

1 A bill to be entitled

2 An act relating to firefighter and police officer
3 pension plans; amending s. 175.021, F.S.; revising the
4 legislative declaration to require all plans to meet
5 the requirements of ch. 175, F.S., in order to receive
6 insurance premium tax revenues; amending s. 175.032,
7 F.S.; revising and providing definitions; amending s.
8 175.071, F.S.; conforming a cross-reference; amending
9 s. 175.091, F.S.; revising existing payment provisions
10 and providing an additional mandatory payment by the
11 municipality or special fire control district to the
12 firefighters' pension trust fund; amending s. 175.162,
13 F.S.; deleting a limitation on state contributions
14 funding additional benefits; amending s. 175.351,
15 F.S., relating to municipalities and special fire
16 control districts that have their own pension plans
17 and choose to participate in the distribution of a tax
18 fund; revising criteria governing the use of income
19 from the premium tax; requiring plan sponsors to have
20 a defined contribution plan in place by a certain
21 date; authorizing a municipality to implement certain
22 changes to a local law plan which are contrary to ch.
23 175, F.S., under certain circumstances; amending s.
24 185.01, F.S.; revising the legislative declaration to
25 require all plans to meet the requirements of ch. 185,
26 F.S., in order to receive insurance premium tax
27 revenues; amending s. 185.02, F.S.; revising and
28 providing definitions; deleting a provision allowing a

29 | local law plan to limit the amount of overtime
 30 | payments which can be used for retirement benefit
 31 | calculations; amending s. 185.06, F.S.; conforming a
 32 | cross-reference; amending s. 185.07, F.S.; revising
 33 | existing payment provisions and providing for an
 34 | additional mandatory payment by the municipality to
 35 | the police officers' retirement trust fund; amending
 36 | s. 185.16, F.S.; deleting a limitation on state
 37 | contributions funding additional benefits; amending s.
 38 | 185.35, F.S., relating to municipalities that have
 39 | their own pension plans for police officers and choose
 40 | to participate in the distribution of a tax fund;
 41 | revising criteria governing the use of income from the
 42 | premium tax; requiring plan sponsors to have a defined
 43 | contribution plan in place by a certain date;
 44 | authorizing a municipality to implement certain
 45 | changes to a local law plan which are contrary to ch.
 46 | 185, F.S., under certain circumstances; providing a
 47 | declaration of important state interest; providing an
 48 | effective date.

49 |
 50 | Be It Enacted by the Legislature of the State of Florida:

51 |
 52 | Section 1. Subsection (2) of section 175.021, Florida
 53 | Statutes, is amended to read:

54 | 175.021 Legislative declaration.—

55 | (2) This chapter hereby establishes, for all municipal and
 56 | special district pension plans existing ~~now or hereafter~~ under

57 | this chapter, including chapter plans and local law plans,
 58 | required ~~minimum~~ benefits and minimum standards for the
 59 | operation and funding of such plans, hereinafter referred to as
 60 | firefighters' pension trust funds, which must be met as a
 61 | condition precedent to the plan or plan sponsor receiving a
 62 | distribution of insurance premium tax revenues under s. 175.121.
 63 | The required ~~minimum~~ benefits and minimum standards for each
 64 | plan as set forth in this chapter may not be diminished by local
 65 | charter, ordinance, or resolution or by special act of the
 66 | Legislature or, ~~nor may the minimum benefits or minimum~~
 67 | ~~standards~~ be reduced or offset by any other local, state, or
 68 | federal law that may include firefighters in its operation,
 69 | except as provided under s. 112.65.

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

72 | 175.032 Definitions.—For any municipality, special fire
 73 | control district, chapter plan, local law municipality, local
 74 | law special fire control district, or local law plan under this
 75 | chapter, the term ~~following words and phrases have the following~~
 76 | ~~meanings:~~

77 | (1) "Additional premium tax revenues" means revenues
 78 | received by a municipality or special fire control district
 79 | pursuant to s. 175.121 which exceed base premium tax revenues.

80 | ~~(2)(1)(a)~~ "Average final compensation" for:

81 | (a) A full-time firefighter means one-twelfth of the
 82 | average annual compensation of the 5 best years of the last 10
 83 | years of creditable service before ~~prior to~~ retirement,
 84 | termination, or death, or the career average as a full-time

85 firefighter since July 1, 1953, whichever is greater. A year is
 86 ~~shall be~~ 12 consecutive months or such other consecutive period
 87 of time as is used and consistently applied.

88 (b) ~~"Average final compensation"~~ for A volunteer
 89 firefighter means the average salary of the 5 best years of the
 90 last 10 best contributing years before a ~~prior to~~ change in
 91 status to a permanent full-time firefighter or retirement as a
 92 volunteer firefighter or the career average of a volunteer
 93 firefighter, since July 1, 1953, whichever is greater.

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

96 (4) "Base premium tax revenues" means revenues received by
 97 a municipality or special fire control district pursuant to s.
 98 175.121 equal to the amount of such revenues received for
 99 calendar year 1997.

100 (5) ~~(2)~~ "Chapter plan" means a separate defined benefit
 101 pension plan for firefighters which incorporates by reference
 102 the provisions of this chapter and has been adopted by the
 103 governing body of a municipality or special district. Except as
 104 may be specifically authorized in this chapter, the provisions
 105 of a chapter plan may not differ from the plan provisions set
 106 forth in ss. 175.021-175.341 and 175.361-175.401. Actuarial
 107 valuations of chapter plans shall be conducted by the division
 108 as provided by s. 175.261(1).

109 (6) ~~(3)~~ "Compensation" or "salary" means, for
 110 noncollectively bargained service earned before July 1, 2011, or
 111 for service earned under collective bargaining agreements in
 112 place before July 1, 2011, the fixed monthly remuneration paid a

113 firefighter. If remuneration is based on actual services
114 rendered, as in the case of a volunteer firefighter, the term
115 means the total cash remuneration received yearly for such
116 services, prorated on a monthly basis. For noncollectively
117 bargained service earned on or after July 1, 2011, or for
118 service earned under collective bargaining agreements entered
119 into on or after July 1, 2011, the term has the same meaning
120 except that when calculating retirement benefits, up to 300
121 hours per year in overtime compensation may be included as
122 specified in the plan or collective bargaining agreement, but
123 payments for accrued unused sick or annual leave may not be
124 included.

