

By Senators Bradley and Ring

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

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30 certain circumstances; revising the conditions for
31 proposing the adoption of a pension plan or an
32 amendment to a pension plan; requiring plan sponsors
33 to have a defined contribution plan component in place
34 by a certain date; authorizing a municipality or
35 special fire control district to implement certain
36 changes to a local law plan which are contrary to ch.
37 175, F.S., for a limited time, under certain
38 circumstances; amending s. 185.01, F.S.; requiring
39 that police officer pension plans meet the
40 requirements of ch. 185, F.S., in order to receive
41 certain insurance premium tax revenues; amending s.
42 185.02, F.S.; revising definitions to conform to
43 changes made by the act and providing new definitions;
44 revising applicability of the limitation on the amount
45 of overtime payments that may be used for pension
46 benefit calculations; amending s. 185.06, F.S.;
47 conforming a cross-reference; amending s. 185.07,
48 F.S.; revising the method of creating and maintaining
49 a police officers' retirement trust fund; amending s.
50 185.16, F.S.; deleting a provision basing the
51 availability of additional benefits in a police
52 officer pension plan upon state funding; revising the
53 calculation of monthly retirement income for a police
54 officer; specifying the minimum benefits that must be
55 maintained by certain police officer pension plans
56 after a specified date; amending s. 185.35, F.S.;
57 exempting certain municipal police officer pension
58 plans from meeting certain minimum benefits in order

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59 to participate in the distribution of a premium tax;
60 redesignating the term "pension plan" as "retirement
61 plan"; revising criteria governing the use of revenues
62 from the premium tax; authorizing a plan to reduce
63 certain excess benefits if the plan continues to meet
64 certain minimum benefits and minimum standards;
65 providing that the use of premium tax revenues may
66 deviate from the requirements of ch. 185, F.S., under
67 specified circumstances; revising the conditions for
68 proposing the adoption of a pension plan or amendment
69 to a pension plan; conforming a cross-reference;
70 requiring plan sponsors to have a defined contribution
71 plan component in place by a certain date; authorizing
72 a municipality to implement certain changes to a local
73 law plan which are contrary to ch. 185, F.S., for a
74 limited time; providing a declaration of important
75 state interest; providing an effective date.

76

77 Be It Enacted by the Legislature of the State of Florida:

78

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

81 175.021 Legislative declaration.—

82 (2) This chapter hereby establishes, for all municipal and
83 special district pension plans existing ~~now or hereafter~~ under
84 this chapter, including chapter plans and local law plans,
85 minimum benefits and minimum standards for the operation and
86 funding of such plans, hereinafter referred to as firefighters'
87 pension trust funds, which must be met as a condition precedent

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88 to the plan or plan sponsor receiving a distribution of
89 insurance premium tax revenues under s. 175.121. ~~The Minimum~~
90 ~~benefits and minimum standards for each plan set forth in this~~
91 ~~chapter~~ may not be diminished by local charter, ordinance, or
92 resolution or by special act of the Legislature and may not, ~~nor~~
93 ~~may the minimum benefits or minimum standards~~ be reduced or
94 offset by any other local, state, or federal law that includes
95 ~~may include~~ firefighters in its operation, except as provided
96 under s. 112.65.

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

99 175.032 Definitions.—For any municipality, special fire
100 control district, chapter plan, local law municipality, local
101 law special fire control district, or local law plan under this
102 chapter, the term ~~following words and phrases have the following~~
103 ~~meanings:~~

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

107 (2)(1)(a) "Average final compensation" for:

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

115 (b) "Average final compensation" for A volunteer
116 firefighter means the average salary of the 5 best years of the

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117 last 10 best contributing years before ~~prior to~~ change in status
118 to a permanent full-time firefighter or retirement as a
119 volunteer firefighter or the career average of a volunteer
120 firefighter, since July 1, 1953, whichever is greater.

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

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

125 (b) For a local law plan created between October 1, 1998,
126 and March 1, 2015, inclusive, the revenues received by a
127 municipality or special fire control district pursuant to s.
128 175.121 based upon the tax collections during the second
129 calendar year of participation.

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

139 (5)~~(3)~~ "Compensation" or "salary" means, for
140 noncollectively bargained service earned before July 1, 2011, or
141 for service earned under collective bargaining agreements in
142 place before July 1, 2011, the fixed monthly remuneration paid a
143 firefighter. If remuneration is based on actual services
144 rendered, as in the case of a volunteer firefighter, the term
145 means the total cash remuneration received yearly for such

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146 services, prorated on a monthly basis. For noncollectively
147 bargained service earned on or after July 1, 2011, or for
148 service earned under collective bargaining agreements entered
149 into on or after July 1, 2011, the term has the same meaning
150 except that when calculating retirement benefits, up to 300
151 hours per year in overtime compensation may be included as
152 specified in the plan or collective bargaining agreement, but
153 payments for accrued unused sick or annual leave may not be
154 included.

