

2014246e1

1 A bill to be entitled
2 An act relating to local government pension reform;
3 amending s. 175.021, F.S.; revising the legislative
4 declaration to require that all firefighter pension
5 plans meet the requirements of ch. 175, F.S., in order
6 to receive insurance premium tax revenues; amending s.
7 175.032, F.S.; revising definitions to conform to
8 changes made by the act and providing new definitions;
9 amending s. 175.071, F.S.; conforming a cross-
10 reference; amending s. 175.091, F.S.; revising the
11 method of creating and maintaining a firefighters'
12 pension trust fund; amending s. 175.162, F.S.;
13 deleting a provision basing the availability of
14 additional benefits in a firefighter pension plan upon
15 state funding; revising the calculation of monthly
16 retirement income for a full-time firefighter;
17 providing that certain firefighter pension plans must
18 maintain a certain minimum percentage of average final
19 compensation by a specified date; amending s. 175.351,
20 F.S., relating to municipalities and special fire
21 control districts that have their own pension plans
22 and want to participate in the distribution of a tax
23 fund; redesignating the term "pension plan" as
24 "retirement plan"; revising criteria governing the use
25 of revenues from the premium tax; authorizing a
26 retirement plan to reduce certain excess benefits if
27 the plan continues to meet certain minimum benefits
28 and standards; providing that the use of premium tax
29 revenues may deviate from the requirements of ch. 175,

2014246e1

30 F.S., under certain circumstances; requiring plan
31 sponsors to have a defined contribution plan in place
32 by a certain date; authorizing a municipality to
33 implement certain changes to a local law plan which
34 are contrary to ch. 175, F.S., for a limited time;
35 amending s. 185.01, F.S.; revising the legislative
36 declaration to require that all police officer pension
37 plans meet the requirements of ch. 185, F.S., in order
38 to receive insurance premium tax revenues; amending s.
39 185.02, F.S.; revising definitions to conform to
40 changes made by the act and adding new definitions;
41 revising applicability of the limitation on the amount
42 of overtime payments that may be used for retirement
43 benefit calculations; amending s. 185.06, F.S.;
44 conforming a cross-reference; amending s. 185.07,
45 F.S.; revising the method of creating and maintaining
46 a police officers' retirement trust fund; amending s.
47 185.16, F.S.; deleting a provision basing the
48 availability of additional benefits in a police
49 officer pension plan upon state funding; revising the
50 calculation of monthly retirement income for a police
51 officer; providing that certain police officer pension
52 plans must maintain a certain minimum percentage of
53 average final compensation after a specified date;
54 amending s. 185.35, F.S., relating to municipalities
55 that have their own pension plans for police officers
56 and want to participate in the distribution of a tax
57 fund; conforming a cross-reference; redesignating the
58 term "pension plan" as "retirement plan"; revising

2014246e1

59 criteria governing the use of revenues from the
60 premium tax; authorizing a plan to reduce certain
61 excess benefits if the plan continues to meet certain
62 minimum benefits and minimum standards; providing that
63 the use of premium tax revenues may deviate from the
64 requirements of ch. 185, F.S., under specified
65 circumstances; requiring plan sponsors to have a
66 defined contribution plan in place by a certain date;
67 authorizing a municipality to implement certain
68 changes to a local law plan which are contrary to ch.
69 185, F.S., for a limited time; providing a declaration
70 of important state interest; providing an effective
71 date.

72
73 Be It Enacted by the Legislature of the State of Florida:

74
75 Section 1. Subsection (2) of section 175.021, Florida
76 Statutes, is amended to read:

77 175.021 Legislative declaration.—

78 (2) This chapter hereby establishes, for all municipal and
79 special district pension plans existing ~~now or hereafter~~ under
80 this chapter, including chapter plans and local law plans,
81 minimum benefits and minimum standards for the operation and
82 funding of such plans, hereinafter referred to as firefighters'
83 pension trust funds, which must be met as a condition precedent
84 to the plan or plan sponsor receiving a distribution of
85 insurance premium tax revenues under s. 175.121. The minimum
86 benefits and minimum standards for each plan as set forth in
87 this chapter may not be diminished by local charter, ordinance,

2014246e1

88 or resolution or by special act of the Legislature and may not,
89 ~~nor may the minimum benefits or minimum standards~~ be reduced or
90 offset by any other local, state, or federal law that includes
91 ~~may include~~ firefighters in its operation, except as provided
92 under s. 112.65.

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

95 175.032 Definitions.—For any municipality, special fire
96 control district, chapter plan, local law municipality, local
97 law special fire control district, or local law plan under this
98 chapter, the term ~~following words and phrases have the following~~
99 ~~meanings~~:

100 (1) "Additional premium tax revenues" means revenues
101 received by a municipality or special fire control district
102 pursuant to s. 175.121 which exceed base premium tax revenues.

103 (2)(1)(a) "Average final compensation" for:

104 (a) A full-time firefighter means one-twelfth of the
105 average annual compensation of the 5 best years of the last 10
106 years of creditable service before ~~prior to~~ retirement,
107 termination, or death, or the career average as a full-time
108 firefighter since July 1, 1953, whichever is greater. A year is
109 ~~shall be~~ 12 consecutive months or such other consecutive period
110 of time as is used and consistently applied.

111 (b) "Average final compensation" for A volunteer
112 firefighter means the average salary of the 5 best years of the
113 last 10 best contributing years before ~~prior to~~ change in status
114 to a permanent full-time firefighter or retirement as a
115 volunteer firefighter or the career average of a volunteer
116 firefighter, since July 1, 1953, whichever is greater.

2014246e1

117 (3) "Base premium tax revenues" means:

118 (a) For a local law plan in effect on October 1, 1998, the
119 revenues received by a municipality or special fire control
120 district pursuant to s. 175.121 for calendar year 1997.

121 (b) For a local law plan created between October 1, 1998,
122 and March 1, 2014, inclusive, the revenues received by a
123 municipality or special fire control district pursuant to s.
124 175.121 based upon the tax collections during the second
125 calendar year of participation.

126 (4)-(2) "Chapter plan" means a separate defined benefit
127 pension plan for firefighters which incorporates by reference
128 the provisions of this chapter and has been adopted by the
129 governing body of a municipality or special district. Except as
130 ~~may be~~ specifically authorized in this chapter, the provisions
131 of a chapter plan may not differ from the plan provisions set
132 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial
133 valuations of chapter plans shall be conducted by the division
134 as provided by s. 175.261(1).

135 (5)-(3) "Compensation" or "salary" means, for
136 noncollectively bargained service earned before July 1, 2011, or
137 for service earned under collective bargaining agreements in
138 place before July 1, 2011, the fixed monthly remuneration paid a
139 firefighter. If remuneration is based on actual services
140 rendered, as in the case of a volunteer firefighter, the term
141 means the total cash remuneration received yearly for such
142 services, prorated on a monthly basis. For noncollectively
143 bargained service earned on or after July 1, 2011, or for
144 service earned under collective bargaining agreements entered
145 into on or after July 1, 2011, the term has the same meaning

2014246e1

146 except that when calculating retirement benefits, up to 300
147 hours per year in overtime compensation may be included as
148 specified in the plan or collective bargaining agreement, but
149 payments for accrued unused sick or annual leave may not be
150 included.

151 (a) Any retirement trust fund or plan that meets the
152 requirements of this chapter does not, solely by virtue of this
153 subsection, reduce or diminish the monthly retirement income
154 otherwise payable to each firefighter covered by the retirement
155 trust fund or plan.