125 (a) Any retirement trust fund or plan that meets the
126 requirements of this chapter does not, solely by virtue of this
127 subsection, reduce or diminish the monthly retirement income
128 otherwise payable to each firefighter covered by the retirement
129 trust fund or plan.

130 (b) The member's compensation or salary contributed as
131 employee-elective salary reductions or deferrals to any salary
132 reduction, deferred compensation, or tax-sheltered annuity
133 program authorized under the Internal Revenue Code is ~~shall be~~
134 deemed to be the compensation or salary the member would receive
135 if he or she were not participating in such program and ~~shall be~~
136 treated as compensation for retirement purposes under this
137 chapter.

138 (c) For any person who first becomes a member in any plan
139 year beginning on or after January 1, 1996, compensation for
140 that plan year may not include any amounts in excess of the

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

154 (7)~~(4)~~ "Creditable service" or "credited service" means
 155 the aggregate number of years of service, and fractional parts
 156 of years of service, of any firefighter, omitting intervening
 157 years and fractional parts of years when such firefighter may
 158 not have been employed by the municipality or special fire
 159 control district, subject to the following conditions:

160 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
 161 or fractional parts of years of service if he or she has
 162 withdrawn his or her contributions to the fund for those years
 163 or fractional parts of years of service, unless the firefighter
 164 repays into the fund the amount he or she has withdrawn, plus
 165 interest determined by the board. The member has ~~shall have~~ at
 166 least 90 days after his or her reemployment to make repayment.

167 (b) A firefighter may voluntarily leave his or her
 168 contributions in the fund for ~~a period of~~ 5 years after leaving

169 the employ of the fire department, pending the possibility of
170 being rehired by the same department, without losing credit for
171 the time he or she has participated actively as a firefighter.
172 If the firefighter is not reemployed as a firefighter, with the
173 same department, within 5 years, his or her contributions shall
174 be returned without interest.

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

193 (8) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
194 local law plan retirement option in which a firefighter may
195 elect to participate. A firefighter may retire for all purposes
196 of the plan and defer receipt of retirement benefits into a DROP

197 account while continuing employment with his or her employer.
 198 However, a firefighter who enters ~~the~~ DROP and who is otherwise
 199 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
 200 participating, or continuing to participate, in a supplemental
 201 plan in existence on, or created after, March 12, 1999 ~~the~~
 202 ~~effective date of this act.~~

203 (9) "Defined contribution plan" means the component of a
 204 local law plan to which deposits are made to provide benefits
 205 for firefighters, or for firefighters and police officers if
 206 both are included. Such component is an element of a local law
 207 plan and exists in conjunction with the defined benefit
 208 component that meets the required benefits and minimum standards
 209 of this chapter. The retirement benefits of the defined
 210 contribution plan shall be provided through individual member
 211 accounts in accordance with the applicable provisions of the
 212 Internal Revenue Code and related regulations and are limited to
 213 the contributions made into each member's account and the actual
 214 accumulated earnings, net of expenses, earned on the member's
 215 account.

216 (10)-(6) "Division" means the Division of Retirement of the
 217 Department of Management Services.

218 (11)-(7) "Enrolled actuary" means an actuary who is
 219 enrolled under Subtitle C of Title III of the Employee
 220 Retirement Income Security Act of 1974 and who is a member of
 221 the Society of Actuaries or the American Academy of Actuaries.

222 (12)-(8) (a) "Firefighter" means any person employed solely
 223 by a constituted fire department of any municipality or special
 224 fire control district who is certified as a firefighter as a

225 condition of employment in accordance with s. 633.35 and whose
 226 duty it is to extinguish fires, to protect life, or to protect
 227 property. The term includes all certified, supervisory, and
 228 command personnel whose duties include, in whole or in part, the
 229 supervision, training, guidance, and management responsibilities
 230 of full-time firefighters, part-time firefighters, or auxiliary
 231 firefighters, but does not include part-time firefighters or
 232 auxiliary firefighters. However, for purposes of this chapter
 233 only, the term also includes public safety officers who are
 234 responsible for performing both police and fire services, who
 235 are certified as police officers or firefighters, and who are
 236 certified by their employers to the Chief Financial Officer as
 237 participating in this chapter before October 1, 1979. Effective
 238 October 1, 1979, public safety officers who have not been
 239 certified as participating in this chapter are considered police
 240 officers for retirement purposes and are eligible to participate
 241 in chapter 185. Any plan may provide that the fire chief has an
 242 option to participate, ~~or not,~~ in that plan.

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

253 is not an active member of a department described herein is not
254 a volunteer firefighter within the meaning of this paragraph.

255 ~~(13)(9)~~ "Firefighters' Pension Trust Fund" means a trust
256 fund, by whatever name known, as provided under s. 175.041, for
257 the purpose of assisting municipalities and special fire control
258 districts in establishing and maintaining a retirement plan for
259 firefighters.

260 ~~(14)(10)~~ "Local law municipality" means ~~is~~ any
261 municipality in which ~~there exists~~ a local law plan exists.

262 ~~(15)(11)~~ "Local law plan" means a retirement defined
263 benefit pension plan, which includes both a defined benefit plan
264 component and a defined contribution plan component, for
265 firefighters, or for firefighters or police officers if both are
266 ~~where~~ included, as described in s. 175.351, established by
267 municipal ordinance, special district resolution, or special act
268 of the Legislature, which ~~enactment~~ sets forth all plan
269 provisions. Local law plan provisions may vary from the
270 provisions of this chapter if the, ~~provided that~~ required
271 ~~minimum~~ benefits and minimum standards of this chapter are met.
272 However, any such variance must ~~shall~~ provide a greater benefit
273 for firefighters. Actuarial valuations of local law plans shall
274 be conducted by an enrolled actuary as provided in s.
275 175.261(2).

276 ~~(16)(12)~~ "Local law special fire control district" means
277 ~~is~~ any special fire control district in which ~~there exists~~ a
278 local law plan exists.

279 (17) "Long-term funded ratio" or "funded ratio" means the
280 ratio of the actuarial value of assets of the plan to the

281 actuarial accrued liabilities of the plan, as reported in the
 282 most recent actuarial valuation of the plan, deemed to be in
 283 compliance with chapter 112 by the Department of Management
 284 Services.