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

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

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

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175 changes in the cost of living in the manner provided by Internal
176 Revenue Code s. 401(a)(17)(B). For any person who first became a
177 member before the first plan year beginning on or after January
178 1, 1996, the limitation on compensation may not be less than the
179 maximum compensation amount that was allowed to be taken into
180 account under the plan in effect on July 1, 1993, which
181 limitation shall be adjusted for changes in the cost of living
182 since 1989 in the manner provided by Internal Revenue Code s.
183 401(a)(17)(1991).

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

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

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

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204 be returned without interest.

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

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

226 1. The firefighter is in the active employ of an employer
227 immediately before ~~prior to~~ such service and leaves a position,
228 other than a temporary position, for the purpose of voluntary or
229 involuntary service in the Armed Forces of the United States.

230 2. The firefighter is entitled to reemployment under ~~the~~
231 ~~provisions of~~ the Uniformed Services Employment and Reemployment
232 Rights Act.

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233 3. The firefighter returns to his or her employment as a
234 firefighter of the municipality or special fire control district
235 within 1 year after ~~from~~ the date of release from such active
236 service.

237 (7) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
238 local law plan retirement option in which a firefighter may
239 elect to participate. A firefighter may retire for all purposes
240 of the plan and defer receipt of retirement benefits into a DROP
241 account while continuing employment with his or her employer.
242 However, a firefighter who enters the DROP and who is otherwise
243 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
244 participation or continued participation ~~participating, or~~
245 ~~continuing to participate,~~ in a supplemental plan in existence
246 on, or created after, March 12, 1999 ~~the effective date of this~~
247 ~~act.~~

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

261 (9) ~~(6)~~ "Division" means the Division of Retirement of the

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262 Department of Management Services.

263 (10)~~(7)~~ "Enrolled actuary" means an actuary who is enrolled
264 under Subtitle C of Title III of the Employee Retirement Income
265 Security Act of 1974 and who is a member of the Society of
266 Actuaries or the American Academy of Actuaries.

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

288 (b) "Volunteer firefighter" means any person whose name is
289 carried on the active membership roll of a constituted volunteer
290 fire department or a combination of a paid and volunteer fire

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291 department of any municipality or special fire control district
292 and whose duty it is to extinguish fires, to protect life, and
293 to protect property. Compensation for services rendered by a
294 volunteer firefighter does ~~shall~~ not disqualify him or her as a
295 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
296 firefighter solely because he or she has other gainful
297 employment. Any person who volunteers assistance at a fire but
298 is not an active member of a department described herein is not
299 a volunteer firefighter within the meaning of this paragraph.

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

305 (13) ~~(10)~~ "Local law municipality" means ~~is~~ any municipality
306 in which ~~there exists~~ a local law plan exists.

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

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320 (15)~~(12)~~ "Local law special fire control district" means ~~is~~
321 any special fire control district in which ~~there exists~~ a local
322 law plan exists.

323 (16) "Minimum benefits" means the benefits specified in ss.
324 175.021-175.341 and ss. 175.361-175.401.

325 (17) "Minimum standards" means the standards specified in
326 ss. 175.021-175.401.

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

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

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

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349 enters the DROP.

350 (21) "Special act plan" means a plan subject to the
351 provisions of this chapter which was created by an act of the
352 Legislature and continues to require an act of the Legislature
353 to alter plan benefits.

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

356 (23)~~(16)~~ "Special fire control district" means a special
357 district, as defined in s. 189.012, established for the purposes
358 of extinguishing fires, protecting life, and protecting property
359 within the incorporated or unincorporated portions of a any
360 county or combination of counties, or within any combination of
361 incorporated and unincorporated portions of a any county or
362 combination of counties. The term does not include any dependent
363 or independent special district, as those terms are defined in
364 s. 189.012, the employees of which are members of the Florida
365 Retirement System pursuant to s. 121.051(1) or (2).

366 (24)~~(17)~~ "Supplemental plan" means a plan to which deposits
367 are made to provide special ~~extra~~ benefits for firefighters, or
368 for firefighters and police officers if both are ~~where~~ included
369 ~~under this chapter~~. Such a plan is an element of a local law
370 plan and exists in conjunction with a defined benefit component
371 ~~plan~~ that meets ~~the~~ minimum benefits and minimum standards ~~of~~
372 ~~this chapter~~. Any supplemental plan in existence on March 1,
373 2015, shall be deemed to be a defined contribution plan in
374 compliance with s. 175.351(6).