156 (b) The member's compensation or salary contributed as
157 employee-elective salary reductions or deferrals to any salary
158 reduction, deferred compensation, or tax-sheltered annuity
159 program authorized under the Internal Revenue Code shall be
160 deemed to be the compensation or salary the member would receive
161 if he or she were not participating in such program and ~~shall be~~
162 treated as compensation for retirement purposes under this
163 chapter.

164 (c) For any person who first becomes a member in any plan
165 year beginning on or after January 1, 1996, compensation for
166 that plan year may not include any amounts in excess of the
167 Internal Revenue Code s. 401(a)(17) limitation, as amended by
168 the Omnibus Budget Reconciliation Act of 1993, which limitation
169 of \$150,000 shall be adjusted as required by federal law for
170 qualified government plans and ~~shall be~~ further adjusted for
171 changes in the cost of living in the manner provided by Internal
172 Revenue Code s. 401(a)(17)(B). For any person who first became a
173 member before the first plan year beginning on or after January
174 1, 1996, the limitation on compensation may not be less than the

2014246e1

175 maximum compensation amount that was allowed to be taken into
176 account under the plan in effect on July 1, 1993, which
177 limitation shall be adjusted for changes in the cost of living
178 since 1989 in the manner provided by Internal Revenue Code s.
179 401(a)(17)(1991).

180 (6)~~(4)~~ "Creditable service" or "credited service" means the
181 aggregate number of years of service~~7~~ and fractional parts of
182 years of service~~7~~ of any firefighter, omitting intervening years
183 and fractional parts of years when such firefighter may not have
184 been employed by the municipality or special fire control
185 district, subject to the following conditions:

186 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
187 or fractional parts of years of service if he or she has
188 withdrawn his or her contributions to the fund for those years
189 or fractional parts of years of service, unless the firefighter
190 repays into the fund the amount he or she has withdrawn, plus
191 interest determined by the board. The member shall have at least
192 90 days after his or her reemployment to make repayment.

193 (b) A firefighter may voluntarily leave his or her
194 contributions in the fund for ~~a period of~~ 5 years after leaving
195 the employ of the fire department, pending the possibility of
196 being rehired by the same department, without losing credit for
197 the time he or she has participated actively as a firefighter.
198 If the firefighter is not reemployed as a firefighter~~7~~ with the
199 same department~~7~~ within 5 years, his or her contributions shall
200 be returned without interest.

201 (c) Credited service under this chapter shall be provided
202 only for service as a firefighter~~, as defined in subsection (8)7~~,
203 or for military service and does not include credit for any

2014246e1

204 other type of service. A municipality ~~may~~, by local ordinance,
205 or a special fire control district ~~may~~, by resolution, may
206 provide for the purchase of credit for military service prior to
207 employment as well as for prior service as a firefighter for
208 some other employer as long as a firefighter is not entitled to
209 receive a benefit for such prior service ~~as a firefighter~~. For
210 purposes of determining credit for prior service as a
211 firefighter, in addition to service as a firefighter in this
212 state, credit may be given for federal, other state, or county
213 service if the prior service is recognized by the Division of
214 State Fire Marshal as provided in ~~under~~ chapter 633, or the
215 firefighter provides proof to the board of trustees that his or
216 her service is equivalent to the service required to meet the
217 definition of a firefighter under subsection (11) ~~(8)~~.

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

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

226 2. The firefighter is entitled to reemployment under the
227 provisions of the Uniformed Services Employment and Reemployment
228 Rights Act.

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

232 (7) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a

2014246e1

233 local law plan retirement option in which a firefighter may
234 elect to participate. A firefighter may retire for all purposes
235 of the plan and defer receipt of retirement benefits into a DROP
236 account while continuing employment with his or her employer.
237 However, a firefighter who enters ~~the~~ DROP and who is otherwise
238 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
239 participation or continued participation participating, or
240 continuing to participate, in a supplemental plan in existence
241 on, or created after, March 12, 1999 ~~the effective date of this~~
242 ~~act.~~

243 (8) "Defined contribution plan" means the component of a
244 local law plan, as provided in s. 175.351(1), to which deposits,
245 if any, are made to provide benefits for firefighters, or for
246 firefighters and police officers if both are included. Such
247 component is an element of a local law plan and exists in
248 conjunction with the defined benefit component that meets the
249 minimum benefits and minimum standards of this chapter. The
250 retirement benefits, if any, of the defined contribution plan
251 shall be provided through individual member accounts in
252 accordance with the applicable provisions of the Internal
253 Revenue Code and related regulations and are limited to the
254 contributions, if any, made into each member's account and the
255 actual accumulated earnings, net of expenses, earned on the
256 member's account.

257 (9)-(6) "Division" means the Division of Retirement of the
258 Department of Management Services.

259 (10)-(7) "Enrolled actuary" means an actuary who is enrolled
260 under Subtitle C of Title III of the Employee Retirement Income
261 Security Act of 1974 and who is a member of the Society of

2014246e1

262 Actuaries or the American Academy of Actuaries.

263 (11)~~(8)~~(a) "Firefighter" means a person employed solely by
264 a constituted fire department of any municipality or special
265 fire control district who is certified as a firefighter as a
266 condition of employment in accordance with s. 633.408 and whose
267 duty it is to extinguish fires, to protect life, or to protect
268 property. The term includes all certified, supervisory, and
269 command personnel whose duties include, in whole or in part, the
270 supervision, training, guidance, and management responsibilities
271 of full-time firefighters, part-time firefighters, or auxiliary
272 firefighters but does not include part-time firefighters or
273 auxiliary firefighters. However, for purposes of this chapter
274 only, the term also includes public safety officers who are
275 responsible for performing both police and fire services, who
276 are certified as police officers or firefighters, and who are
277 certified by their employers to the Chief Financial Officer as
278 participating in this chapter before October 1, 1979. Effective
279 October 1, 1979, public safety officers who have not been
280 certified as participating in this chapter are considered police
281 officers for retirement purposes and are eligible to participate
282 in chapter 185. Any plan may provide that the fire chief has an
283 option to participate,~~or not,~~ in that plan.

284 (b) "Volunteer firefighter" means any person whose name is
285 carried on the active membership roll of a constituted volunteer
286 fire department or a combination of a paid and volunteer fire
287 department of any municipality or special fire control district
288 and whose duty it is to extinguish fires, to protect life, and
289 to protect property. Compensation for services rendered by a
290 volunteer firefighter does ~~shall~~ not disqualify him or her as a

2014246e1

291 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
292 firefighter solely because he or she has other gainful
293 employment. Any person who volunteers assistance at a fire but
294 is not an active member of a department described herein is not
295 a volunteer firefighter within the meaning of this paragraph.

296 (12)~~(9)~~ "Firefighters' Pension Trust Fund" means a trust
297 fund, by whatever name known, as provided under s. 175.041, for
298 the purpose of assisting municipalities and special fire control
299 districts in establishing and maintaining a retirement plan for
300 firefighters.

301 (13)~~(10)~~ "Local law municipality" is any municipality in
302 which ~~there exists~~ a local law plan exists.

303 (14)~~(11)~~ "Local law plan" means a retirement defined
304 benefit pension plan, that includes both a defined benefit plan
305 component and a defined contribution plan component, for
306 firefighters, or for firefighters and ~~or~~ police officers if both
307 are ~~where~~ included, as described in s. 175.351, established by
308 municipal ordinance, special district resolution, or special act
309 of the Legislature, which ~~enactment~~ sets forth all plan
310 provisions. Local law plan provisions may vary from the
311 provisions of this chapter if the, ~~provided that required~~
312 minimum benefits and minimum standards of this chapter are met.
313 However, any such variance must ~~shall~~ provide a greater benefit
314 for firefighters. Actuarial valuations of local law plans shall
315 be conducted by an enrolled actuary as provided in s.
316 175.261(2).