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

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

289 (20)~~(13)~~ "Property insurance" means property insurance as
 290 defined in s. 624.604 and covers real and personal property
 291 within the corporate limits of a ~~any~~ municipality, or within the
 292 boundaries of a ~~any~~ special fire control district, within the
 293 state. "Multiple peril" means a combination or package policy
 294 that includes both property and casualty coverage for a single
 295 premium.

296 (21) "Required benefits" means the lesser of the minimum
 297 benefits set forth in this chapter and the base benefits of the
 298 plan. For local law plans created after March 1, 2013, the
 299 required benefits are the minimum benefits set forth in this
 300 chapter.

301 (22)~~(14)~~ "Retiree" or "retired firefighter" means a
 302 firefighter who has entered retirement status. For the purposes
 303 of a plan that includes a Deferred Retirement Option Plan
 304 (DROP), a firefighter who enters the DROP is ~~shall be~~ considered
 305 a retiree for all purposes of the plan. However, a firefighter
 306 who enters ~~the~~ DROP and who is otherwise eligible to participate
 307 may ~~shall~~ not ~~thereby~~ be precluded from participating, or
 308 continuing to participate, in a supplemental plan in existence

309 on, or created after, March 12, 1999 ~~the effective date of this~~
 310 ~~act.~~

311 ~~(23)-(15)~~ "Retirement" means a firefighter's separation
 312 from city or fire district employment as a firefighter with
 313 immediate eligibility for ~~receipt of~~ benefits under the plan.
 314 For purposes of a plan that includes a Deferred Retirement
 315 Option Plan (DROP), "retirement" means the date a firefighter
 316 enters ~~the~~ DROP.

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

319 ~~(25)-(16)~~ "Special fire control district" means a special
 320 district, as defined in s. 189.403 ~~189.403(1)~~, established for
 321 the purposes of extinguishing fires, protecting life, and
 322 protecting property within the incorporated or unincorporated
 323 portions of a any county or combination of counties, or within
 324 any combination of incorporated and unincorporated portions of a
 325 ~~any~~ county or combination of counties. The term does not include
 326 any dependent or independent special district, as those terms
 327 are defined in s. 189.403 ~~189.403(2) and (3)~~, respectively, the
 328 employees of which are members of the Florida Retirement System
 329 pursuant to s. 121.051(1) or (2).

330 ~~(26)-(17)~~ "Supplemental plan" means a plan to which
 331 deposits are made to provide extra benefits for firefighters, or
 332 for firefighters and police officers if both are ~~where~~ included
 333 ~~under this chapter~~. Such a plan is an element of a local law
 334 plan and exists in conjunction with a defined benefit component
 335 ~~plan~~ that meets the required minimum benefits and minimum
 336 standards of this chapter. Any supplemental plan in existence on

337 March 1, 2013, is deemed to be a defined contribution plan in
338 compliance with s. 175.351(8).

339 (27)~~(18)~~ "Supplemental plan municipality" means a ~~any~~
340 local law municipality in which ~~there existed~~ a supplemental
341 plan existed, of any type or nature, as of December 1, 2000.

342 Section 3. Paragraph (b) of subsection (7) of section
343 175.071, Florida Statutes, is amended to read:

344 175.071 General powers and duties of board of trustees.—
345 For any municipality, special fire control district, chapter
346 plan, local law municipality, local law special fire control
347 district, or local law plan under this chapter:

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

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

352
353 If the board chooses to use the municipality's or special
354 district's legal counsel or actuary, or chooses to use any of
355 the municipality's or special district's other professional,
356 technical, or other advisers, it must do so only under terms and
357 conditions acceptable to the board.

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

361 175.091 Creation and maintenance of fund.—For any
362 municipality, special fire control district, chapter plan, local
363 law municipality, local law special fire control district, or
364 local law plan under this chapter:

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

368 (d) By mandatory payment by the municipality or special
369 fire control district of a sum equal to the normal cost of and
370 the amount required to fund any actuarial deficiency shown by an
371 actuarial valuation as provided in part VII of chapter 112 after
372 taking into account the amounts described in paragraphs (b),
373 (c), (f), (g), and (h) and the amounts of the tax proceeds
374 described in paragraph (a) that must be used to fund defined
375 benefit plan benefits, except as otherwise excluded from
376 consideration in determining the mandatory payment.

377 (e) For local law plans, and in addition to the mandatory
378 payment described in paragraph (d), by mandatory payment by the
379 municipality or special fire control district of the amount
380 described in s. 175.351(3) if the long-term funded ratio of the
381 plan is less than 80 percent.

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

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

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

389
390 Nothing in this section shall be construed to require adjustment
391 of member contribution rates in effect on the date this act
392 becomes a law, including rates that exceed 5 percent of salary,

393 provided that such rates are at least one-half of 1 percent of
394 salary.

395 Section 5. Paragraph (a) of subsection (2) of section
396 175.162, Florida Statutes, is amended to read:

397 175.162 Requirements for retirement.—For any municipality,
398 special fire control district, chapter plan, local law
399 municipality, local law special fire control district, or local
400 law plan under this chapter, any firefighter who completes 10 or
401 more years of creditable service as a firefighter and attains
402 age 55, or completes 25 years of creditable service as a
403 firefighter and attains age 52, and who for such minimum period
404 has been a member of the firefighters' pension trust fund
405 operating under a chapter plan or local law plan, is eligible
406 for normal retirement benefits. Normal retirement under the plan
407 is retirement from the service of the municipality or special
408 fire control district on or after the normal retirement date. In
409 such event, payment of retirement income will be governed by the
410 following provisions of this section:

411 (2) (a) The amount of monthly retirement income payable to
412 a full-time firefighter who retires on or after his or her
413 normal retirement date shall be an amount equal to the number of
414 his or her years of credited service multiplied by 2 percent of
415 his or her average final compensation as a full-time
416 firefighter. ~~However, if current state contributions pursuant to
417 this chapter are not adequate to fund the additional benefits to
418 meet the minimum requirements in this chapter, only such
419 incremental increases shall be required as state moneys are
420 adequate to provide. Such increments shall be provided as state~~

421 ~~moneys become available.~~

422 Section 6. Section 175.351, Florida Statutes, is amended
423 to read:

424 175.351 Municipalities and special fire control districts
425 that have ~~having~~ their own pension plans for firefighters. ~~For~~
426 ~~any municipality, special fire control district, local law~~
427 ~~municipality, local law special fire control district, or local~~
428 ~~law plan under this chapter,~~ In order for a municipality or
429 ~~municipalities and special fire control~~ district that has its
430 ~~districts with their own pension~~ plan ~~plans~~ for firefighters, or
431 for firefighters and police officers if both are included, to
432 participate in the distribution of the tax fund established
433 under ~~pursuant to~~ s. 175.101, a local law plan and its plan
434 sponsor ~~plans~~ must meet the required ~~minimum~~ benefits and
435 minimum standards set forth in this chapter.