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

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

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

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

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

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

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

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

399 Section 4. Paragraph (d) of subsection (1) of section
400 175.091, Florida Statutes, is amended to read:

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

405 (1) The firefighters' pension trust fund in each
406 municipality and in each special fire control district shall be

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407 created and maintained in the following manner:

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

416

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

422 Section 5. Paragraph (a) of subsection (2) of section
423 175.162, Florida Statutes, is amended to read:

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

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436 such event, payment of retirement income will be governed by the
437 following provisions of this section:

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

449 2. Effective July 1, 2015, a plan that is in compliance
450 with this chapter except that the plan provides a benefit that
451 is less than 2.75 percent of the average final compensation of a
452 full-time firefighter for all years of credited service or
453 provides an effective benefit that is less than 2.75 percent as
454 a result of a maximum benefit limitation:

455 a. Must maintain, at a minimum, the percentage amount or
456 maximum benefit limitation in effect on July 1, 2015, and is not
457 required to increase the benefit to 2.75 percent of the average
458 final compensation of a full-time firefighter for all years of
459 credited service; or

460 b. If the plan changes the percentage amount or maximum
461 benefit limitation to 2.75 percent, or more, of the average
462 final compensation of a full-time firefighter for all years of
463 credited service, the plan may not thereafter decrease the
464 percentage amount or maximum benefit limitation to less than

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465 2.75 percent of the average final compensation of a full-time
466 firefighter for all years of credited service.

467 Section 6. Section 175.351, Florida Statutes, is amended to
468 read:

469 175.351 Municipalities and special fire control districts
470 that have ~~having~~ their own retirement ~~pension~~ plans for
471 firefighters. ~~For any municipality, special fire control~~
472 ~~district, local law municipality, local law special fire control~~
473 ~~district, or local law plan under this chapter,~~ In order for a
474 municipality or municipalities and special fire control district
475 that has its districts with their own retirement plan ~~pension~~
476 ~~plans~~ for firefighters, or for firefighters and police officers
477 if both are included, to participate in the distribution of the
478 tax fund established under ~~pursuant to~~ s. 175.101, a local law
479 plan ~~plans~~ must meet ~~the~~ minimum benefits and minimum standards,
480 except as provided in the mutual consent provisions in paragraph
481 (1)(g) with respect to the minimum benefits not met as of
482 October 1, 2012 ~~set forth in this chapter.~~

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

490 ~~(a)~~ place the income from the premium tax in s. 175.101 in
491 such ~~pension~~ plan for the sole and exclusive use of its
492 firefighters, or for firefighters and police officers if both
493 are included, where it shall become an integral part of that

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494 ~~pension~~ plan and ~~shall~~ be used to fund benefits as provided
495 herein. Effective October 1, 2015, for noncollectively bargained
496 service or upon entering into a collective bargaining agreement
497 on or after July 1, 2015:

498 (a) The base premium tax revenues must be used to fund
499 minimum benefits or other retirement benefits in excess of the
500 minimum benefits as determined by the municipality or special
501 fire control district.

502 (b) Of the additional premium tax revenues received which
503 are in excess of the amount received for the 2012 calendar year,
504 50 percent must be used to fund minimum benefits or other
505 retirement benefits in excess of the minimum benefits as
506 determined by the municipality or special fire control district,
507 and 50 percent must be placed in a defined contribution plan to
508 fund special benefits.

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

516 (d) Of any accumulations of additional premium tax revenues
517 which have not been allocated to fund benefits in excess of the
518 minimum benefits, 50 percent of the amount of the accumulations
519 must be used to fund special benefits, and 50 percent must be
520 applied to fund any unfunded actuarial liabilities of the plan;
521 provided that any amount of accumulations in excess of the
522 amount required to fund the unfunded actuarial liabilities must

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523 ~~be used to fund special benefits to pay extra benefits to the~~
524 ~~firefighters included in that pension plan; or~~

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

529 (e) For a plan created after March 1, 2015, 50 percent of
530 the insurance premium tax revenues must be used to fund defined
531 benefit plan component benefits, with the remainder used to fund
532 defined contribution plan component benefits.

533 (f) If a plan offers benefits in excess of the minimum
534 benefits, such benefits, excluding supplemental plan benefits in
535 effect as of September 30, 2014, may be reduced if the plan
536 continues to meet minimum benefits and minimum standards. The
537 amount of insurance premium tax revenues previously used to fund
538 benefits in excess of minimum benefits, excluding the amount of
539 any additional premium tax revenues distributed to a
540 supplemental plan for the 2012 calendar year, before the
541 reduction must be used as provided in paragraph (b). However,
542 benefits in excess of minimum benefits may not be reduced if a
543 plan does not meet the minimum percentage amount of 2.75 percent
544 of the average final compensation of a full-time firefighter, as
545 required by s. 175.162(2)(a)1., or provides an effective benefit
546 that is below 2.75 percent as a result of a maximum benefit
547 limitation as described in s. 175.162(2)(a)2.