317 (15)~~(12)~~ "Local law special fire control district" means ~~is~~
318 any special fire control district in which ~~there exists~~ a local
319 law plan exists.

2014246e1

320 (16) "Minimum benefits" means the benefits set forth in ss.
321 175.021-175.341 and ss. 175.361-175.401.

322 (17) "Minimum standards" means the standards set forth in
323 ss. 175.021-175.401.

324 (18)~~(13)~~ "Property insurance" means property insurance as
325 defined in s. 624.604 and covers real and personal property
326 within the corporate limits of a ~~any~~ municipality, or within the
327 boundaries of a ~~any~~ special fire control district, within the
328 state. The term "multiple peril" means a combination or package
329 policy that includes both property and casualty coverage for a
330 single premium.

331 (19)~~(14)~~ "Retiree" or "retired firefighter" means a
332 firefighter who has entered retirement status. For the purposes
333 of a plan that includes a Deferred Retirement Option Plan
334 (DROP), a firefighter who enters the DROP is ~~shall be~~ considered
335 a retiree for all purposes of the plan. However, a firefighter
336 who enters ~~the~~ DROP and who is otherwise eligible to participate
337 may ~~shall~~ not ~~thereby~~ be precluded from participation or
338 continued participation ~~participating, or continuing to~~
339 ~~participate,~~ in a supplemental plan in existence on, or created
340 after, March 12, 1999 ~~the effective date of this act.~~

341 (20)~~(15)~~ "Retirement" means a firefighter's separation from
342 municipal ~~city~~ or fire district employment as a firefighter with
343 immediate eligibility for ~~receipt of~~ benefits under the plan.
344 For purposes of a plan that includes a Deferred Retirement
345 Option Plan (DROP), "retirement" means the date a firefighter
346 enters ~~the~~ DROP.

347 (21) "Special act plan" means a plan subject to the
348 provisions of this chapter which was created by an act of the

2014246e1

349 Legislature and continues to require an act of the Legislature
350 to alter plan benefits.

351 (22) "Special benefits" means benefits provided in a
352 defined contribution plan for firefighters.

353 (23)~~(16)~~ "Special fire control district" means a special
354 district, as defined in s. 189.403~~(1)~~, established for the
355 purposes of extinguishing fires, protecting life, and protecting
356 property within the incorporated or unincorporated portions of a
357 ~~any~~ county or combination of counties, or within any combination
358 of incorporated and unincorporated portions of a ~~any~~ county or
359 combination of counties. The term does not include any dependent
360 or independent special district, as those terms are defined in
361 s. 189.403, whose s. 189.403(2) and (3), respectively, the
362 employees of which are members of the Florida Retirement System
363 pursuant to s. 121.051(1) or (2).

364 (24)~~(17)~~ "Supplemental plan" means a plan to which deposits
365 are made to provide special ~~extra~~ benefits for firefighters, or
366 for firefighters and police officers if both are ~~where~~ included
367 ~~under this chapter~~. Such a plan is an element of a local law
368 plan and exists in conjunction with a defined benefit component
369 ~~plan~~ that meets the minimum benefits and minimum standards of
370 this chapter. Any supplemental plan in existence on March 1,
371 2014, shall be deemed to be a defined contribution plan in
372 compliance with s. 175.351(6).

373 (25)~~(18)~~ "Supplemental plan municipality" means a ~~any~~ local
374 law municipality in which any ~~there existed~~ a supplemental plan
375 existed, of any type or nature, as of December 1, 2000.

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

2014246e1

378 175.071 General powers and duties of board of trustees.—For
379 any municipality, special fire control district, chapter plan,
380 local law municipality, local law special fire control district,
381 or local law plan under this chapter:

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

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

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

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

391
392 If the board chooses to use the municipality's or special
393 district's legal counsel or actuary, or chooses to use any of
394 the municipality's or special district's other professional,
395 technical, or other advisers, it must do so only under terms and
396 conditions acceptable to the board.

397 Section 4. Paragraph (d) of subsection (1) of section
398 175.091, Florida Statutes, is amended to read:

399 175.091 Creation and maintenance of fund.—For any
400 municipality, special fire control district, chapter plan, local
401 law municipality, local law special fire control district, or
402 local law plan under this chapter:

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

406 (d) By mandatory payment by the municipality or special

2014246e1

407 fire control district of a sum equal to the normal cost of and
408 the amount required to fund any actuarial deficiency shown by an
409 actuarial valuation conducted under ~~as provided in~~ part VII of
410 chapter 112 after taking into account the amounts described in
411 paragraphs (b), (c), (e), (f), and (g) and the tax proceeds
412 described in paragraph (a) which are used to fund defined
413 benefit plan benefits.

414

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

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

422 175.162 Requirements for retirement.—For any municipality,
423 special fire control district, chapter plan, local law
424 municipality, local law special fire control district, or local
425 law plan under this chapter, any firefighter who completes 10 or
426 more years of creditable service as a firefighter and attains
427 age 55, or completes 25 years of creditable service as a
428 firefighter and attains age 52, and who for such minimum period
429 has been a member of the firefighters' pension trust fund
430 operating under a chapter plan or local law plan, is eligible
431 for normal retirement benefits. Normal retirement under the plan
432 is retirement from the service of the municipality or special
433 fire control district on or after the normal retirement date. In
434 such event, payment of retirement income will be governed by the
435 following provisions of this section:

2014246e1

436 (2) (a) 1. The amount of monthly retirement income payable to
437 a full-time firefighter who retires on or after his or her
438 normal retirement date shall be an amount equal to the number of
439 his or her years of credited service multiplied by 2.75 ~~2~~
440 percent of his or her average final compensation as a full-time
441 firefighter. ~~However, if current state contributions pursuant to~~
442 ~~this chapter are not adequate to fund the additional benefits to~~
443 ~~meet the minimum requirements in this chapter, only such~~
444 ~~incremental increases shall be required as state moneys are~~
445 ~~adequate to provide. Such increments shall be provided as state~~
446 ~~moneys become available.~~

447 2. Effective July 1, 2014, a plan that is in compliance
448 with this chapter except that the plan provides a benefit that
449 is less than 2.75 percent of the average final compensation of a
450 full-time firefighter for all years of credited service, as
451 provided in subparagraph 1., or provides an effective benefit
452 that is below 2.75 percent as a result of a maximum benefit
453 limitation, must maintain, at a minimum, the percentage amount
454 or maximum benefit limitation in effect on July 1, 2014, and is
455 not required to increase the benefit to 2.75 percent of the
456 average final compensation of a full-time firefighter for all
457 years of credited service.

458 3. Effective July 1, 2014, a plan that is in compliance
459 with this chapter except that the plan provides a benefit that
460 is less than 2.75 percent of the average final compensation of a
461 full-time firefighter for all years of credited service, as
462 provided in subparagraph 1., or provides an effective benefit
463 that is below 2.75 percent as a result of a maximum benefit
464 limitation, and which changes the percentage amount or maximum

2014246e1

465 benefit limitation to 2.75 percent, or greater, of the average
466 final compensation of a full-time firefighter for all years of
467 credited service, as provided in subparagraph 1., may not
468 thereafter decrease the percentage amount or maximum benefit
469 limitation to less than 2.75 percent of the average final
470 compensation of a full-time firefighter for all years of
471 credited service, as provided in subparagraph 1.

