 her average final compensation as a full-time firefighter.

442 ~~However, if current state contributions pursuant to this chapter~~
443 ~~are not adequate to fund the additional benefits to meet the~~
444 ~~minimum requirements in this chapter, only such incremental~~
445 ~~increases shall be required as state moneys are adequate to~~
446 ~~provide. Such increments shall be provided as state moneys~~
447 ~~become available.~~

448 Section 6. Section 175.351, Florida Statutes, is amended to
449 read:

450 175.351 Municipalities and special fire control districts
451 that have ~~having~~ their own pension plans for firefighters. ~~For~~
452 ~~any municipality, special fire control district, local law~~
453 ~~municipality, local law special fire control district, or local~~
454 ~~law plan under this chapter,~~ In order for a municipality or
455 ~~municipalities and special fire control district that has its~~
456 ~~districts with their own pension plan plans~~ for firefighters, or
457 for firefighters and police officers if both are included, to
458 participate in the distribution of the tax fund established
459 under pursuant to s. 175.101, a local law plan and its plan
460 sponsor plans must meet the required ~~minimum~~ benefits and
461 minimum standards set forth in this chapter.

462 (1) If a municipality has a pension plan for firefighters,
463 ~~or a pension plan~~ for firefighters and police officers if both
464 are included, which in the opinion of the division meets the

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465 required minimum benefits and minimum standards set forth in
466 this chapter, the board of trustees of the pension plan must, ~~as~~
467 ~~approved by a majority of firefighters of the municipality, may:~~

468 ~~(a)~~ place the income from the premium tax in s. 175.101 in
469 such ~~pension~~ plan for the sole and exclusive use of its
470 firefighters, or for firefighters and police officers if both
471 are included, where it shall become an integral part of that
472 ~~pension~~ plan and ~~shall~~ be used to fund benefits as follows:

473 (a) The base premium tax revenues must be used to fund
474 required benefits. To the extent the base premium tax revenues
475 exceed the annual actuarial cost of the plan's required
476 benefits, such excess revenues must be used as directed in
477 paragraph (b).

478 (b) Of the additional premium tax revenues received which
479 are in excess of the amount received for the 2012 calendar year
480 and any accumulations of additional tax revenues which have not
481 been applied to fund benefits in excess of the plan's base
482 benefits:

483 1. If the plan has a supplemental plan in effect as of
484 September 30, 2013, whereby all premium tax revenues received in
485 excess of the amount received for the 2012 calendar year are
486 scheduled to be used to fund defined contribution plan benefits
487 and:

488 a. If the plan has a long-term funded ratio of less than 80
489 percent, 50 percent of the additional premium tax revenues
490 subject to this paragraph must be used as additional
491 contributions to pay the plan's actuarial deficiency and 50
492 percent must be used to fund special benefits; or

493 b. If the plan has a long-term funded ratio of 80 percent

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494 or greater, the additional premium tax revenues subject to this
495 paragraph must be used to fund special benefits.

496 2. If subparagraph 1. is not applicable and the plan has a
497 long-term funded ratio of less than 80 percent:

498 a. Fifty percent of the additional premium tax revenues
499 subject to this paragraph must be used as additional
500 contributions to pay the plan's actuarial deficiency;

501 b. Twenty-five percent of the additional premium tax
502 revenues subject to this paragraph must be used to fund required
503 benefits; and

504 c. Twenty-five percent of the additional premium tax
505 revenues subject to this paragraph must be placed in a defined
506 contribution plan to fund special benefits.

507 3. If subparagraph 1. is not applicable and the plan has a
508 long-term funded ratio of 80 percent or greater:

509 a. Fifty percent of the additional premium tax revenues
510 subject to this paragraph must be used to fund required
511 benefits; and

512 b. Fifty percent of the additional premium tax revenues
513 subject to this paragraph must be placed in a defined
514 contribution plan to fund special benefits.

515
516 Any additional premium tax revenues used to fund the plan's
517 actuarial deficiency pursuant to this paragraph may not be
518 considered in determining the mandatory payment described in s.
519 175.091(1)(d).

520 (c) Additional premium tax revenues not described in
521 paragraph (b) must be used to fund benefits that were not
522 included in the required benefits ~~to pay extra benefits to the~~

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523 ~~firefighters included in that pension plan; or~~

524 ~~(b) Place the income from the premium tax in s. 175.101 in~~
525 ~~a separate supplemental plan to pay extra benefits to~~
526 ~~firefighters, or to firefighters and police officers if~~
527 ~~included, participating in such separate supplemental plan.~~

528 (2) Insurance premium tax revenues may not be used to fund
529 benefits provided in a defined benefit plan which were not
530 provided by the plan as of March 1, 2014. However, for a local
531 law plan created after March 1, 2014, up to 50 percent of the
532 insurance premium tax revenues may be used to fund defined
533 benefit plan component benefits, with the remainder used to fund
534 defined contribution plan component benefits.