548 (g) Notwithstanding paragraphs (a)-(f), the use of premium
549 tax revenues, including any accumulations of additional premium
550 tax revenues which have not been allocated to fund benefits in
551 excess of minimum benefits, may deviate from the provisions of

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552 this subsection by mutual consent of the members' collective
553 bargaining representative or, if there is no representative, by
554 a majority of the firefighter members of the fund, and by
555 consent of the municipality or special fire control district,
556 provided that the plan continues to meet minimum benefits and
557 minimum standards; however, a plan that operates pursuant to
558 this paragraph which does not meet minimum benefits as of
559 October 1, 2012, may continue to provide the benefits that do
560 not meet the minimum benefits at the same level as was provided
561 as of October 1, 2012, and all other benefit levels must
562 continue to meet the minimum benefits. Such mutually agreed
563 deviation must continue until modified or revoked by subsequent
564 mutual consent of the members' collective bargaining
565 representative or, if none, by a majority of the firefighter
566 members of the fund, and the municipality or special fire
567 control district. An existing arrangement for the use of premium
568 tax revenues contained within a special act plan or a plan
569 within a supplemental plan municipality is considered, as of
570 July 1, 2015, to be a deviation for which mutual consent has
571 been granted.

572 (2) The premium tax provided by this chapter must ~~shall in~~
573 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
574 benefits to firefighters, or to firefighters and police officers
575 if both are included. ~~However, local law plans in effect on~~
576 ~~October 1, 1998, must comply with the minimum benefit provisions~~
577 ~~of this chapter only to the extent that additional premium tax~~
578 ~~revenues become available to incrementally fund the cost of such~~
579 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
580 ~~compliance with such minimum benefit provisions, as subsequent~~

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

585 ~~(a) "Additional premium tax revenues" means revenues~~
586 ~~received by a municipality or special fire control district~~
587 ~~pursuant to s. 175.121 which exceed that amount received for~~
588 ~~calendar year 1997.~~

589 ~~(b) "Extra benefits" means benefits in addition to or~~
590 ~~greater than those provided to general employees of the~~
591 ~~municipality and in addition to those in existence for~~
592 ~~firefighters on March 12, 1999.~~

593 (3) A retirement plan or amendment to a retirement plan may
594 not be proposed for adoption unless the proposed plan or
595 amendment contains an actuarial estimate of the costs involved.
596 Such proposed plan or proposed plan change may not be adopted
597 without the approval of the municipality, special fire control
598 district, or, where required ~~permitted~~, the Legislature. Copies
599 of the proposed plan or proposed plan change and the actuarial
600 impact statement of the proposed plan or proposed plan change
601 shall be furnished to the division before the last public
602 hearing on the proposal is held ~~thereon~~. Such statement must
603 also indicate whether the proposed plan or proposed plan change
604 is in compliance with s. 14, Art. X of the State Constitution
605 and those provisions of part VII of chapter 112 which are not
606 expressly provided in this chapter. Notwithstanding any other
607 provision, only those local law plans created by special act of
608 legislation before May 27, 1939, are deemed to meet ~~the~~ minimum
609 benefits and minimum standards ~~only in this chapter.~~

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610 (4) Notwithstanding any other provision, with respect to
611 any supplemental plan municipality:

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

615 (b) Section 175.061(1)(b) does not apply, and a local law
616 plan and a supplemental plan shall continue to be administered
617 by a board or boards of trustees numbered, constituted, and
618 selected as the board or boards were numbered, constituted, and
619 selected on December 1, 2000.

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

622 (5) The retirement plan setting forth the benefits and the
623 trust agreement, if any, covering the duties and
624 responsibilities of the trustees and the regulations of the
625 investment of funds must be in writing, and copies made
626 available to the participants and to the general public.

627 (6) In addition to the defined benefit component of the
628 local law plan, each plan sponsor must have a defined
629 contribution plan component within the local law plan by October
630 1, 2015, for noncollectively bargained service, upon entering
631 into a collective bargaining agreement on or after July 1, 2015,
632 or upon the creation date of a new participating plan. Depending
633 upon the application of subsection (1), a defined contribution
634 component may or may not receive any funding.

635 (7) Notwithstanding any other provision of this chapter, a
636 municipality or special fire control district that has
637 implemented or proposed changes to a local law plan based on the
638 municipality's or district's reliance on an interpretation of

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639 this chapter by the Department of Management Services on or
640 after August 14, 2012, and before March 4, 2015, may continue
641 the implemented changes or continue to implement proposed
642 changes. Such reliance must be evidenced by a written collective
643 bargaining proposal or agreement, or formal correspondence
644 between the municipality or district and the Department of
645 Management Services which describes the specific changes to the
646 local law plan, with the initial proposal, agreement, or
647 correspondence from the municipality or district dated before
648 March 4, 2015. Changes to the local law plan which are otherwise
649 contrary to minimum benefits and minimum standards may continue
650 in effect until the earlier of October 1, 2018, or the effective
651 date of a collective bargaining agreement that is contrary to
652 the changes to the local law plan.