472 Section 6. Section 175.351, Florida Statutes, is amended to
473 read:

474 175.351 Municipalities and special fire control districts
475 that have ~~having~~ their own retirement ~~pension~~ plans for
476 firefighters. ~~For any municipality, special fire control~~
477 ~~district, local law municipality, local law special fire control~~
478 ~~district, or local law plan under this chapter,~~ In order for a
479 municipality or municipalities and special fire control district
480 that has its ~~districts with their own retirement plan~~ ~~pension~~
481 ~~plans~~ for firefighters, or for firefighters and police officers
482 if both are included, to participate in the distribution of the
483 tax fund established under ~~pursuant to~~ s. 175.101, a local law
484 plan ~~plans~~ must meet the minimum benefits and minimum standards
485 set forth in this chapter, except as provided in the mutual
486 consent provisions in paragraph (1)(g) with respect to the
487 minimum benefits not met as of October 1, 2012.

488 (1) If a municipality has a retirement ~~pension~~ plan for
489 firefighters, or a ~~pension plan~~ for firefighters and police
490 officers if both are included, which in the opinion of the
491 division meets the minimum benefits and minimum standards set
492 forth in this chapter, the board of trustees of the pension plan
493 must, ~~as approved by a majority of firefighters of the~~

2014246e1

494 ~~municipality, may:~~

495 ~~(a)~~ place the income from the premium tax in s. 175.101 in
496 such ~~pension~~ plan for the sole and exclusive use of its
497 firefighters, or for firefighters and police officers if both
498 are included, where it shall become an integral part of that
499 ~~pension~~ plan and ~~shall~~ be used to fund benefits as provided
500 herein. Effective October 1, 2014, for noncollectively bargained
501 service or upon entering into a collective bargaining agreement
502 on or after July 1, 2014:

503 (a) The base premium tax revenues must be used to fund
504 minimum benefits or other retirement benefits in excess of the
505 minimum benefits as determined by the municipality or special
506 fire control district.

507 (b) Of the additional premium tax revenues received which
508 are in excess of the amount received for the 2012 calendar year,
509 50 percent must be used to fund minimum benefits or other
510 retirement benefits in excess of the minimum benefits as
511 determined by the municipality or special fire control district,
512 and 50 percent must be placed in a defined contribution plan to
513 fund special benefits.

514 (c) Additional premium tax revenues not described in
515 paragraph (b) must be used to fund benefits that are not
516 included in the minimum benefits. If the additional premium tax
517 revenues subject to this paragraph exceed the full annual cost
518 of benefits provided through the plan which are in excess of the
519 minimum benefits, any amount in excess of the full annual cost
520 must be used as provided in paragraph (b).

521 (d) Of any accumulations of additional premium tax revenues
522 which have not been allocated to fund benefits in excess of the

2014246e1

523 minimum benefits, 50 percent of the amount of the accumulations
524 must be used to fund special benefits, and 50 percent must be
525 applied to fund any unfunded actuarial liabilities of the plan;
526 provided that any amount of accumulations in excess of the
527 amount required to fund the unfunded actuarial liabilities must
528 be used to fund special benefits ~~to pay extra benefits to the~~
529 ~~firefighters included in that pension plan; or~~

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

534 (e) For a plan created after March 1, 2014, 50 percent of
535 the insurance premium tax revenues must be used to fund defined
536 benefit plan component benefits, with the remainder used to fund
537 defined contribution plan component benefits.

538 (f) If a plan offers benefits in excess of the minimum
539 benefits, such benefits, excluding supplemental plan benefits in
540 effect as of September 30, 2013, may be reduced if the plan
541 continues to meet the minimum benefits and the minimum standards
542 set forth in this chapter. The amount of insurance premium tax
543 revenues previously used to fund benefits in excess of minimum
544 benefits, excluding the amount of any additional premium tax
545 revenues distributed to a supplemental plan for calendar year
546 2012, before the reduction must be used as provided in paragraph
547 (b). However, benefits in excess of the minimum benefits may not
548 be reduced if a plan does not meet the minimum percentage amount
549 of 2.75 percent, or greater, of the average final compensation
550 of a full-time firefighter, as provided in s. 175.162(2)(a)1.,
551 or provides an effective benefit that is below 2.75 percent as a

2014246e1

552 result of a maximum benefit limitation, as described in s.
553 175.162(2)(a)2.

554 (g) Notwithstanding paragraphs (a)-(f), the use of premium
555 tax revenues, including any accumulations of additional premium
556 tax revenues which have not been allocated to fund benefits in
557 excess of the minimum benefits, may deviate from the provisions
558 of this subsection by mutual consent of the members' collective
559 bargaining representative or, if none, by majority consent of
560 the firefighter members of the fund, and by consent of the
561 municipality or special fire control district, provided that the
562 plan continues to meet the minimum benefits and minimum
563 standards of this chapter; however, a plan that operates
564 pursuant to this paragraph which does not meet the minimum
565 benefits as of October 1, 2012, may continue to provide the
566 benefits that do not meet the minimum benefits at the same level
567 as was provided as of October 1, 2012, and all other benefit
568 levels must continue to meet the minimum benefits. Such mutually
569 agreed deviation shall continue until modified or revoked by
570 subsequent mutual consent of the members' collective bargaining
571 representative or, if none, by a majority of the firefighter
572 members of the fund, and the municipality or special fire
573 control district. An existing arrangement for the use of premium
574 tax revenues contained within a special act plan or a plan
575 within a supplemental plan municipality is considered, as of
576 July 1, 2014, to be a deviation for which mutual consent has
577 been granted.

578 (2) The premium tax provided by this chapter shall ~~in all~~
579 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
580 benefits to firefighters, or to firefighters and police officers

2014246e1

581 if both are included. However, ~~local law plans in effect on~~
582 ~~October 1, 1998, must comply with the minimum benefit provisions~~
583 ~~of this chapter only to the extent that additional premium tax~~
584 ~~revenues become available to incrementally fund the cost of such~~
585 ~~compliance as provided in s. 175.162(2) (a). If a plan is in~~
586 ~~compliance with such minimum benefit provisions, as subsequent~~
587 ~~additional premium tax revenues become available, they must be~~
588 ~~used to provide extra benefits.~~ Local law plans created by
589 special act before May 27, 1939, are deemed to comply with this
590 chapter. ~~For the purpose of this chapter, the term:~~

591 (a) ~~"Additional premium tax revenues" means revenues~~
592 ~~received by a municipality or special fire control district~~
593 ~~pursuant to s. 175.121 which exceed that amount received for~~
594 ~~calendar year 1997.~~

595 (b) ~~"Extra benefits" means benefits in addition to or~~
596 ~~greater than those provided to general employees of the~~
597 ~~municipality and in addition to those in existence for~~
598 ~~firefighters on March 12, 1999.~~

599 (3) A retirement plan or amendment to a retirement plan may
600 not be proposed for adoption unless the proposed plan or
601 amendment contains an actuarial estimate of the costs involved.
602 Such proposed plan or proposed plan change may not be adopted
603 without the approval of the municipality, special fire control
604 district, or, where required permitted, the Legislature. Copies
605 of the proposed plan or proposed plan change and the actuarial
606 impact statement of the proposed plan or proposed plan change
607 shall be furnished to the division before the last public
608 hearing on the proposal is held thereon. Such statement must
609 also indicate whether the proposed plan or proposed plan change

2014246e1

610 is in compliance with s. 14, Art. X of the State Constitution
611 and those provisions of part VII of chapter 112 which are not
612 expressly provided in this chapter. Notwithstanding any other
613 provision, only those local law plans created by special act of
614 legislation before May 27, 1939, are deemed to meet the minimum
615 benefits and minimum standards only in this chapter.