535 (3) If a plan offers benefits in excess of its required
536 benefits, such excess benefits may be reduced if the plan
537 continues to meet the required benefits of the plan and the
538 minimum standards set forth in this chapter. The amount of
539 insurance premium tax revenues previously used to fund excess
540 benefits must be used as provided in paragraph (1)(b). Twenty-
541 five percent of the amount of any mandatory contribution paid by
542 the municipality or special fire control district which was
543 previously used to fund excess benefits must be used as
544 additional contributions as specified in s. 175.091 to fund the
545 plan's actuarial deficiency.

546 (4)-(2) The premium tax provided by this chapter shall in
547 all cases be used in its entirety to provide retirement extra
548 benefits to firefighters, or to firefighters and police officers
549 if both are included. However, local law plans in effect on
550 October 1, 1998, must comply with the minimum benefit provisions
551 of this chapter only to the extent that additional premium tax

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552 ~~revenues become available to incrementally fund the cost of such~~
553 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
554 ~~compliance with such minimum benefit provisions, as subsequent~~
555 ~~additional premium tax revenues become available, they must be~~
556 ~~used to provide extra benefits.~~ Local law plans created by
557 special act before May 27, 1939, are deemed to comply with this
558 chapter. ~~For the purpose of this chapter, the term:~~

559 ~~(a) "Additional premium tax revenues" means revenues~~
560 ~~received by a municipality or special fire control district~~
561 ~~pursuant to s. 175.121 which exceed that amount received for~~
562 ~~calendar year 1997.~~

563 ~~(b) "Extra benefits" means benefits in addition to or~~
564 ~~greater than those provided to general employees of the~~
565 ~~municipality and in addition to those in existence for~~
566 ~~firefighters on March 12, 1999.~~

567 (5)-(3) A retirement plan or amendment to a retirement plan
568 may not be proposed for adoption unless the proposed plan or
569 amendment contains an actuarial estimate of the costs involved.
570 Such proposed plan or proposed plan change may not be adopted
571 without the approval of the municipality, special fire control
572 district, or, where permitted, the Legislature. Copies of the
573 proposed plan or proposed plan change and the actuarial impact
574 statement of the proposed plan or proposed plan change shall be
575 furnished to the division before the last public hearing on the
576 proposal is held thereon. Such statement must also indicate
577 whether the proposed plan or proposed plan change is in
578 compliance with s. 14, Art. X of the State Constitution and
579 those provisions of part VII of chapter 112 which are not
580 expressly provided in this chapter. Notwithstanding any other

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581 provision, only those local law plans created by special act of
582 legislation before May 27, 1939, are deemed to meet the minimum
583 benefits and minimum standards only in this chapter.

584 (6)~~(4)~~ Notwithstanding any other provision, with respect to
585 any supplemental plan municipality:

586 (a) A local law plan and a supplemental plan may continue
587 to use their definition of compensation or salary in existence
588 on March 12, 1999.

589 (b) Section 175.061(1)(b) does not apply, and a local law
590 plan and a supplemental plan shall continue to be administered
591 by a board or boards of trustees numbered, constituted, and
592 selected as the board or boards were numbered, constituted, and
593 selected on December 1, 2000.

594 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
595 ~~have been made.~~

596 (7)~~(5)~~ The retirement plan setting forth the benefits and
597 the trust agreement, if any, covering the duties and
598 responsibilities of the trustees and the regulations of the
599 investment of funds must be in writing, and copies made
600 available to the participants and to the general public.

601 (8) In addition to the defined benefit component of the
602 local law plan, each plan sponsor must have a defined
603 contribution plan component within the local law plan by October
604 1, 2014, or upon the creation date of a new participating plan.
605 However, the plan sponsor of any plan established by special act
606 of the Legislature has until July 1, 2015, to create a defined
607 contribution component within the plan.

608 (9) Notwithstanding any other provision of this chapter, a
609 municipality or special fire control district that has

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610 implemented or proposed changes to a local law plan based on the
611 municipality's or district's reliance on an interpretation of
612 this chapter by the department on or after August 14, 2012, and
613 before February 1, 2013, may continue the implemented changes or
614 continue to implement proposed changes. Such reliance must be
615 evidenced by a written collective bargaining proposal or
616 agreement, or formal correspondence between the municipality or
617 district and the department which describes the specific changes
618 to the local law plan, with the initial proposal, agreement, or
619 correspondence from the municipality or district dated before
620 February 1, 2013. Changes to the local law plan which are
621 otherwise contrary to this chapter may continue in effect until
622 the earlier of October 1, 2017, or the effective date of a
623 collective bargaining agreement that is contrary to the changes
624 to the local law plan.