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

655 185.01 Legislative declaration.—

656 (2) This chapter hereby establishes, for all municipal
657 pension plans ~~now or hereinafter~~ provided for under this
658 chapter, including chapter plans and local law plans, minimum
659 benefits and minimum standards for the operation and funding of
660 such plans, hereinafter referred to as municipal police
661 officers' retirement trust funds, which must be met as
662 conditions precedent to the plans or plan sponsors receiving a
663 distribution of insurance premium tax revenues under s. 185.10.
664 ~~The~~ Minimum benefits and minimum standards for each plan set
665 ~~forth in this chapter~~ may not be diminished by local ordinance
666 or by special act of the Legislature and may not, ~~nor may the~~
667 ~~minimum benefits or minimum standards~~ be reduced or offset by

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668 any other local, state, or federal plan that includes ~~may~~
669 ~~include~~ police officers in its operation, except as provided
670 under s. 112.65.

671 Section 8. Section 185.02, Florida Statutes, is amended to
672 read:

673 185.02 Definitions.—For any municipality, chapter plan,
674 local law municipality, or local law plan under this chapter,
675 the term following words and phrases as used in this chapter
676 ~~shall have the following meanings, unless a different meaning is~~
677 ~~plainly required by the context:~~

678 (1) "Additional premium tax revenues" means revenues
679 received by a municipality pursuant to s. 185.10 which exceed
680 base premium tax revenues.

681 (2)~~(1)~~ "Average final compensation" means one-twelfth of
682 the average annual compensation of the 5 best years of the last
683 10 years of creditable service before ~~prior to~~ retirement,
684 termination, or death.

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

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

689 (b) For a local law plan created between October 1, 1998,
690 and March 1, 2015, inclusive, the revenues received by a
691 municipality pursuant to s. 185.10 based upon the tax
692 collections during the second calendar year of participation.

693 (4)~~(2)~~ "Casualty insurance" means automobile public
694 liability and property damage insurance to be applied at the
695 place of residence of the owner, or if the subject is a
696 commercial vehicle, to be applied at the place of business of

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697 the owner; automobile collision insurance; fidelity bonds;
698 burglary and theft insurance; and plate glass insurance. The
699 term "multiple peril" means a combination or package policy that
700 includes both property coverage and casualty coverage for a
701 single premium.

702 (5)~~(3)~~ "Chapter plan" means a separate defined benefit
703 pension plan for police officers which incorporates by reference
704 the provisions of this chapter and has been adopted by the
705 governing body of a municipality as provided in s. 185.08.
706 Except as ~~may be~~ specifically authorized in this chapter, the
707 provisions of a chapter plan may not differ from the plan
708 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
709 185.39. Actuarial valuations of chapter plans shall be conducted
710 by the division as provided by s. 185.221(1)(b).

711 (6)~~(4)~~ "Compensation" or "salary" means, for
712 noncollectively bargained service earned before July 1, 2011, or
713 for service earned under collective bargaining agreements in
714 place before July 1, 2011, the total cash remuneration including
715 "overtime" paid by the primary employer to a police officer for
716 services rendered, but not including any payments for extra duty
717 or special detail work performed on behalf of a second party
718 employer. Overtime may be limited before July 1, 2011, in a
719 local law plan by the plan provisions ~~A local law plan may limit~~
720 ~~the amount of overtime payments which can be used for retirement~~
721 ~~benefit calculation purposes; however, such overtime limit may~~
722 ~~not be less than 300 hours per officer per calendar year. For~~
723 noncollectively bargained service earned on or after July 1,
724 2011, or for service earned under collective bargaining
725 agreements entered into on or after July 1, 2011, the term has

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726 the same meaning except that when calculating retirement
727 benefits, up to 300 hours per year in overtime compensation may
728 be included as specified in the plan or collective bargaining
729 agreement, but payments for accrued unused sick or annual leave
730 may not be included.

731 (a) Any retirement trust fund or plan that meets the
732 requirements of this chapter does not, solely by virtue of this
733 subsection, reduce or diminish the monthly retirement income
734 otherwise payable to each police officer covered by the
735 retirement trust fund or plan.

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

744 (c) For any person who first becomes a member in any plan
745 year beginning on or after January 1, 1996, compensation for
746 that plan year may not include any amounts in excess of the
747 Internal Revenue Code s. 401(a)(17) limitation, as amended by
748 the Omnibus Budget Reconciliation Act of 1993, which limitation
749 of \$150,000 shall be adjusted as required by federal law for
750 qualified government plans and ~~shall be~~ further adjusted for
751 changes in the cost of living in the manner provided by Internal
752 Revenue Code s. 401(a)(17)(B). For any person who first became a
753 member before the first plan year beginning on or after January
754 1, 1996, the limitation on compensation may not be less than the

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755 maximum compensation amount that was allowed to be taken into
756 account under the plan ~~as~~ in effect on July 1, 1993, which
757 limitation shall be adjusted for changes in the cost of living
758 since 1989 in the manner provided by Internal Revenue Code s.
759 401(a)(17)(1991).