616 (4) Notwithstanding any other provision, with respect to
617 any supplemental plan municipality:

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

621 (b) Section 175.061(1)(b) does not apply, and a local law
622 plan and a supplemental plan shall continue to be administered
623 by a board or boards of trustees numbered, constituted, and
624 selected as the board or boards were numbered, constituted, and
625 selected on December 1, 2000.

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

628 (5) The retirement plan setting forth the benefits and the
629 trust agreement, if any, covering the duties and
630 responsibilities of the trustees and the regulations of the
631 investment of funds must be in writing, and copies made
632 available to the participants and to the general public.

633 (6) In addition to the defined benefit component of the
634 local law plan, each plan sponsor must have a defined
635 contribution plan component within the local law plan by October
636 1, 2014, for noncollectively bargained service, upon entering
637 into a collective bargaining agreement on or after July 1, 2014,
638 or upon the creation date of a new participating plan. Depending

2014246e1

639 upon the application of subsection (1), a defined contribution
640 component may or may not receive any funding.

641 (7) Notwithstanding any other provision of this chapter, a
642 municipality or special fire control district that has
643 implemented or proposed changes to a local law plan based on the
644 municipality's or district's reliance on an interpretation of
645 this chapter by the Department of Management Services on or
646 after August 14, 2012, and before March 4, 2014, may continue
647 the implemented changes or continue to implement proposed
648 changes. Such reliance must be evidenced by a written collective
649 bargaining proposal or agreement, or formal correspondence
650 between the municipality or district and the Department of
651 Management Services which describes the specific changes to the
652 local law plan, with the initial proposal, agreement, or
653 correspondence from the municipality or district dated before
654 March 4, 2014. Changes to the local law plan which are otherwise
655 contrary to the minimum benefits and minimum standards in this
656 chapter may continue in effect until the earlier of October 1,
657 2017, or the effective date of a collective bargaining agreement
658 that is contrary to the changes to the local law plan.

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

661 185.01 Legislative declaration.—

662 (2) This chapter hereby establishes, for all municipal
663 pension plans ~~now or hereinafter~~ provided for under this
664 chapter, including chapter plans and local law plans, minimum
665 benefits and minimum standards for the operation and funding of
666 such plans, hereinafter referred to as municipal police
667 officers' retirement trust funds, which must be met as

2014246e1

668 conditions precedent to the plans or plan sponsors receiving a
669 distribution of insurance premium tax revenues under s. 185.10.
670 The minimum benefits and minimum standards for each plan as set
671 forth in this chapter may not be diminished by local ordinance
672 or by special act of the Legislature and may not, ~~nor may the~~
673 ~~minimum benefits or minimum standards~~ be reduced or offset by
674 any other local, state, or federal plan that includes ~~may~~
675 ~~include~~ police officers in its operation, except as provided
676 under s. 112.65.

677 Section 8. Section 185.02, Florida Statutes, is amended to
678 read:

679 185.02 Definitions.—For any municipality, chapter plan,
680 local law municipality, or local law plan under this chapter,
681 the term ~~following words and phrases as used in this chapter~~
682 ~~shall have the following meanings, unless a different meaning is~~
683 ~~plainly required by the context:~~

684 (1) “Additional premium tax revenues” means revenues
685 received by a municipality pursuant to s. 185.10 which exceed
686 base premium tax revenues.

687 (2) ~~(1)~~ “Average final compensation” means one-twelfth of
688 the average annual compensation of the 5 best years of the last
689 10 years of creditable service prior to retirement, termination,
690 or death.

691 (3) “Base premium tax revenues” means:

692 (a) For a local law plan in effect on October 1, 1998, the
693 revenues received by a municipality pursuant to s. 185.10 for
694 the calendar year 1997.

695 (b) For a local law plan created between October 1, 1998,
696 and March 1, 2014, inclusive, the revenues received by a

2014246e1

697 municipality pursuant to s. 185.10 based upon the tax
698 collections during the second calendar year of participation.

699 (4)~~(2)~~ "Casualty insurance" means automobile public
700 liability and property damage insurance to be applied at the
701 place of residence of the owner, or if the subject is a
702 commercial vehicle, to be applied at the place of business of
703 the owner; automobile collision insurance; fidelity bonds;
704 burglary and theft insurance; and plate glass insurance. The
705 term "multiple peril" means a combination or package policy that
706 includes both property coverage and casualty coverage for a
707 single premium.

708 (5)~~(3)~~ "Chapter plan" means a separate defined benefit
709 pension plan for police officers which incorporates by reference
710 the provisions of this chapter and has been adopted by the
711 governing body of a municipality as provided in s. 185.08.
712 Except as ~~may be~~ specifically authorized in this chapter, the
713 provisions of a chapter plan may not differ from the plan
714 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
715 185.39. Actuarial valuations of chapter plans shall be conducted
716 by the division as provided by s. 185.221(1)(b).

717 (6)~~(4)~~ "Compensation" or "salary" means, for
718 noncollectively bargained service earned before July 1, 2011, or
719 for service earned under collective bargaining agreements in
720 place before July 1, 2011, the total cash remuneration including
721 "overtime" paid by the primary employer to a police officer for
722 services rendered, but not including any payments for extra duty
723 or special detail work performed on behalf of a second party
724 employer. Overtime may be limited prior to July 1, 2011, in a
725 local law plan by the plan provisions ~~A local law plan may limit~~

2014246e1

726 ~~the amount of overtime payments which can be used for retirement~~
727 ~~benefit calculation purposes; however, such overtime limit may~~
728 ~~not be less than 300 hours per officer per calendar year.~~ For
729 noncollectively bargained service earned on or after July 1,
730 2011, or for service earned under collective bargaining
731 agreements entered into on or after July 1, 2011, the term has
732 the same meaning except that when calculating retirement
733 benefits, up to 300 hours per year in overtime compensation may
734 be included as specified in the plan or collective bargaining
735 agreement, but payments for accrued unused sick or annual leave
736 may not be included.

737 (a) Any retirement trust fund or plan that meets the
738 requirements of this chapter does not, solely by virtue of this
739 subsection, reduce or diminish the monthly retirement income
740 otherwise payable to each police officer covered by the
741 retirement trust fund or plan.

742 (b) The member's compensation or salary contributed as
743 employee-elective salary reductions or deferrals to any salary
744 reduction, deferred compensation, or tax-sheltered annuity
745 program authorized under the Internal Revenue Code shall be
746 deemed to be the compensation or salary the member would receive
747 if he or she were not participating in such program and shall be
748 treated as compensation for retirement purposes under this
749 chapter.

750 (c) For any person who first becomes a member in any plan
751 year beginning on or after January 1, 1996, compensation for
752 that plan year may not include any amounts in excess of the
753 Internal Revenue Code s. 401(a)(17) limitation, as amended by
754 the Omnibus Budget Reconciliation Act of 1993, which limitation

2014246e1

755 of \$150,000 shall be adjusted as required by federal law for
756 qualified government plans and ~~shall be~~ further adjusted for
757 changes in the cost of living in the manner provided by Internal
758 Revenue Code s. 401(a)(17)(B). For any person who first became a
759 member before the first plan year beginning on or after January
760 1, 1996, the limitation on compensation may not be less than the
761 maximum compensation amount that was allowed to be taken into
762 account under the plan ~~as~~ in effect on July 1, 1993, which
763 limitation shall be adjusted for changes in the cost of living
764 since 1989 in the manner provided by Internal Revenue Code s.
765 401(a)(17)(1991).