625 Section 7. Subsection (2) of section 185.01, Florida
626 Statutes, is amended to read:

627 185.01 Legislative declaration.—

628 (2) This chapter hereby establishes, for all municipal
629 pension plans ~~now or hereinafter~~ provided for under this
630 chapter, including chapter plans and local law plans, required
631 ~~minimum~~ benefits and minimum standards for the operation and
632 funding of such plans, hereinafter referred to as municipal
633 police officers' retirement trust funds, which must be met as a
634 condition precedent to the plan or plan sponsor receiving a
635 distribution of insurance premium tax revenues under s. 185.10.
636 The required ~~minimum~~ benefits and minimum standards for each
637 plan as set forth in this chapter may not be diminished by local
638 ordinance or by special act of the Legislature and may not, nor

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639 ~~may the minimum benefits or minimum standards~~ be reduced or
640 offset by any other local, state, or federal plan that includes
641 ~~may include~~ police officers in its operation, except as provided
642 under s. 112.65.

643 Section 8. Section 185.02, Florida Statutes, is amended to
644 read:

645 185.02 Definitions.—For any municipality, chapter plan,
646 local law municipality, or local law plan under this chapter,
647 the term ~~following words and phrases as used in this chapter~~
648 ~~shall have the following meanings, unless a different meaning is~~
649 ~~plainly required by the context:~~

650 (1) "Additional premium tax revenues" means revenues
651 received by a municipality pursuant to s. 185.10 which exceed
652 base premium tax revenues.

653 (2)~~(1)~~ "Average final compensation" means one-twelfth of
654 the average annual compensation of the 5 best years of the last
655 10 years of creditable service prior to retirement, termination,
656 or death.

657 (3) "Base benefits" means the level of benefits in
658 existence for police officers on March 12, 1999.

659 (4) "Base premium tax revenues" means the revenues received
660 by a municipality pursuant to s. 185.10 for calendar year 1997.

661 (5)~~(2)~~ "Casualty insurance" means automobile public
662 liability and property damage insurance to be applied at the
663 place of residence of the owner, or if the subject is a
664 commercial vehicle, to be applied at the place of business of
665 the owner; automobile collision insurance; fidelity bonds;
666 burglary and theft insurance; and plate glass insurance.

667 "Multiple peril" means a combination or package policy that

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includes both property coverage and casualty coverage for a single premium.

(6)~~(3)~~ "Chapter plan" means a separate defined benefit pension plan for police officers which incorporates by reference the provisions of this chapter and has been adopted by the governing body of a municipality as provided in s. 185.08. Except as ~~may be~~ specifically authorized in this chapter, the provisions of a chapter plan may not differ from the plan provisions set forth in ss. 185.01-185.341 and ss. 185.37-185.39. Actuarial valuations of chapter plans shall be conducted by the division as provided by s. 185.221(1)(b).

(7)~~(4)~~ "Compensation" or "salary" means, for noncollectively bargained service earned before July 1, 2011, or for service earned under collective bargaining agreements in place before July 1, 2011, the total cash remuneration including "overtime" paid by the primary employer to a police officer for services rendered, but not including any payments for extra duty or special detail work performed on behalf of a second party employer. ~~A local law plan may limit the amount of overtime payments which can be used for retirement benefit calculation purposes; however, such overtime limit may not be less than 300 hours per officer per calendar year.~~ For noncollectively bargained service earned on or after July 1, 2011, or for service earned under collective bargaining agreements entered into on or after July 1, 2011, the term has the same meaning except that when calculating retirement benefits, up to 300 hours per year in overtime compensation may be included as specified in the plan or collective bargaining agreement, but payments for accrued unused sick or annual leave may not be

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697 included.

698 (a) Any retirement trust fund or plan that meets the
699 requirements of this chapter does not, solely by virtue of this
700 subsection, reduce or diminish the monthly retirement income
701 otherwise payable to each police officer covered by the
702 retirement trust fund or plan.

703 (b) The member's compensation or salary contributed as
704 employee-elective salary reductions or deferrals to any salary
705 reduction, deferred compensation, or tax-sheltered annuity
706 program authorized under the Internal Revenue Code shall be
707 deemed to be the compensation or salary the member would receive
708 if he or she were not participating in such program and shall be
709 treated as compensation for retirement purposes under this
710 chapter.