436 (1) If a municipality has a pension plan for firefighters,
437 ~~or a pension plan~~ for firefighters and police officers if both
438 are included, which in the opinion of the division meets the
439 required ~~minimum~~ benefits and minimum standards set forth in
440 this chapter, the board of trustees of the pension plan must, ~~as~~
441 ~~approved by a majority of firefighters of the municipality, may:~~

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

448 (a) The base premium tax revenues must be used to fund

449 base benefits.

450 (b) Of the premium tax revenues received that are in
451 excess of the amount received for the 2012 calendar year, and
452 any accumulations of additional premium tax revenues that have
453 not been applied to fund extra benefits:

454 1. If the plan has a long-term funded ratio of less than
455 80 percent:

456 a. Fifty percent must be used as additional contributions
457 to pay the plan's actuarial deficiency and may not be considered
458 in the determination of the mandatory payment described in s.
459 175.091(1)(d);

460 b. Twenty-five percent must be used to fund base benefits;
461 and

462 c. The remainder must be placed in a defined contribution
463 plan to fund special benefits.

464 2. If the plan has a long-term funded ratio of 80 percent
465 or greater:

466 a. Fifty percent must be used to fund base benefits; and

467 b. The remainder must be placed in a defined contribution
468 plan to fund special benefits.

469 (c) Additional premium tax revenues not described in
470 paragraph (b) must be used to fund benefits that were not
471 included in the base benefits to pay extra benefits to the
472 firefighters included in that pension plan; or

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

477 (2) Insurance premium tax revenues may not be used to fund
478 benefits provided in a defined benefit plan which were not
479 provided by the plan as of March 1, 2013; however, for a local
480 law plan created after March 1, 2013, up to 50 percent of the
481 insurance premium tax revenues may be used to fund defined
482 benefit plan component benefits and the remainder used to fund
483 defined contribution plan component benefits.

484 (3) If a plan offers benefits in excess of its required
485 benefits, such benefits may be reduced if the plan continues to
486 meet the required benefits of the plan and the minimum standards
487 set forth in this chapter. The amount of insurance premium tax
488 revenues previously used to fund benefits in excess of the
489 plan's required benefits before the reduction must be used as
490 provided in paragraph (1) (b). Twenty-five percent of the amount
491 of any mandatory contribution paid by the municipality or
492 special fire control district which was previously used to fund
493 benefits above the level of required benefits provided before
494 the reduction must be used as additional contributions as
495 specified in s. 175.091 to fund the plan's actuarial deficiency.

496 (4)(2) The premium tax provided by this chapter shall in
497 all cases be used in its entirety to provide retirement extra
498 benefits to firefighters, or to firefighters and police officers
499 if both are included. However, local law plans in effect on
500 October 1, 1998, must comply with the minimum benefit provisions
501 of this chapter only to the extent that additional premium tax
502 revenues become available to incrementally fund the cost of such
503 compliance as provided in s. 175.162(2) (a). If a plan is in
504 compliance with such minimum benefit provisions, as subsequent

505 ~~additional premium tax revenues become available, they must be~~
506 ~~used to provide extra benefits.~~ Local law plans created by
507 special act before May 27, 1939, are deemed to comply with this
508 chapter. ~~For the purpose of this chapter, the term:~~

509 ~~(a) "Additional premium tax revenues" means revenues~~
510 ~~received by a municipality or special fire control district~~
511 ~~pursuant to s. 175.121 which exceed that amount received for~~
512 ~~calendar year 1997.~~

513 ~~(b) "Extra benefits" means benefits in addition to or~~
514 ~~greater than those provided to general employees of the~~
515 ~~municipality and in addition to those in existence for~~
516 ~~firefighters on March 12, 1999.~~

517 ~~(5)-(3)~~ A retirement plan or amendment to a retirement plan
518 may not be proposed for adoption unless the proposed plan or
519 amendment contains an actuarial estimate of the costs involved.
520 Such proposed plan or proposed plan change may not be adopted
521 without the approval of the municipality, the special fire
522 control district, or, where permitted, the Legislature. Copies
523 of the proposed plan or proposed plan change and the actuarial
524 impact statement of the proposed plan or proposed plan change
525 shall be furnished to the division before the last public
526 hearing thereon. Such statement must also indicate whether the
527 proposed plan or proposed plan change is in compliance with s.
528 14, Art. X of the State Constitution and those provisions of
529 part VII of chapter 112 which are not expressly provided in this
530 chapter. Notwithstanding any other provision, only those local
531 law plans created by special act of legislation before May 27,
532 1939, are deemed to meet the minimum benefits and minimum

533 standards only in this chapter.

534 ~~(6)(4)~~ Notwithstanding any other provision, with respect
535 to any supplemental plan municipality:

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

539 (b) Section 175.061(1)(b) does not apply, and a local law
540 plan and a supplemental plan shall continue to be administered
541 by a board or boards of trustees numbered, constituted, and
542 selected as the board or boards were numbered, constituted, and
543 selected on December 1, 2000.

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

546 ~~(7)(5)~~ The retirement plan setting forth the benefits and
547 the trust agreement, if any, covering the duties and
548 responsibilities of the trustees and the regulations of the
549 investment of funds must be in writing, and copies made
550 available to the participants and to the general public.

551 (8) In addition to the defined benefit component of the
552 local law plan, each plan sponsor must have a defined
553 contribution plan component within the local law plan by October
554 1, 2013, or upon the creation date of a new participating plan.
555 However, the plan sponsor of any plan established by special act
556 of the Legislature has until July 1, 2014, to create a defined
557 contribution component within the plan.