766 (7)~~(5)~~ "Creditable service" or "credited service" means the
767 aggregate number of years of service and fractional parts of
768 years of service of any police officer, omitting intervening
769 years and fractional parts of years when such police officer may
770 not have been employed by the municipality subject to the
771 following conditions:

772 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
773 years or fractional parts of years of service if he or she has
774 withdrawn his or her contributions to the fund for those years
775 or fractional parts of years of service, unless the police
776 officer repays into the fund the amount he or she has withdrawn,
777 plus interest as determined by the board. The member has ~~shall~~
778 ~~have~~ at least 90 days after his or her reemployment to make
779 repayment.

780 (b) A police officer may voluntarily leave his or her
781 contributions in the fund for ~~a period of~~ 5 years after leaving
782 the employ of the police department, pending the possibility of
783 his or her being rehired by the same department, without losing

2014246e1

784 credit for the time he or she has participated actively as a
785 police officer. If he or she is not reemployed as a police
786 officer with the same department within 5 years, his or her
787 contributions shall be returned ~~to him or her~~ without interest.

788 (c) Credited service under this chapter shall be provided
789 only for service as a police officer, ~~as defined in subsection~~
790 ~~(11)~~, or for military service and may not include credit for any
791 other type of service. A municipality ~~may~~, by local ordinance,
792 may provide for the purchase of credit for military service
793 occurring before employment as well as prior service as a police
794 officer for some other employer as long as the police officer is
795 not entitled to receive a benefit for such ~~other~~ prior service
796 ~~as a police officer~~. For purposes of determining credit for
797 prior service, in addition to service as a police officer in
798 this state, credit may be given for federal, other state, or
799 county service as long as such service is recognized by the
800 Criminal Justice Standards and Training Commission within the
801 Department of Law Enforcement as provided in ~~under~~ chapter 943
802 or the police officer provides proof to the board of trustees
803 that such service is equivalent to the service required to meet
804 the definition of a police officer under subsection (16) ~~(11)~~.

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

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

2014246e1

813 2. The police officer is entitled to reemployment under ~~the~~
814 ~~provisions of~~ the Uniformed Services Employment and Reemployment
815 Rights Act.

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

819 (8)~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
820 local law plan retirement option in which a police officer may
821 elect to participate. A police officer may retire for all
822 purposes of the plan and defer receipt of retirement benefits
823 into a DROP account while continuing employment with his or her
824 employer. However, a police officer who enters ~~the~~ DROP and who
825 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
826 precluded from participation or continued participation
827 ~~participating, or continuing to participate,~~ in a supplemental
828 plan in existence on, or created after, March 12, 1999 ~~the~~
829 ~~effective date of this act.~~

830 (9) "Defined contribution plan" means the component of a
831 local law plan, as provided in s. 185.35(1), to which deposits,
832 if any, are made to provide benefits for police officers, or for
833 police officers and firefighters if both are included. Such
834 component is an element of a local law plan and exists in
835 conjunction with the defined benefit component that meets the
836 minimum benefits and minimum standards of this chapter. The
837 retirement benefits, if any, of the defined contribution plan
838 shall be provided through individual member accounts in
839 accordance with the applicable provisions of the Internal
840 Revenue Code and related regulations and are limited to the
841 contributions, if any, made into each member's account and the

2014246e1

842 actual accumulated earnings, net of expenses, earned on the
843 member's account.

844 (10)~~(7)~~ "Division" means the Division of Retirement of the
845 Department of Management Services.

846 (11)~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
847 under Subtitle C of Title III of the Employee Retirement Income
848 Security Act of 1974 and who is a member of the Society of
849 Actuaries or the American Academy of Actuaries.

850 (12)~~(9)~~ "Local law municipality" means ~~is~~ any municipality
851 in which ~~there exists~~ a local law plan exists.

852 (13)~~(10)~~ "Local law plan" means a retirement defined
853 benefit pension plan, that includes both a defined benefit plan
854 component and a defined contribution plan component, for police
855 officers, or for police officers and firefighters if both are,
856 ~~where~~ included, as described in s. 185.35, established by
857 municipal ordinance or special act of the Legislature, which
858 ~~enactment~~ sets forth all plan provisions. Local law plan
859 provisions may vary from the provisions of this chapter if the,
860 ~~provided that required~~ minimum benefits and minimum standards of
861 this chapter are met. However, any such variance must ~~shall~~
862 provide a greater benefit for police officers. Actuarial
863 valuations of local law plans shall be conducted by an enrolled
864 actuary as provided in s. 185.221(2)(b).

865 (14) "Minimum benefits" means the benefits set forth in ss.
866 185.01-185.341 and ss. 185.37-185.50.

867 (15) "Minimum standards" means the standards set forth in
868 ss. 185.01-185.50.

869 (16)~~(11)~~ "Police officer" means any person who is elected,
870 appointed, or employed full time by a ~~any~~ municipality, who is

2014246e1

871 certified or required to be certified as a law enforcement
872 officer in compliance with s. 943.1395, who is vested with
873 authority to bear arms and make arrests, and whose primary
874 responsibility is the prevention and detection of crime or the
875 enforcement of the penal, criminal, traffic, or highway laws of
876 the state. The term ~~This definition~~ includes all certified
877 supervisory and command personnel whose duties include, in whole
878 or in part, the supervision, training, guidance, and management
879 responsibilities of full-time law enforcement officers, part-
880 time law enforcement officers, or auxiliary law enforcement
881 officers, but does not include part-time law enforcement
882 officers or auxiliary law enforcement officers as those terms
883 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For
884 the purposes of this chapter only, the term also includes
885 ~~"police officer"~~ also shall include a public safety officer who
886 is responsible for performing both police and fire services. Any
887 plan may provide that the police chief shall have an option to
888 participate, ~~or not,~~ in that plan.

889 (17) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
890 trust fund, by whatever name known, as provided under s. 185.03
891 for the purpose of assisting municipalities in establishing and
892 maintaining a retirement plan for police officers.

893 (18) ~~(13)~~ "Retiree" or "retired police officer" means a
894 police officer who has entered retirement status. For the
895 purposes of a plan that includes a Deferred Retirement Option
896 Plan (DROP), a police officer who enters the DROP is ~~shall be~~
897 considered a retiree for all purposes of the plan. However, a
898 police officer who enters ~~the~~ DROP and who is otherwise eligible
899 to participate may ~~shall~~ not ~~thereby~~ be precluded from

2014246e1

900 participating, or continuing to participate, in a supplemental
901 plan in existence on, or created after, March 12, 1999 ~~the~~
902 ~~effective date of this act.~~

903 (19) ~~(14)~~ "Retirement" means a police officer's separation
904 from municipal ~~city~~ employment as a police officer with
905 immediate eligibility for ~~receipt of~~ benefits under the plan.
906 For purposes of a plan that includes a Deferred Retirement
907 Option Plan (DROP), "retirement" means the date a police officer
908 enters ~~the~~ DROP.

909 (20) "Special act plan" means a plan subject to the
910 provisions of this chapter which was created by an act of the
911 Legislature and continues to require an act of the Legislature
912 to alter plan benefits.