711 (c) For any person who first becomes a member in any plan
712 year beginning on or after January 1, 1996, compensation for
713 that plan year may not include any amounts in excess of the
714 Internal Revenue Code s. 401(a)(17) limitation, as amended by
715 the Omnibus Budget Reconciliation Act of 1993, which limitation
716 of \$150,000 shall be adjusted as required by federal law for
717 qualified government plans and ~~shall be~~ further adjusted for
718 changes in the cost of living in the manner provided by Internal
719 Revenue Code s. 401(a)(17)(B). For any person who first became a
720 member before the first plan year beginning on or after January
721 1, 1996, the limitation on compensation may not be less than the
722 maximum compensation amount that was allowed to be taken into
723 account under the plan ~~as~~ in effect on July 1, 1993, which
724 limitation shall be adjusted for changes in the cost of living
725 since 1989 in the manner provided by Internal Revenue Code s.

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726 401(a)(17)(1991).

727 ~~(8)(5)~~ "Creditable service" or "credited service" means the
728 aggregate number of years of service and fractional parts of
729 years of service of any police officer, omitting intervening
730 years and fractional parts of years when such police officer may
731 not have been employed by the municipality subject to the
732 following conditions:

733 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
734 years or fractional parts of years of service if he or she has
735 withdrawn his or her contributions to the fund for those years
736 or fractional parts of years of service, unless the police
737 officer repays into the fund the amount he or she has withdrawn,
738 plus interest as determined by the board. The member has ~~shall~~
739 ~~have~~ at least 90 days after his or her reemployment to make
740 repayment.

741 (b) A police officer may voluntarily leave his or her
742 contributions in the fund for ~~a period of~~ 5 years after leaving
743 the employ of the police department, pending the possibility of
744 his or her being rehired by the same department, without losing
745 credit for the time he or she has participated actively as a
746 police officer. If he or she is not reemployed as a police
747 officer with the same department within 5 years, his or her
748 contributions shall be returned ~~to him or her~~ without interest.

749 (c) Credited service under this chapter shall be provided
750 only for service as a police officer, ~~as defined in subsection~~
751 ~~(11)~~, or for military service and may not include credit for any
752 other type of service. A municipality ~~may~~, by local ordinance,
753 may provide for the purchase of credit for military service
754 occurring before employment as well as prior service as a police

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755 officer for some other employer as long as the police officer is
756 not entitled to receive a benefit for such ~~other~~ prior service
757 ~~as a police officer~~. For purposes of determining credit for
758 prior service, in addition to service as a police officer in
759 this state, credit may be given for federal, other state, or
760 county service as long as such service is recognized by the
761 Criminal Justice Standards and Training Commission within the
762 Department of Law Enforcement as provided in ~~under~~ chapter 943
763 or the police officer provides proof to the board of trustees
764 that such service is equivalent to the service required to meet
765 the definition of a police officer under subsection (18) ~~(11)~~.

766 (d) In determining the creditable service of a ~~any~~ police
767 officer, credit for up to 5 years of the time spent in the
768 military service of the Armed Forces of the United States shall
769 be added to the years of actual service, if:

770 1. The police officer is in the active employ of the
771 municipality before ~~prior to~~ such service and leaves a position,
772 other than a temporary position, for the purpose of voluntary or
773 involuntary service in the Armed Forces of the United States.

774 2. The police officer is entitled to reemployment under ~~the~~
775 ~~provisions of~~ the Uniformed Services Employment and Reemployment
776 Rights Act.

777 3. The police officer returns to his or her employment as a
778 police officer of the municipality within 1 year after ~~from~~ the
779 date of his or her release from such active service.

780 (9) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
781 local law plan retirement option in which a police officer may
782 elect to participate. A police officer may retire for all
783 purposes of the plan and defer receipt of retirement benefits

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784 into a DROP account while continuing employment with his or her
785 employer. However, a police officer who enters ~~the~~ DROP and who
786 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
787 precluded from participation or continued participation
788 ~~participating, or continuing to participate,~~ in a supplemental
789 plan in existence on, or created after, March 12, 1999 ~~the~~
790 ~~effective date of this act.~~

791 (10) "Defined contribution plan" means the component of a
792 local law plan to which deposits are made to provide benefits
793 for police officers, or for police officers and firefighters if
794 both are included. Such component is an element of a local law
795 plan and exists in conjunction with the defined benefit
796 component that meets the required benefits and minimum standards
797 of this chapter. The retirement benefits of the defined
798 contribution plan shall be provided through individual member
799 accounts in accordance with the applicable provisions of the
800 Internal Revenue Code and related regulations and are limited to
801 the contributions made into each member's account and the actual
802 accumulated earnings, net of expenses, earned on the member's
803 account.