558 (9) Notwithstanding any other provision of this chapter, a
559 municipality or special fire control district that has
560 implemented or proposed changes to a local law plan based on the

561 municipality's or district's reliance on an interpretation of
 562 this chapter by the department on or after August 14, 2012, and
 563 before February 1, 2013, may continue the implemented changes or
 564 continue to implement proposed changes. Such reliance must be
 565 evidenced by formal correspondence between the municipality or
 566 district and the department which describes the specific changes
 567 to the local law plan, with the initial correspondence from the
 568 municipality or district dated before February 1, 2013. The
 569 changes to the local law plan that are otherwise contrary to the
 570 provisions of this chapter may continue in effect until the
 571 earlier of October 1, 2016, or the effective date of a
 572 collective bargaining agreement that is contrary to the changes
 573 to the local law plan.

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

576 185.01 Legislative declaration.—

577 (2) This chapter hereby establishes, for all municipal
 578 pension plans ~~now or hereinafter~~ provided for under this
 579 chapter, including chapter plans and local law plans, required
 580 ~~minimum~~ benefits and minimum standards for the operation and
 581 funding of such plans, hereinafter referred to as municipal
 582 police officers' retirement trust funds, which must be met as a
 583 condition precedent to the plan or plan sponsor receiving a
 584 distribution of insurance premium tax revenues under s. 185.10.
 585 The required ~~minimum~~ benefits and minimum standards for each
 586 plan as set forth in this chapter may not be diminished by local
 587 ordinance or by special act of the Legislature ~~or, nor may the~~
 588 ~~minimum benefits or minimum standards be~~ reduced or offset by

589 any other local, state, or federal plan that may include police
 590 officers in its operation, except as provided under s. 112.65.

591 Section 8. Section 185.02, Florida Statutes, is amended to
 592 read:

593 185.02 Definitions.—For any municipality, chapter plan,
 594 local law municipality, or local law plan under this chapter,
 595 the term following words and phrases as used in this chapter
 596 ~~shall have the following meanings, unless a different meaning is~~
 597 ~~plainly required by the context:~~

598 (1) "Additional premium tax revenues" means revenues
 599 received by a municipality pursuant to s. 185.10 which exceed
 600 base premium tax revenues.

601 (2)~~(1)~~ "Average final compensation" means one-twelfth of
 602 the average annual compensation of the 5 best years of the last
 603 10 years of creditable service before ~~prior to~~ retirement,
 604 termination, or death.

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

607 (4) "Base premium tax revenues" means revenues received by
 608 a municipality pursuant to s. 185.10 equal to the amount of such
 609 revenues received for calendar year 1997.

610 (5)~~(2)~~ "Casualty insurance" means automobile public
 611 liability and property damage insurance to be applied at the
 612 place of residence of the owner, or if the subject is a
 613 commercial vehicle, to be applied at the place of business of
 614 the owner; automobile collision insurance; fidelity bonds;
 615 burglary and theft insurance; and plate glass insurance.

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

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

619 (6)~~(3)~~ "Chapter plan" means a separate defined benefit
620 pension plan for police officers which incorporates by reference
621 the provisions of this chapter and has been adopted by the
622 governing body of a municipality as provided in s. 185.08.
623 Except as may be specifically authorized in this chapter, the
624 provisions of a chapter plan may not differ from the plan
625 provisions set forth in ss. 185.01-185.341 and 185.37-185.39.
626 Actuarial valuations of chapter plans shall be conducted by the
627 division as provided by s. 185.221(1) (b).

628 (7)~~(4)~~ "Compensation" or "salary" means, for
629 noncollectively bargained service earned before July 1, 2011, or
630 for service earned under collective bargaining agreements in
631 place before July 1, 2011, the total cash remuneration including
632 "overtime" paid by the primary employer to a police officer for
633 services rendered, but not including any payments for extra duty
634 or special detail work performed on behalf of a second party
635 employer. ~~A local law plan may limit the amount of overtime~~
636 ~~payments which can be used for retirement benefit calculation~~
637 ~~purposes; however, such overtime limit may not be less than 300~~
638 ~~hours per officer per calendar year.~~ For noncollectively
639 bargained service earned on or after July 1, 2011, or for
640 service earned under collective bargaining agreements entered
641 into on or after July 1, 2011, the term has the same meaning
642 except that when calculating retirement benefits, up to 300
643 hours per year in overtime compensation may be included as
644 specified in the plan or collective bargaining agreement, but

645 payments for accrued unused sick or annual leave may not be
646 included.

647 (a) Any retirement trust fund or plan that meets the
648 requirements of this chapter does not, solely by virtue of this
649 subsection, reduce or diminish the monthly retirement income
650 otherwise payable to each police officer covered by the
651 retirement trust fund or plan.

652 (b) The member's compensation or salary contributed as
653 employee-elective salary reductions or deferrals to any salary
654 reduction, deferred compensation, or tax-sheltered annuity
655 program authorized under the Internal Revenue Code is ~~shall be~~
656 deemed to be the compensation or salary the member would receive
657 if he or she were not participating in such program and ~~shall be~~
658 treated as compensation for retirement purposes under this
659 chapter.

660 (c) For any person who first becomes a member in any plan
661 year beginning on or after January 1, 1996, compensation for
662 that plan year may not include any amounts in excess of the
663 Internal Revenue Code s. 401(a)(17) limitation, as amended by
664 the Omnibus Budget Reconciliation Act of 1993, which limitation
665 of \$150,000 shall be adjusted as required by federal law for
666 qualified government plans and ~~shall be~~ further adjusted for
667 changes in the cost of living in the manner provided by Internal
668 Revenue Code s. 401(a)(17)(B). For any person who first became a
669 member before the first plan year beginning on or after January
670 1, 1996, the limitation on compensation may not be less than the
671 maximum compensation amount that was allowed to be taken into
672 account under the plan ~~as~~ in effect on July 1, 1993, which

673 limitation shall be adjusted for changes in the cost of living
 674 since 1989 in the manner provided by Internal Revenue Code s.
 675 401(a) (17) (1991).

676 (8)~~(5)~~ "Creditable service" or "credited service" means
 677 the aggregate number of years of service and fractional parts of
 678 years of service of any police officer, omitting intervening
 679 years and fractional parts of years when such police officer may
 680 not have been employed by the municipality subject to the
 681 following conditions:

682 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
 683 years or fractional parts of years of service if he or she has
 684 withdrawn his or her contributions to the fund for those years
 685 or fractional parts of years of service, unless the police
 686 officer repays into the fund the amount he or she has withdrawn,
 687 plus interest as determined by the board. The member has ~~shall~~
 688 ~~have~~ at least 90 days after his or her reemployment to make
 689 repayment.