913 (21) "Special benefits" means benefits provided in a
914 defined contribution plan for police officers.

915 (22) ~~(15)~~ "Supplemental plan" means a plan to which deposits
916 of the premium tax moneys as provided in s. 185.08 are made to
917 provide special ~~extra~~ benefits to police officers, or police
918 officers and firefighters if both are ~~where included,~~ ~~under this~~
919 ~~chapter~~. Such a plan is an element of a local law plan and
920 exists in conjunction with a defined benefit component ~~plan~~ that
921 meets the minimum benefits and minimum standards of this
922 chapter. Any supplemental plan in existence on March 1, 2014,
923 shall be deemed to be a defined contribution plan in compliance
924 with s. 185.35(6).

925 (23) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
926 law municipality in which ~~there existed~~ a supplemental plan
927 existed as of December 1, 2000.

928 Section 9. Subsection (6) of section 185.06, Florida

2014246e1

929 Statutes, is amended to read:

930 185.06 General powers and duties of board of trustees.—For
931 any municipality, chapter plan, local law municipality, or local
932 law plan under this chapter:

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

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

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

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

942

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

948 Section 10. Paragraph (d) of subsection (1) of section
949 185.07, Florida Statutes, is amended to read:

950 185.07 Creation and maintenance of fund.—For any
951 municipality, chapter plan, local law municipality, or local law
952 plan under this chapter:

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

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

2014246e1

958 actuarial deficiency shown by an actuarial valuation conducted
959 under as provided in part VII of chapter 112 after taking into
960 account the amounts described in paragraphs (b), (c), (e), (f),
961 and (g) and the tax proceeds described in paragraph (a) which
962 are used to fund defined benefit plan benefits.
963

964 Nothing in this section shall be construed to require adjustment
965 of member contribution rates in effect on the date this act
966 becomes a law, including rates that exceed 5 percent of salary,
967 provided that such rates are at least one-half of 1 percent of
968 salary.

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

971 185.16 Requirements for retirement.—For any municipality,
972 chapter plan, local law municipality, or local law plan under
973 this chapter, any police officer who completes 10 or more years
974 of creditable service as a police officer and attains age 55, or
975 completes 25 years of creditable service as a police officer and
976 attains age 52, and for such period has been a member of the
977 retirement fund is eligible for normal retirement benefits.

978 Normal retirement under the plan is retirement from the service
979 of the city on or after the normal retirement date. In such
980 event, for chapter plans and local law plans, payment of
981 retirement income will be governed by the following provisions
982 of this section:

983 (2) (a) The amount of the monthly retirement income payable
984 to a police officer who retires on or after his or her normal
985 retirement date shall be an amount equal to the number of the
986 police officer's years of credited service multiplied by 2.75 ~~2~~

2014246e1

987 percent of his or her average final compensation. ~~However, if~~
988 ~~current state contributions pursuant to this chapter are not~~
989 ~~adequate to fund the additional benefits to meet the minimum~~
990 ~~requirements in this chapter, only increment increases shall be~~
991 ~~required as state moneys are adequate to provide. Such~~
992 ~~increments shall be provided as state moneys become available.~~

993 (b) Effective July 1, 2014, a plan that is in compliance
994 with this chapter except that the plan provides a benefit that
995 is less than 2.75 percent of the average final compensation of a
996 police officer for all years of credited service, as provided in
997 paragraph (a), or provides an effective benefit that is below
998 2.75 percent as a result of a maximum benefit limitation, must
999 maintain, at a minimum, the percentage amount or maximum benefit
1000 limitation in effect on July 1, 2014, and is not required to
1001 increase the benefit to 2.75 percent of the average final
1002 compensation of a police officer for all years of credited
1003 service.

1004 (c) Effective July 1, 2014, a plan that is in compliance
1005 with this chapter except that the plan provides a benefit that
1006 is less than 2.75 percent of the average final compensation of a
1007 police officer for all years of credited service, as provided in
1008 paragraph (a), or provides an effective benefit that is below
1009 2.75 percent as a result of a maximum benefit limitation, and
1010 which changes the percentage amount or maximum benefit
1011 limitation to 2.75 percent, or greater, of the average final
1012 compensation of a police officer for all years of credited
1013 service, as provided in paragraph (a), may not thereafter
1014 decrease the percentage amount or the maximum benefit limitation
1015 to less than 2.75 percent of the average final compensation of a

2014246e1

1016 police officer for all years of credited service, as provided in
1017 paragraph (a).

1018 Section 12. Section 185.35, Florida Statutes, is amended to
1019 read:

1020 185.35 Municipalities that have ~~having~~ their own retirement
1021 ~~pension~~ plans for police officers. ~~For any municipality, chapter~~
1022 ~~plan, local law municipality, or local law plan under this~~
1023 ~~chapter,~~ In order for a municipality that has its municipalities
1024 ~~with their own retirement plan pension plans~~ for police
1025 officers, or for police officers and firefighters if both are
1026 included, to participate in the distribution of the tax fund
1027 established under ~~pursuant to~~ s. 185.08, a local law plan plans
1028 must meet the minimum benefits and minimum standards set forth
1029 in this chapter, except as provided in the mutual consent
1030 provisions in paragraph (1)(g) with respect to the minimum
1031 benefits not met as of October 1, 2012.÷

1032 (1) If a municipality has a retirement ~~pension~~ plan for
1033 police officers, or for police officers and firefighters if both
1034 are included, which, in the opinion of the division, meets the
1035 minimum benefits and minimum standards set forth in this
1036 chapter, the board of trustees of the pension plan must, ~~as~~
1037 ~~approved by a majority of police officers of the municipality,~~
1038 ~~may:~~

1039 ~~(a)~~ place the income from the premium tax in s. 185.08 in
1040 such ~~pension~~ plan for the sole and exclusive use of its police
1041 officers, or its police officers and firefighters if both are
1042 included, where it shall become an integral part of that ~~pension~~
1043 plan and ~~shall~~ be used to fund benefits as provided herein.
1044 Effective October 1, 2014, for noncollectively bargained service

2014246e1

1045 or upon entering into a collective bargaining agreement on or
1046 after July 1, 2014:

1047 (a) The base premium tax revenues must be used to fund
1048 minimum benefits or other retirement benefits in excess of the
1049 minimum benefits as determined by the municipality.

1050 (b) Of the additional premium tax revenues received which
1051 are in excess of the amount received for the 2012 calendar year,
1052 50 percent must be used to fund minimum benefits or other
1053 retirement benefits in excess of the minimum benefits as
1054 determined by the municipality, and 50 percent must be placed in
1055 a defined contribution plan to fund special benefits.

1056 (c) Additional premium tax revenues not described in
1057 paragraph (b) must be used to fund benefits that are not
1058 included in the minimum benefits. If the additional premium tax
1059 revenues subject to this paragraph exceed the full annual cost
1060 of benefits provided through the plan which are in excess of the
1061 minimum benefits, any amount in excess of the full annual cost
1062 must be used as provided in paragraph (b).

1063 (d) Of any accumulations of additional premium tax revenues
1064 which have not been allocated to fund benefits in excess of the
1065 minimum benefits, 50 percent of the amount of the accumulations
1066 must be used to fund special benefits and 50 percent must be
1067 applied to fund any unfunded actuarial liabilities of the plan;
1068 provided that any amount of accumulations in excess of the
1069 amount required to fund the unfunded actuarial liabilities must
1070 be used to fund special benefits ~~pay extra benefits to the~~
1071 ~~police officers included in that pension plan; or~~

1072 ~~(b) May place the income from the premium tax in s. 185.08~~
1073 ~~in a separate supplemental plan to pay extra benefits to the~~

2014246e1

1074 ~~police officers, or police officers and firefighters if~~
1075 ~~included, participating in such separate supplemental plan.~~

1076 (e) For a plan created after March 1, 2014, 50 percent of
1077 the insurance premium tax revenues shall be used to fund defined
1078 benefit plan component benefits, with the remainder used to fund
1079 defined contribution plan component benefits.