760 (7)~~(5)~~ "Creditable service" or "credited service" means the
761 aggregate number of years of service and fractional parts of
762 years of service of any police officer, omitting intervening
763 years and fractional parts of years when such police officer may
764 not have been employed by the municipality subject to the
765 following conditions:

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

774 (b) A police officer may voluntarily leave his or her
775 contributions in the fund for ~~a period of~~ 5 years after leaving
776 the employ of the police department, pending the possibility of
777 his or her being rehired by the same department, without losing
778 credit for the time he or she has participated actively as a
779 police officer. If he or she is not reemployed as a police
780 officer with the same department within 5 years, his or her
781 contributions shall be returned ~~to him or her~~ without interest.

782 (c) Credited service under this chapter shall be provided
783 only for service as a police officer, ~~as defined in subsection~~

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

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

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

807 2. The police officer is entitled to reemployment under ~~the~~
 808 ~~provisions of~~ the Uniformed Services Employment and Reemployment
 809 Rights Act.

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

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813 (8)~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
814 local law plan retirement option in which a police officer may
815 elect to participate. A police officer may retire for all
816 purposes of the plan and defer receipt of retirement benefits
817 into a DROP account while continuing employment with his or her
818 employer. However, a police officer who enters the DROP and who
819 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
820 precluded from participation or continued participation
821 ~~participating, or continuing to participate,~~ in a supplemental
822 plan in existence on, or created after, March 12, 1999 ~~the~~
823 ~~effective date of this act.~~

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

837 (10)~~(7)~~ "Division" means the Division of Retirement of the
838 Department of Management Services.

839 (11)~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
840 under Subtitle C of Title III of the Employee Retirement Income
841 Security Act of 1974 and who is a member of the Society of

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842 Actuaries or the American Academy of Actuaries.

843 (12)~~(9)~~ "Local law municipality" means ~~is~~ any municipality
844 in which ~~there exists~~ a local law plan exists.

845 (13)~~(10)~~ "Local law plan" means a retirement defined
846 benefit pension plan, that includes both a defined benefit plan
847 component and a defined contribution plan component, for police
848 officers, or for police officers and firefighters if both are,
849 ~~where~~ included, as described in s. 185.35, established by
850 municipal ordinance or special act of the Legislature, which
851 ~~enactment~~ sets forth all plan provisions. Local law plan
852 provisions may vary from the provisions of this chapter if,
853 ~~provided that required~~ minimum benefits and minimum standards
854 are met. However, any such variance must ~~shall~~ provide a greater
855 benefit for police officers. Actuarial valuations of local law
856 plans shall be conducted by an enrolled actuary as provided in
857 s. 185.221(2) (b).

858 (14) "Minimum benefits" means the benefits specified in ss.
859 185.01-185.341 and ss. 185.37-185.50.

860 (15) "Minimum standards" means the standards specified in
861 ss. 185.01-185.50.

862 (16)~~(11)~~ "Police officer" means any person who is elected,
863 appointed, or employed full time by a ~~any~~ municipality, who is
864 certified or required to be certified as a law enforcement
865 officer in compliance with s. 943.1395, who is vested with
866 authority to bear arms and make arrests, and whose primary
867 responsibility is the prevention and detection of crime or the
868 enforcement of the penal, criminal, traffic, or highway laws of
869 the state. The term ~~This definition~~ includes all certified
870 supervisory and command personnel whose duties include, in whole

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871 or in part, the supervision, training, guidance, and management
872 responsibilities of full-time law enforcement officers, part-
873 time law enforcement officers, or auxiliary law enforcement
874 officers, but does not include part-time law enforcement
875 officers or auxiliary law enforcement officers as those terms
876 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For
877 the purposes of this chapter only, the term also includes
878 ~~"police officer"~~ also shall include a public safety officer who
879 is responsible for performing both police and fire services. Any
880 plan may provide that the police chief shall have an option to
881 participate, ~~or not,~~ in that plan.

882 (17) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
883 trust fund, by whatever name known, as provided under s. 185.03
884 for the purpose of assisting municipalities in establishing and
885 maintaining a retirement plan for police officers.

886 (18) ~~(13)~~ "Retiree" or "retired police officer" means a
887 police officer who has entered retirement status. For the
888 purposes of a plan that includes a Deferred Retirement Option
889 Plan (DROP), a police officer who enters the DROP is ~~shall be~~
890 considered a retiree for all purposes of the plan. However, a
891 police officer who enters the DROP and who is otherwise eligible
892 to participate may ~~shall not thereby~~ be precluded from
893 participation or continued participation ~~participating, or~~
894 ~~continuing to participate,~~ in a supplemental plan in existence
895 on, or created after, March 12, 1999 ~~the effective date of this~~
896 ~~act.~~

897 (19) ~~(14)~~ "Retirement" means a police officer's separation
898 from municipal ~~city~~ employment as a police officer with
899 immediate eligibility for ~~receipt of~~ benefits under the plan.

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900 For purposes of a plan that includes a Deferred Retirement
901 Option Plan (DROP), "retirement" means the date a police officer
902 enters the DROP.