690 (b) A police officer may voluntarily leave his or her
 691 contributions in the fund for ~~a period of~~ 5 years after leaving
 692 the employ of the police department, pending the possibility of
 693 his or her being rehired by the same department, without losing
 694 credit for the time he or she has participated actively as a
 695 police officer. If he or she is not reemployed as a police
 696 officer with the same department within 5 years, his or her
 697 contributions shall be returned to him or her without interest.

698 (c) Credited service under this chapter shall be provided
 699 only for service as a police officer, ~~as defined in subsection~~
 700 ~~(11)~~, or for military service and may not include credit for any

701 other type of service. A municipality ~~may~~, by local ordinance,
 702 may provide for the purchase of credit for military service
 703 occurring before employment as well as prior service as a police
 704 officer for some other employer as long as the police officer is
 705 not entitled to receive a benefit for such ~~other~~ prior service
 706 ~~as a police officer~~. For purposes of determining credit for
 707 prior service, in addition to service as a police officer in
 708 this state, credit may be given for federal, other state, or
 709 county service as long as such service is recognized by the
 710 Criminal Justice Standards and Training Commission within the
 711 Department of Law Enforcement as provided under chapter 943 or
 712 the police officer provides proof to the board of trustees that
 713 such service is equivalent to the service required to meet the
 714 definition of a police officer under subsection (18) ~~(11)~~.

715 (d) In determining the creditable service of a any police
 716 officer, credit for up to 5 years of the time spent in the
 717 military service of the Armed Forces of the United States shall
 718 be added to the years of actual service, if:

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

723 2. The police officer is entitled to reemployment under
 724 ~~the provisions of~~ the Uniformed Services Employment and
 725 Reemployment Rights Act.

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

729 (9)~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
730 local law plan retirement option in which a police officer may
731 elect to participate. A police officer may retire for all
732 purposes of the plan and defer receipt of retirement benefits
733 into a DROP account while continuing employment with his or her
734 employer. However, a police officer who enters ~~the~~ DROP and who
735 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
736 precluded from participating, or continuing to participate, in a
737 supplemental plan in existence on, or created after, March 12,
738 1999 ~~the effective date of this act.~~

739 (10) "Defined contribution plan" means the component of a
740 local law plan to which deposits are made to provide benefits
741 for police officers, or for police officers and firefighters if
742 both are included. Such component is an element of a local law
743 plan and exists in conjunction with the defined benefit
744 component that meets the required benefits and minimum standards
745 of this chapter. The retirement benefits of the defined
746 contribution plan shall be provided through individual member
747 accounts in accordance with the applicable provisions of the
748 Internal Revenue Code and related regulations and are limited to
749 the contributions made into each member's account and the actual
750 accumulated earnings, net of expenses, earned on the member's
751 account.

752 (11)~~(7)~~ "Division" means the Division of Retirement of the
753 Department of Management Services.

754 (12)~~(8)~~ "Enrolled actuary" means an actuary who is
755 enrolled under Subtitle C of Title III of the Employee
756 Retirement Income Security Act of 1974 and who is a member of

757 the Society of Actuaries or the American Academy of Actuaries.

758 (13)~~(9)~~ "Local law municipality" means ~~is~~ any municipality
759 in which ~~there exists~~ a local law plan exists.

760 (14)~~(10)~~ "Local law plan" means a retirement defined
761 benefit pension plan, which includes both a defined benefit plan
762 component and a defined contribution plan component, for police
763 officers, or for police officers and firefighters if both are,
764 ~~where~~ included, as described in s. 185.35, established by
765 municipal ordinance or special act of the Legislature, which
766 ~~enactment~~ sets forth all plan provisions. Local law plan
767 provisions may vary from the provisions of this chapter if the,
768 ~~provided that~~ required ~~minimum~~ benefits and minimum standards of
769 this chapter are met. However, any such variance must ~~shall~~
770 provide a greater benefit for police officers. Actuarial
771 valuations of local law plans shall be conducted by an enrolled
772 actuary as provided in s. 185.221(2)(b).

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

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

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

783 (18)~~(11)~~ "Police officer" means any person who is elected,
784 appointed, or employed full time by a ~~any~~ municipality, who is

785 certified or required to be certified as a law enforcement
786 officer in compliance with s. 943.1395, who is vested with
787 authority to bear arms and make arrests, and whose primary
788 responsibility is the prevention and detection of crime or the
789 enforcement of the penal, criminal, traffic, or highway laws of
790 the state. The term ~~This definition~~ includes all certified
791 supervisory and command personnel whose duties include, in whole
792 or in part, the supervision, training, guidance, and management
793 responsibilities of full-time law enforcement officers, part-
794 time law enforcement officers, or auxiliary law enforcement
795 officers, but does not include part-time law enforcement
796 officers or auxiliary law enforcement officers as those terms
797 ~~the same~~ are defined in s. 943.10 ~~943.10(6) and (8)~~,
798 ~~respectively~~. For the purposes of this chapter only, the term
799 also includes ~~"police officer"~~ also shall include a public
800 safety officer who is responsible for performing both police and
801 fire services. Any plan may provide that the police chief has
802 ~~shall have~~ an option to participate, ~~or not,~~ in that plan.

803 ~~(19)(12)~~ (19) "Police Officers' Retirement Trust Fund" means a
804 trust fund, by whatever name known, as provided under s. 185.03
805 for the purpose of assisting municipalities in establishing and
806 maintaining a retirement plan for police officers.

807 (20) "Required benefits" means the lesser of the minimum
808 benefits set forth in this chapter and the base benefits of the
809 plan. For local law plans created after March 1, 2013, the
810 required benefits are the minimum benefits set forth in this
811 chapter.

812 ~~(21)(13)~~ (21) "Retiree" or "retired police officer" means a

CS/HB 1399

2013

813 | police officer who has entered retirement status. For the
814 | purposes of a plan that includes a Deferred Retirement Option
815 | Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
816 | considered a retiree for all purposes of the plan. However, a
817 | police officer who enters ~~the~~ DROP and who is otherwise eligible
818 | to participate may ~~shall~~ not ~~thereby~~ be precluded from
819 | participating, or continuing to participate, in a supplemental
820 | plan in existence on, or created after, March 12, 1999 ~~the~~
821 | ~~effective date of this act.~~

822 | (22) ~~(14)~~ "Retirement" means a police officer's separation
823 | from city employment as a police officer with immediate
824 | eligibility for ~~receipt of~~ benefits under the plan. For purposes
825 | of a plan that includes a Deferred Retirement Option Plan
826 | (DROP), "retirement" means the date a police officer enters ~~the~~
827 | DROP.