804 (11)~~(7)~~ "Division" means the Division of Retirement of the
805 Department of Management Services.

806 (12)~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
807 under Subtitle C of Title III of the Employee Retirement Income
808 Security Act of 1974 and who is a member of the Society of
809 Actuaries or the American Academy of Actuaries.

810 (13)~~(9)~~ "Local law municipality" means ~~is~~ any municipality
811 in which ~~there exists~~ a local law plan exists.

812 (14)~~(10)~~ "Local law plan" means a retirement defined

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813 ~~benefit-pension~~ plan, which includes both a defined benefit plan
814 component and a defined contribution plan component, for police
815 officers, or for police officers and firefighters if both are,
816 ~~where~~ included, as described in s. 185.35, established by
817 municipal ordinance or special act of the Legislature, which
818 ~~enactment~~ sets forth all plan provisions. Local law plan
819 provisions may vary from the provisions of this chapter if the,
820 ~~provided that~~ required ~~minimum~~ benefits and minimum standards of
821 this chapter are met. However, any such variance must ~~shall~~
822 provide a greater benefit for police officers. Actuarial
823 valuations of local law plans shall be conducted by an enrolled
824 actuary as provided in s. 185.221(2)(b).

825 (15) "Long-term funded ratio" or "funded ratio" means the
826 ratio of the actuarial value of assets of the plan to the
827 actuarial accrued liabilities of the plan, as reported in the
828 most recent actuarial valuation of the plan, deemed to be in
829 compliance with chapter 112 by the Department of Management
830 Services.

831 (16) "Minimum benefits" means the benefits set forth in ss.
832 185.01-185.341 and ss. 185.37-185.50.

833 (17) "Minimum standards" means the standards set forth in
834 ss. 185.01-185.341 and ss. 185.37-185.50.

835 (18) ~~(11)~~ "Police officer" means any person who is elected,
836 appointed, or employed full time by a ~~any~~ municipality, who is
837 certified or required to be certified as a law enforcement
838 officer in compliance with s. 943.1395, who is vested with
839 authority to bear arms and make arrests, and whose primary
840 responsibility is the prevention and detection of crime or the
841 enforcement of the penal, criminal, traffic, or highway laws of

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842 the state. The term ~~This definition~~ includes all certified
843 supervisory and command personnel whose duties include, in whole
844 or in part, the supervision, training, guidance, and management
845 responsibilities of full-time law enforcement officers, part-
846 time law enforcement officers, or auxiliary law enforcement
847 officers, but does not include part-time law enforcement
848 officers or auxiliary law enforcement officers as those terms
849 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For
850 the purposes of this chapter only, the term also includes
851 ~~"police officer"~~ also shall include a public safety officer who
852 is responsible for performing both police and fire services. Any
853 plan may provide that the police chief shall have an option to
854 participate, ~~or not,~~ in that plan.

855 (19)(12) "Police Officers' Retirement Trust Fund" means a
856 trust fund, by whatever name known, as provided under s. 185.03
857 for the purpose of assisting municipalities in establishing and
858 maintaining a retirement plan for police officers.

859 (20) "Required benefits" means the lesser of the minimum
860 benefits set forth in this chapter or the base benefits of the
861 plan. For local law plans created after March 1, 2013, the term
862 means the minimum benefits set forth in this chapter.

863 (21)(13) "Retiree" or "retired police officer" means a
864 police officer who has entered retirement status. For the
865 purposes of a plan that includes a Deferred Retirement Option
866 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
867 considered a retiree for all purposes of the plan. However, a
868 police officer who enters ~~the~~ DROP and who is otherwise eligible
869 to participate may ~~shall~~ not ~~thereby~~ be precluded from
870 participating, or continuing to participate, in a supplemental

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871 plan in existence on, or created after, March 12, 1999 ~~the~~
872 ~~effective date of this act.~~

873 (22) ~~(14)~~ "Retirement" means a police officer's separation
874 from city employment as a police officer with immediate
875 eligibility for ~~receipt of~~ benefits under the plan. For purposes
876 of a plan that includes a Deferred Retirement Option Plan
877 (DROP), "retirement" means the date a police officer enters ~~the~~
878 DROP.

879 (23) "Special benefits" means benefits provided in a
880 defined contribution plan for police officers.