903 (20) "Special act plan" means a plan subject to the
904 provisions of this chapter which was created by an act of the
905 Legislature and continues to require an act of the Legislature
906 to alter plan benefits.

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

909 (22)~~(15)~~ "Supplemental plan" means a plan to which deposits
910 of the premium tax moneys as provided in s. 185.08 are made to
911 provide special ~~extra~~ benefits to police officers, or police
912 officers and firefighters if both are ~~where included,~~ ~~under this~~
913 ~~chapter~~. Such a plan is an element of a local law plan and
914 exists in conjunction with a defined benefit component ~~plan~~ that
915 meets ~~the~~ minimum benefits and minimum standards ~~of this~~
916 ~~chapter~~. Any supplemental plan in existence on March 1, 2015,
917 shall be deemed to be a defined contribution plan in compliance
918 with s. 185.35(6).

919 (23)~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
920 law municipality in which ~~there existed~~ a supplemental plan
921 existed as of December 1, 2000.

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

924 185.06 General powers and duties of board of trustees.—For
925 any municipality, chapter plan, local law municipality, or local
926 law plan under this chapter:

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

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

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

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

936

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

942 Section 10. Paragraph (d) of subsection (1) of section
943 185.07, Florida Statutes, is amended to read:

944 185.07 Creation and maintenance of fund.—For any
945 municipality, chapter plan, local law municipality, or local law
946 plan under this chapter:

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

950 (d) By payment by the municipality or other sources of a
951 sum equal to the normal cost and the amount required to fund any
952 actuarial deficiency shown by an actuarial valuation conducted
953 under as provided in part VII of chapter 112 after taking into
954 account the amounts described in paragraphs (b), (c), (e), (f),
955 and (g) and the tax proceeds described in paragraph (a) which
956 are used to fund defined benefit plan benefits.

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958 Nothing in this section shall be construed to require adjustment
959 of member contribution rates in effect on the date this act
960 becomes a law, including rates that exceed 5 percent of salary,
961 provided that such rates are at least one-half of 1 percent of
962 salary.

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

965 185.16 Requirements for retirement.—For any municipality,
966 chapter plan, local law municipality, or local law plan under
967 this chapter, any police officer who completes 10 or more years
968 of creditable service as a police officer and attains age 55, or
969 completes 25 years of creditable service as a police officer and
970 attains age 52, and for such period has been a member of the
971 retirement fund is eligible for normal retirement benefits.
972 Normal retirement under the plan is retirement from the service
973 of the city on or after the normal retirement date. In such
974 event, for chapter plans and local law plans, payment of
975 retirement income will be governed by the following provisions
976 of this section:

977 (2) (a) The amount of the monthly retirement income payable
978 to a police officer who retires on or after his or her normal
979 retirement date shall be an amount equal to the number of the
980 police officer's years of credited service multiplied by 2.75 ~~2~~
981 percent of his or her average final compensation. ~~However, if~~
982 ~~current state contributions pursuant to this chapter are not~~
983 ~~adequate to fund the additional benefits to meet the minimum~~
984 ~~requirements in this chapter, only increment increases shall be~~
985 ~~required as state moneys are adequate to provide. Such~~
986 ~~increments shall be provided as state moneys become available.~~

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987 (b) Effective July 1, 2015, a plan that is in compliance
 988 with this chapter except that the plan provides a benefit that
 989 is less than 2.75 percent of the average final compensation of a
 990 police officer for all years of credited service or provides an
 991 effective benefit that is less than 2.75 percent as a result of
 992 a maximum benefit limitation:

993 1. Must maintain, at a minimum, the percentage amount or
 994 maximum benefit limitation in effect on July 1, 2015, and is not
 995 required to increase the benefit to 2.75 percent of the average
 996 final compensation of a police officer for all years of credited
 997 service; or

998 2. If the plan changes the percentage amount or maximum
 999 benefit limitation to 2.75 percent, or more, of the average
 1000 final compensation of a police officer for all years of credited
 1001 service, the plan may not thereafter decrease the percentage
 1002 amount or the maximum benefit limitation to less than 2.75
 1003 percent of the average final compensation of a police officer
 1004 for all years of credited service.

1005 Section 12. Section 185.35, Florida Statutes, is amended to
 1006 read:

1007 185.35 Municipalities that have ~~having~~ their own retirement
 1008 ~~pension~~ plans for police officers. ~~For any municipality, chapter~~
 1009 ~~plan, local law municipality, or local law plan under this~~
 1010 ~~chapter,~~ In order for a municipality that has its municipalities
 1011 ~~with their own retirement plan pension~~ plans for police
 1012 officers, or for police officers and firefighters if both are
 1013 included, to participate in the distribution of the tax fund
 1014 established under ~~pursuant to~~ s. 185.08, a local law plan plans
 1015 must meet ~~the~~ minimum benefits and minimum standards, except as