828 | (23) "Special benefits" means benefits provided in a
829 | defined contribution plan for police officers.

830 | (24) ~~(15)~~ "Supplemental plan" means a plan to which
831 | deposits of the premium tax moneys as provided in s. 185.08 are
832 | made to provide extra benefits to police officers, or police
833 | officers and firefighters if both are ~~where~~ included, ~~under this~~
834 | ~~chapter.~~ Such a plan is an element of a local law plan and
835 | exists in conjunction with a defined benefit component ~~plan~~ that
836 | meets the required ~~minimum~~ benefits and minimum standards of
837 | this chapter. Any supplemental plan in existence on March 1,
838 | 2013, is deemed to be a defined contribution plan in compliance
839 | with s. 185.35(8).

840 | (25) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~

841 local law municipality in which ~~there existed~~ a supplemental
 842 plan existed as of December 1, 2000.

843 Section 9. Paragraph (b) of subsection (6) of section
 844 185.06, Florida Statutes, is amended to read:

845 185.06 General powers and duties of board of trustees.—For
 846 any municipality, chapter plan, local law municipality, or local
 847 law plan under this chapter:

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

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

852
 853 If the board chooses to use the municipality's or special
 854 district's legal counsel or actuary, or chooses to use any of
 855 the municipality's other professional, technical, or other
 856 advisers, it must do so only under terms and conditions
 857 acceptable to the board.

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

861 185.07 Creation and maintenance of fund.—For any
 862 municipality, chapter plan, local law municipality, or local law
 863 plan under this chapter:

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

867 (d) By payment by the municipality or other sources of a
 868 sum equal to the normal cost and the amount required to fund any

CS/HB 1399

2013

869 actuarial deficiency shown by an actuarial valuation as provided
870 in part VII of chapter 112 after taking into account the amounts
871 described in paragraphs (b), (c), (f), (g), and (h) and the
872 amounts of the tax proceeds described in paragraph (a) that must
873 be used to fund defined benefit plan benefits, except as
874 otherwise excluded from consideration in determining the
875 mandatory payment.

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

880 (f)-(e) By all gifts, bequests and devises when donated to
881 the fund.

882 (g)-(f) By all accretions to the fund by way of interest or
883 dividends on bank deposits or otherwise.

884 (h)-(g) By all other sources of income now or hereafter
885 authorized by law for the augmentation of such municipal police
886 officers' retirement trust fund.

887
888 Nothing in this section shall be construed to require adjustment
889 of member contribution rates in effect on the date this act
890 becomes a law, including rates that exceed 5 percent of salary,
891 provided that such rates are at least one-half of 1 percent of
892 salary.

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

895 185.16 Requirements for retirement.—For any municipality,
896 chapter plan, local law municipality, or local law plan under

897 | this chapter, any police officer who completes 10 or more years
898 | of creditable service as a police officer and attains age 55, or
899 | completes 25 years of creditable service as a police officer and
900 | attains age 52, and for such period has been a member of the
901 | retirement fund is eligible for normal retirement benefits.
902 | Normal retirement under the plan is retirement from the service
903 | of the city on or after the normal retirement date. In such
904 | event, for chapter plans and local law plans, payment of
905 | retirement income will be governed by the following provisions
906 | of this section:

907 | (2) The amount of the monthly retirement income payable to
908 | a police officer who retires on or after his or her normal
909 | retirement date shall be an amount equal to the number of the
910 | police officer's years of credited service multiplied by 2
911 | percent of his or her average final compensation. ~~However, if
912 | current state contributions pursuant to this chapter are not
913 | adequate to fund the additional benefits to meet the minimum
914 | requirements in this chapter, only increment increases shall be
915 | required as state moneys are adequate to provide. Such
916 | increments shall be provided as state moneys become available.~~

917 | Section 12. Section 185.35, Florida Statutes, is amended
918 | to read:

919 | 185.35 Municipalities that have ~~having~~ their own
920 | retirement ~~pension~~ plans for police officers. ~~For any
921 | municipality, chapter plan, local law municipality, or local law
922 | plan under this chapter,~~ In order for a municipality that has
923 | its municipalities with their own retirement plan ~~pension~~ plans
924 | for police officers, or for police officers and firefighters if

925 both are included, to participate in the distribution of the tax
 926 fund established under ~~pursuant to~~ s. 185.08, a local law plan
 927 and its plan sponsor plans must meet the required minimum
 928 benefits and minimum standards set forth in this chapter. ~~;~~

929 (1) If a municipality has a retirement pension plan for
 930 police officers, or for police officers and firefighters if both
 931 are included, which, in the opinion of the division, meets the
 932 required minimum benefits and minimum standards set forth in
 933 this chapter, the board of trustees of the retirement pension
 934 plan must, ~~as approved by a majority of police officers of the~~
 935 ~~municipality,~~ may:

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

942 (a) The base premium tax revenues must be used to fund
 943 base benefits.

944 (b) Of the premium tax revenues received that are in
 945 excess of the amount received for the 2012 calendar year, and
 946 any accumulations of additional premium tax revenues that have
 947 not been applied to fund extra benefits:

948 1. If the plan has a long-term funded ratio of less than
 949 80 percent:

950 a. Fifty percent must be used as additional contributions
 951 to pay the plan's actuarial deficiency and may not be considered
 952 in the determination of the mandatory payment described in s.