881 (24) ~~(15)~~ "Supplemental plan" means a plan to which deposits
882 of the premium tax moneys as provided in s. 185.08 are made to
883 provide extra benefits to police officers, or police officers
884 and firefighters if both are ~~where included, under this chapter.~~
885 Such a plan is an element of a local law plan and exists in
886 conjunction with a defined benefit component ~~plan~~ that meets the
887 required minimum benefits and minimum standards of this chapter.
888 Any supplemental plan in existence on March 1, 2014, shall be
889 deemed to be a defined contribution plan in compliance with s.
890 185.35(8).

891 (25) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
892 law municipality in which ~~there existed~~ a supplemental plan
893 existed as of December 1, 2000.

894 Section 9. Subsection (6) of section 185.06, Florida
895 Statutes, is amended to read:

896 185.06 General powers and duties of board of trustees.—For
897 any municipality, chapter plan, local law municipality, or local
898 law plan under this chapter:

899 (6) To assist the board in meeting its responsibilities

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under this chapter, the board, if it so elects, may:

(a) Employ independent legal counsel at the pension fund's expense.

(b) Employ an independent enrolled actuary, as defined in s. 185.02~~(8)~~, at the pension fund's expense.

(c) Employ such independent professional, technical, or other advisers as it deems necessary at the pension fund's expense.

If the board chooses to use the municipality's or special district's legal counsel, ~~or~~ actuary, or ~~chooses to use~~ any of ~~its the municipality's other~~ professional, technical, or other advisers, it must do so only under terms and conditions acceptable to the board.

Section 10. Paragraphs (d) through (g) of subsection (1) of section 185.07, Florida Statutes, are amended, and a new paragraph (e) is added to that subsection, to read:

185.07 Creation and maintenance of fund.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1) The municipal police officers' retirement trust fund in each municipality described in s. 185.03 shall be created and maintained in the following manner:

(d) By payment by the municipality or other sources of a sum equal to the normal cost and the amount required to fund any actuarial deficiency shown by an actuarial valuation conducted under as provided in part VII of chapter 112 after taking into account the amounts described in paragraphs (b), (c), (f), (g), and (h) and the tax proceeds described in paragraph (a) which

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929 must be used to fund defined benefit plan benefits, except as
930 otherwise excluded from consideration in determining the
931 mandatory payment.

932 (e) For local law plans, in addition to the mandatory
933 payment described in paragraph (d), by mandatory payment by the
934 municipality of the amount specified in s. 185.35(3), if the
935 long-term funded ratio of the plan is less than 80 percent.

936 (f)~~(e)~~ By all gifts, bequests and devises when donated to
937 the fund.

938 (g)~~(f)~~ By all accretions to the fund by way of interest or
939 dividends on bank deposits or otherwise.

940 (h)~~(g)~~ By all other sources of income now or hereafter
941 authorized by law for the augmentation of such municipal police
942 officers' retirement trust fund.

943
944 Nothing in this section shall be construed to require adjustment
945 of member contribution rates in effect on the date this act
946 becomes a law, including rates that exceed 5 percent of salary,
947 provided that such rates are at least one-half of 1 percent of
948 salary.

949 Section 11. Subsection (2) of section 185.16, Florida
950 Statutes, is amended to read:

951 185.16 Requirements for retirement.—For any municipality,
952 chapter plan, local law municipality, or local law plan under
953 this chapter, any police officer who completes 10 or more years
954 of creditable service as a police officer and attains age 55, or
955 completes 25 years of creditable service as a police officer and
956 attains age 52, and for such period has been a member of the
957 retirement fund is eligible for normal retirement benefits.

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958 Normal retirement under the plan is retirement from the service
959 of the city on or after the normal retirement date. In such
960 event, for chapter plans and local law plans, payment of
961 retirement income will be governed by the following provisions
962 of this section:

963 (2) The amount of the monthly retirement income payable to
964 a police officer who retires on or after his or her normal
965 retirement date shall be an amount equal to the number of the
966 police officer's years of credited service multiplied by 2
967 percent of his or her average final compensation. ~~However, if~~
968 ~~current state contributions pursuant to this chapter are not~~
969 ~~adequate to fund the additional benefits to meet the minimum~~
970 ~~requirements in this chapter, only increment increases shall be~~
971 ~~required as state moneys are adequate to provide. Such~~
972 ~~increments shall be provided as state moneys become available.~~

973 Section 12. Section 185.35, Florida Statutes, is amended to
974 read:

975 185.35 Municipalities that have ~~having~~ their own retirement
976 ~~pension~~ plans for police officers. ~~For any municipality, chapter~~
977 ~~plan, local law municipality, or local law plan under this~~
978 ~~chapter,~~ In order for a municipality that has its municipalities
979 ~~with their own retirement plan pension plans~~ for police
980 officers, or for police officers and firefighters if both are
981 included, to participate in the distribution of the tax fund
982 established under ~~pursuant to~~ s. 185.08, a local law plan and
983 its plan sponsor plans must meet the required ~~minimum~~ benefits
984 and minimum standards set forth in this chapter:

985 (1) If a municipality has a retirement ~~pension~~ plan for
986 police officers, or for police officers and firefighters if both

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are included, which, in the opinion of the division, meets the required ~~minimum~~ benefits and minimum standards set forth in this chapter, the board of trustees of the pension plan must, ~~as approved by a majority of police officers of the municipality,~~ may:

~~(a)~~ place the income from the premium tax in s. 185.08 in such ~~pension~~ plan for the sole and exclusive use of its police officers, or its police officers and firefighters if both are included, where it shall become an integral part of that ~~pension~~ plan and ~~shall~~ be used to fund benefits as follows:

(a) The base premium tax revenues must be used to fund required benefits. To the extent the base premium tax revenues exceed the annual actuarial cost of the plan's required benefits, such excess revenues must be used as directed in paragraph (b).

(b) Of the additional premium tax revenues received which are in excess of the amount received for the 2012 calendar year and any accumulations of additional premium tax revenues which have not been applied to fund benefits in excess of the plan's base benefits:

1. If the plan has a supplemental plan in effect as of September 30, 2013, whereby all premium tax revenues received in excess of the amount received for the 2012 calendar year are scheduled to be used to fund defined contribution plan benefits and:

a. If the plan has a long-term funded ratio of less than 80 percent, 50 percent of the additional premium tax revenues subject to this paragraph must be used as additional contributions to pay the plan's actuarial deficiency and the

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1016 remainder must be used to fund special benefits; or

1017 b. If the plan has a long-term funded ratio of 80 percent
1018 or greater, the additional premium tax revenues subject to this
1019 paragraph must be used to fund special benefits.

1020 2. If subparagraph 1. is not applicable and the plan has a
1021 long-term funded ratio of less than 80 percent:

1022 a. Fifty percent of the additional premium tax revenues
1023 subject to this paragraph must be used as additional
1024 contributions to pay the plan's actuarial deficiency;

1025 b. Twenty-five percent of the additional premium tax
1026 revenues subject to this paragraph must be used to fund required
1027 benefits; and

1028 c. Twenty-five percent of the additional premium tax
1029 revenues subject to this paragraph must be placed in a defined
1030 contribution plan to fund special benefits.

1031 3. If subparagraph 1. is not applicable and the plan has a
1032 long-term funded ratio of 80 percent or greater:

1033 a. Fifty percent of the additional premium tax revenues
1034 subject to this paragraph must be used to fund required
1035 benefits; and

1036 b. Fifty percent of the additional premium tax revenues
1037 subject to this paragraph must be placed in a defined
1038 contribution plan to fund special benefits.

1039
1040 Any additional premium tax revenues used to fund the plan's
1041 actuarial deficiency pursuant to this paragraph may not be
1042 considered in determining the mandatory payment described in s.
1043 185.07(1)(d).

1044 (c) Additional premium tax revenues not described in

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1045 paragraph (b) must be used to fund benefits that were not
1046 included in the required benefits ~~pay extra benefits to the~~
1047 ~~police officers included in that pension plan; or~~

1048 ~~(b) May place the income from the premium tax in s. 185.08~~
1049 ~~in a separate supplemental plan to pay extra benefits to the~~
1050 ~~police officers, or police officers and firefighters if~~
1051 ~~included, participating in such separate supplemental plan.~~

1052 (2) Insurance premium tax revenues may not be used to fund
1053 benefits provided in a defined benefit plan which were not
1054 provided by the plan as of March 1, 2014. However, for a local
1055 law plan created after March 1, 2014, up to 50 percent of the
1056 insurance premium tax revenues may be used to fund defined
1057 benefit plan component benefits, with the remainder used to fund
1058 defined contribution plan component benefits.

1059 (3) If a plan offers benefits in excess of its required
1060 benefits, such benefits may be reduced if the plan continues to
1061 meet the required benefits of the plan and the minimum standards
1062 set forth in this chapter. The amount of insurance premium tax
1063 revenues previously used to fund benefits in excess of the
1064 plan's required benefits before the reduction must be used as
1065 provided in paragraph (1)(b). Twenty-five percent of the amount
1066 of any mandatory contribution paid by the municipality which was
1067 previously used to fund benefits above the level of required
1068 benefits provided before the reduction must be used as
1069 additional contributions as specified in s. 185.07 to fund the
1070 plan's actuarial deficiency.