1080 (f) If a plan offers benefits in excess of the minimum
1081 benefits, such benefits, excluding supplemental plan benefits in
1082 effect as of September 30, 2013, may be reduced if the plan
1083 continues to meet the minimum benefits and the minimum standards
1084 set forth in this chapter. The amount of insurance premium tax
1085 revenues previously used to fund benefits in excess of the
1086 minimum benefits, excluding the amount of any additional premium
1087 tax revenues distributed to a supplemental plan for calendar
1088 year 2012, before the reduction must be used as provided in
1089 paragraph (b). However, benefits in excess of the minimum
1090 benefits may not be reduced if a plan does not meet the minimum
1091 percentage amount of 2.75 percent, or greater, of the average
1092 final compensation of a police officer, as provided in s.
1093 185.16(2) (a), or provides an effective benefit that is below
1094 2.75 percent as a result of a maximum benefit limitation, as
1095 described in s. 185.16(2) (b).

1096 (g) Notwithstanding paragraphs (a)-(f), the use of premium
1097 tax revenues, including any accumulations of additional premium
1098 tax revenues which have not been allocated to fund benefits in
1099 excess of the minimum benefits, may deviate from the provisions
1100 of this subsection by mutual consent of the members' collective
1101 bargaining representative or, if none, by majority consent of
1102 the police officer members of the fund, and by consent of the

2014246e1

1103 municipality, provided that the plan continues to meet the
1104 minimum benefits and minimum standards of this chapter; however,
1105 a plan that operates pursuant to this paragraph which does not
1106 meet the minimum benefits as of October 1, 2012, may continue to
1107 provide the benefits that do not meet the minimum benefits at
1108 the same level as was provided as of October 1, 2012, and all
1109 other benefit levels must continue to meet the minimum benefits.
1110 Such mutually agreed deviation shall continue until modified or
1111 revoked by subsequent mutual consent of the members' collective
1112 bargaining representative or, if none, by a majority of the
1113 police officer members of the fund, and the municipality. An
1114 existing arrangement for the use of premium tax revenues
1115 contained within a special act plan or a plan within a
1116 supplemental plan municipality is considered, as of July 1,
1117 2014, to be a deviation for which mutual consent has been
1118 granted.

1119 (2) The premium tax provided by this chapter shall ~~in all~~
1120 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
1121 benefits to police officers, or to police officers and
1122 firefighters if both are included. ~~However, local law plans in~~
1123 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1124 ~~provisions of this chapter only to the extent that additional~~
1125 ~~premium tax revenues become available to incrementally fund the~~
1126 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
1127 ~~is in compliance with such minimum benefit provisions, as~~
1128 ~~subsequent additional tax revenues become available, they shall~~
1129 ~~be used to provide extra benefits.~~ Local law plans created by
1130 special act before May 27, 1939, shall be deemed to comply with
1131 this chapter. ~~For the purpose of this chapter, the term:~~

2014246e1

1132 ~~(a) "Additional premium tax revenues" means revenues~~
1133 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1134 ~~the amount received for calendar year 1997.~~

1135 ~~(b) "Extra benefits" means benefits in addition to or~~
1136 ~~greater than those provided to general employees of the~~
1137 ~~municipality and in addition to those in existence for police~~
1138 ~~officers on March 12, 1999.~~

1139 (3) A retirement plan or amendment to a retirement plan may
1140 not be proposed for adoption unless the proposed plan or
1141 amendment contains an actuarial estimate of the costs involved.
1142 Such proposed plan or proposed plan change may not be adopted
1143 without the approval of the municipality or, where required
1144 ~~permitted~~, the Legislature. Copies of the proposed plan or
1145 proposed plan change and the actuarial impact statement of the
1146 proposed plan or proposed plan change shall be furnished to the
1147 division before the last public hearing on the proposal is held
1148 ~~thereon~~. Such statement must also indicate whether the proposed
1149 plan or proposed plan change is in compliance with s. 14, Art. X
1150 of the State Constitution and those provisions of part VII of
1151 chapter 112 which are not expressly provided in this chapter.
1152 Notwithstanding any other provision, only those local law plans
1153 created by special act of legislation before May 27, 1939, are
1154 deemed to meet the minimum benefits and minimum standards only
1155 in this chapter.

1156 (4) Notwithstanding any other provision, with respect to
1157 any supplemental plan municipality:

1158 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and a
1159 local law plan and a supplemental plan may continue to use their
1160 definition of compensation or salary in existence on March 12,

2014246e1

1161 1999.

1162 (b) A local law plan and a supplemental plan must continue
1163 to be administered by a board or boards of trustees numbered,
1164 constituted, and selected as the board or boards were numbered,
1165 constituted, and selected on December 1, 2000.

1166 ~~(c) The election set forth in paragraph (1) (b) is deemed to~~
1167 ~~have been made.~~

1168 (5) The retirement plan setting forth the benefits and the
1169 trust agreement, if any, covering the duties and
1170 responsibilities of the trustees and the regulations of the
1171 investment of funds must be in writing and copies made available
1172 to the participants and to the general public.

1173 (6) In addition to the defined benefit component of the
1174 local law plan, each plan sponsor must have a defined
1175 contribution plan component within the local law plan by October
1176 1, 2014, for noncollectively bargained service, upon entering
1177 into a collective bargaining agreement on or after July 1, 2014,
1178 or upon the creation date of a new participating plan. Depending
1179 upon the application of subsection (1), a defined contribution
1180 component may or may not receive any funding.

1181 (7) Notwithstanding any other provision of this chapter, a
1182 municipality that has implemented or proposed changes to a local
1183 law plan based on the municipality's reliance on an
1184 interpretation of this chapter by the Department of Management
1185 Services on or after August 14, 2012, and before March 4, 2014,
1186 may continue the implemented changes or continue to implement
1187 proposed changes. Such reliance must be evidenced by a written
1188 collective bargaining proposal or agreement, or formal
1189 correspondence between the municipality and the Department of

2014246e1

1190 Management Services which describes the specific changes to the
1191 local law plan, with the initial proposal, agreement, or
1192 correspondence from the municipality dated before March 4, 2014.
1193 Changes to the local law plan which are otherwise contrary to
1194 the minimum benefits and minimum standards of this chapter may
1195 continue in effect until the earlier of October 1, 2017, or the
1196 effective date of a collective bargaining agreement that is
1197 contrary to the changes to the local law plan.

1198 Section 13. The Legislature finds that a proper and
1199 legitimate state purpose is served when employees and retirees
1200 of this state and its political subdivisions, and the
1201 dependents, survivors, and beneficiaries of such employees and
1202 retirees, are extended the basic protections afforded by
1203 governmental retirement systems that provide fair and adequate
1204 benefits and that are managed, administered, and funded in an
1205 actuarially sound manner as required under s. 14, Article X of
1206 the State Constitution and part VII of chapter 112, Florida
1207 Statutes. Therefore, the Legislature determines and declares
1208 that this act fulfills an important state interest.

1209 Section 14. This act shall take effect July 1, 2014.