953 | 185.07(1)(d);
 954 | b. Twenty-five percent must be used to fund base benefits;
 955 | and
 956 | c. The remainder must be placed in a defined contribution
 957 | plan to fund special benefits.
 958 | 2. If the plan has a long-term funded ratio of 80 percent
 959 | or greater:
 960 | a. Fifty percent must be used to fund base benefits; and
 961 | b. The remainder must be placed in a defined contribution
 962 | plan to fund special benefits.
 963 | (c) Additional premium tax revenues not described in
 964 | paragraph (b) must be used to fund benefits that were not
 965 | included in the base benefits ~~pay extra benefits to the police~~
 966 | ~~officers included in that pension plan; or~~
 967 | ~~(b) May place the income from the premium tax in s. 185.08~~
 968 | ~~in a separate supplemental plan to pay extra benefits to the~~
 969 | ~~police officers, or police officers and firefighters if~~
 970 | ~~included, participating in such separate supplemental plan.~~
 971 | (2) Insurance premium tax revenues may not be used to fund
 972 | benefits provided in a defined benefit plan which were not
 973 | provided by the plan as of March 1, 2013; however, for a local
 974 | law plan created after March 1, 2013, up to 50 percent of the
 975 | insurance premium tax revenues may be used to fund defined
 976 | benefit plan component benefits and the remainder used to fund
 977 | defined contribution plan component benefits.
 978 | (3) If a plan offers benefits in excess of its required
 979 | benefits, such benefits may be reduced if the plan continues to
 980 | meet the required benefits of the plan and the minimum standards

981 set forth in this chapter. The amount of insurance premium tax
 982 revenues previously used to fund benefits in excess of the
 983 plan's required benefits before the reduction must be used as
 984 provided in paragraph (1) (b). Twenty-five percent of the amount
 985 of any mandatory contribution paid by the municipality which was
 986 previously used to fund benefits above the level of required
 987 benefits provided before the reduction must be used as
 988 additional contributions as specified in s. 185.07 to fund the
 989 plan's actuarial deficiency.

990 ~~(4)(2)~~ The premium tax provided by this chapter shall ~~in~~
 991 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
 992 benefits to police officers, or to police officers and
 993 firefighters if both are included. ~~However, local law plans in~~
 994 ~~effect on October 1, 1998, must comply with the minimum benefit~~
 995 ~~provisions of this chapter only to the extent that additional~~
 996 ~~premium tax revenues become available to incrementally fund the~~
 997 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
 998 ~~is in compliance with such minimum benefit provisions, as~~
 999 ~~subsequent additional tax revenues become available, they shall~~
 1000 ~~be used to provide extra benefits.~~ Local law plans created by
 1001 special act before May 27, 1939, are ~~shall~~ be deemed to comply
 1002 with this chapter. ~~For the purpose of this chapter, the term:~~

1003 ~~(a) "Additional premium tax revenues" means revenues~~
 1004 ~~received by a municipality pursuant to s. 185.10 which exceed~~
 1005 ~~the amount received for calendar year 1997.~~

1006 ~~(b) "Extra benefits" means benefits in addition to or~~
 1007 ~~greater than those provided to general employees of the~~
 1008 ~~municipality and in addition to those in existence for police~~

1009 ~~officers on March 12, 1999.~~

1010 (5)~~(3)~~ A retirement plan or amendment to a retirement plan
 1011 may not be proposed for adoption unless the proposed plan or
 1012 amendment contains an actuarial estimate of the costs involved.
 1013 Such proposed plan or proposed plan change may not be adopted
 1014 without the approval of the municipality or, where permitted,
 1015 the Legislature. Copies of the proposed plan or proposed plan
 1016 change and the actuarial impact statement of the proposed plan
 1017 or proposed plan change shall be furnished to the division
 1018 before the last public hearing thereon. Such statement must also
 1019 indicate whether the proposed plan or proposed plan change is in
 1020 compliance with s. 14, Art. X of the State Constitution and
 1021 those provisions of part VII of chapter 112 which are not
 1022 expressly provided in this chapter. Notwithstanding any other
 1023 provision, only those local law plans created by special act of
 1024 legislation before May 27, 1939, are deemed to meet the minimum
 1025 benefits and minimum standards only in this chapter.

1026 (6)~~(4)~~ Notwithstanding any other provision, with respect
 1027 to any supplemental plan municipality:

1028 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and
 1029 a local law plan and a supplemental plan may continue to use
 1030 their definition of compensation or salary in existence on March
 1031 12, 1999.

1032 (b) A local law plan and a supplemental plan must continue
 1033 to be administered by a board or boards of trustees numbered,
 1034 constituted, and selected as the board or boards were numbered,
 1035 constituted, and selected on December 1, 2000.

1036 ~~(c) The election set forth in paragraph (1)(b) is deemed~~

1037 | ~~to have been made.~~

1038 | (7)~~(5)~~ The retirement plan setting forth the benefits and
 1039 | the trust agreement, if any, covering the duties and
 1040 | responsibilities of the trustees and the regulations of the
 1041 | investment of funds must be in writing and copies made available
 1042 | to the participants and to the general public.

1043 | (8) In addition to the defined benefit component of the
 1044 | local law plan, each plan sponsor must have a defined
 1045 | contribution plan component within the local law plan by October
 1046 | 1, 2013, or upon the creation date of a new participating plan.
 1047 | However, the plan sponsor of any plan established by special act
 1048 | of the Legislature has until July 1, 2014, to create a defined
 1049 | contribution component within the plan.

1050 | (9) Notwithstanding any other provision of this chapter, a
 1051 | municipality that has implemented or proposed changes to a local
 1052 | law plan based on the municipality's reliance on an
 1053 | interpretation of this chapter by the department on or after
 1054 | August 14, 2012, and before February 1, 2013, may continue the
 1055 | implemented changes or continue to implement proposed changes.
 1056 | Such reliance must be evidenced by formal correspondence between
 1057 | the municipality and the department which describes the specific
 1058 | changes to the local law plan, with the initial correspondence
 1059 | from the municipality dated before February 1, 2013. The changes
 1060 | to the local law plan which are otherwise contrary to the
 1061 | provisions of this chapter may continue in effect until the
 1062 | earlier of October 1, 2016, or the effective date of a
 1063 | collective bargaining agreement that is contrary to the changes
 1064 | to the local law plan.

CS/HB 1399

2013

1065 Section 13. The Legislature finds that a proper and
1066 legitimate state purpose is served when employees and retirees
1067 of the state and its political subdivisions, and the dependents,
1068 survivors, and beneficiaries of such employees and retirees, are
1069 extended the basic protections afforded by governmental
1070 retirement systems that provide fair and adequate benefits and
1071 that are managed, administered, and funded in an actuarially
1072 sound manner as required by s. 14, Article X of the State
1073 Constitution and part VII of chapter 112, Florida Statutes.
1074 Therefore, the Legislature determines and declares that this act
1075 fulfills an important state interest.

1076 Section 14. This act shall take effect July 1, 2013.