1071 ~~(4)(2)~~ The premium tax provided by this chapter shall in
1072 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
1073 benefits to police officers, or to police officers and

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1074 firefighters if both are included. ~~However, local law plans in~~
1075 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1076 ~~provisions of this chapter only to the extent that additional~~
1077 ~~premium tax revenues become available to incrementally fund the~~
1078 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
1079 ~~is in compliance with such minimum benefit provisions, as~~
1080 ~~subsequent additional tax revenues become available, they shall~~
1081 ~~be used to provide extra benefits.~~ Local law plans created by
1082 special act before May 27, 1939, shall be deemed to comply with
1083 this chapter. ~~For the purpose of this chapter, the term:~~

1084 ~~(a) "Additional premium tax revenues" means revenues~~
1085 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1086 ~~the amount received for calendar year 1997.~~

1087 ~~(b) "Extra benefits" means benefits in addition to or~~
1088 ~~greater than those provided to general employees of the~~
1089 ~~municipality and in addition to those in existence for police~~
1090 ~~officers on March 12, 1999.~~

1091 ~~(5)-(3)~~ A retirement plan or amendment to a retirement plan
1092 may not be proposed for adoption unless the proposed plan or
1093 amendment contains an actuarial estimate of the costs involved.
1094 Such proposed plan or proposed plan change may not be adopted
1095 without the approval of the municipality or, where permitted,
1096 the Legislature. Copies of the proposed plan or proposed plan
1097 change and the actuarial impact statement of the proposed plan
1098 or proposed plan change shall be furnished to the division
1099 before the last public hearing on the proposal is held ~~thereon~~.
1100 Such statement must also indicate whether the proposed plan or
1101 proposed plan change is in compliance with s. 14, Art. X of the
1102 State Constitution and those provisions of part VII of chapter

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1103 112 which are not expressly provided in this chapter.

1104 Notwithstanding any other provision, only those local law plans
1105 created by special act of legislation before May 27, 1939, are
1106 deemed to meet the minimum benefits and minimum standards only
1107 in this chapter.

1108 (6)-(4) Notwithstanding any other provision, with respect to
1109 any supplemental plan municipality:

1110 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and a
1111 local law plan and a supplemental plan may continue to use their
1112 definition of compensation or salary in existence on March 12,
1113 1999.

1114 (b) A local law plan and a supplemental plan must continue
1115 to be administered by a board or boards of trustees numbered,
1116 constituted, and selected as the board or boards were numbered,
1117 constituted, and selected on December 1, 2000.

1118 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
1119 ~~have been made.~~

1120 (7)-(5) The retirement plan setting forth the benefits and
1121 the trust agreement, if any, covering the duties and
1122 responsibilities of the trustees and the regulations of the
1123 investment of funds must be in writing and copies made available
1124 to the participants and to the general public.

1125 (8) In addition to the defined benefit component of the
1126 local law plan, each plan sponsor must have a defined
1127 contribution plan component within the local law plan by October
1128 1, 2014, or upon the creation date of a new participating plan.
1129 However, the plan sponsor of any plan established by special act
1130 of the Legislature has until July 1, 2015, to create a defined
1131 contribution component within the plan.

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1132 (9) Notwithstanding any other provision of this chapter, a
1133 municipality that has implemented or proposed changes to a local
1134 law plan based on the municipality's reliance on an
1135 interpretation of this chapter by the department on or after
1136 August 14, 2012, and before February 1, 2013, may continue the
1137 implemented changes or continue to implement proposed changes.
1138 Such reliance must be evidenced by a written collective
1139 bargaining proposal or agreement, or formal correspondence
1140 between the municipality and the department which describes the
1141 specific changes to the local law plan, with the initial
1142 proposal, agreement, or correspondence from the municipality
1143 dated before February 1, 2013. Changes to the local law plan
1144 which are otherwise contrary to this chapter may continue in
1145 effect until the earlier of October 1, 2017, or the effective
1146 date of a collective bargaining agreement that is contrary to
1147 the changes to the local law plan.

1148 Section 13. The Legislature finds that a proper and
1149 legitimate state purpose is served when employees and retirees
1150 of this state and its political subdivisions, and the
1151 dependents, survivors, and beneficiaries of such employees and
1152 retirees, are extended the basic protections afforded by
1153 governmental retirement systems that provide fair and adequate
1154 benefits and that are managed, administered, and funded in an
1155 actuarially sound manner as required under s. 14, Article X of
1156 the State Constitution and part VII of chapter 112, Florida
1157 Statutes. Therefore, the Legislature determines and declares
1158 that this act fulfills an important state interest.

1159 Section 14. This act shall take effect July 1, 2014.