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1016 provided in the mutual consent provisions in paragraph (1)(g)
1017 with respect to the minimum benefits not met as of October 1,
1018 2012. ~~set forth in this chapter:~~

1019 (1) If a municipality has a retirement ~~pension~~ plan for
1020 police officers, or for police officers and firefighters if both
1021 are included, which, in the opinion of the division, meets ~~the~~
1022 minimum benefits and minimum standards ~~set forth in this~~
1023 ~~chapter,~~ the board of trustees of the retirement ~~pension~~ plan
1024 must, ~~as approved by a majority of police officers of the~~
1025 ~~municipality, may:~~

1026 ~~(a)~~ place the income from the premium tax in s. 185.08 in
1027 such ~~pension~~ plan for the sole and exclusive use of its police
1028 officers, or its police officers and firefighters if both are
1029 included, where it shall become an integral part of that ~~pension~~
1030 plan and ~~shall~~ be used to fund benefits as provided herein.
1031 Effective October 1, 2015, for noncollectively bargained service
1032 or upon entering into a collective bargaining agreement on or
1033 after July 1, 2015:

1034 (a) The base premium tax revenues must be used to fund
1035 minimum benefits or other retirement benefits in excess of the
1036 minimum benefits as determined by the municipality.

1037 (b) Of the additional premium tax revenues received which
1038 are in excess of the amount received for the 2012 calendar year,
1039 50 percent must be used to fund minimum benefits or other
1040 retirement benefits in excess of the minimum benefits as
1041 determined by the municipality, and 50 percent must be placed in
1042 a defined contribution plan to fund special benefits.

1043 (c) Additional premium tax revenues not described in
1044 paragraph (b) must be used to fund benefits that are not

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1045 included in the minimum benefits. If the additional premium tax
1046 revenues subject to this paragraph exceed the full annual cost
1047 of benefits provided through the plan which are in excess of the
1048 minimum benefits, any amount in excess of the full annual cost
1049 must be used as provided in paragraph (b).

1050 (d) Of any accumulations of additional premium tax revenues
1051 which have not been allocated to fund benefits in excess of the
1052 minimum benefits, 50 percent of the amount of the accumulations
1053 must be used to fund special benefits and 50 percent must be
1054 applied to fund any unfunded actuarial liabilities of the plan;
1055 provided that any amount of accumulations in excess of the
1056 amount required to fund the unfunded actuarial liabilities must
1057 be used to fund special benefits ~~pay extra benefits to the~~
1058 ~~police officers included in that pension plan; or~~

1059 ~~(b) May place the income from the premium tax in s. 185.08~~
1060 ~~in a separate supplemental plan to pay extra benefits to the~~
1061 ~~police officers, or police officers and firefighters if~~
1062 ~~included, participating in such separate supplemental plan.~~

1063 (e) For a plan created after March 1, 2015, 50 percent of
1064 the insurance premium tax revenues must be used to fund defined
1065 benefit plan component benefits, with the remainder used to fund
1066 defined contribution plan component benefits.

1067 (f) If a plan offers benefits in excess of the minimum
1068 benefits, such benefits, excluding supplemental plan benefits in
1069 effect as of September 30, 2014, may be reduced if the plan
1070 continues to meet minimum benefits and the minimum standards.
1071 The amount of insurance premium tax revenues previously used to
1072 fund benefits in excess of the minimum benefits, excluding the
1073 amount of any additional premium tax revenues distributed to a

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1074 supplemental plan for the 2012 calendar year, before the
1075 reduction must be used as provided in paragraph (b). However,
1076 benefits in excess of the minimum benefits may not be reduced if
1077 a plan does not meet the minimum percentage amount of 2.75
1078 percent of the average final compensation of a police officer or
1079 provides an effective benefit that is less than 2.75 percent as
1080 a result of a maximum benefit limitation, as described in s.
1081 185.16(2) (b).

1082 (g) Notwithstanding paragraphs (a)-(f), the use of premium
1083 tax revenues, including any accumulations of additional premium
1084 tax revenues which have not been allocated to fund benefits in
1085 excess of the minimum benefits, may deviate from the provisions
1086 of this subsection by mutual consent of the members' collective
1087 bargaining representative or, if none, by a majority of the
1088 police officer members of the fund, and by consent of the
1089 municipality, provided that the plan continues to meet minimum
1090 benefits and minimum standards; however, a plan that operates
1091 pursuant to this paragraph which does not meet the minimum
1092 benefits as of October 1, 2012, may continue to provide the
1093 benefits that do not meet the minimum benefits at the same level
1094 as was provided as of October 1, 2012, and all other benefit
1095 levels must continue to meet the minimum benefits. Such mutually
1096 agreed deviation must continue until modified or revoked by
1097 subsequent mutual consent of the members' collective bargaining
1098 representative or, if none, by a majority of the police officer
1099 members of the fund, and the municipality. An existing
1100 arrangement for the use of premium tax revenues contained within
1101 a special act plan or a plan within a supplemental plan
1102 municipality is considered, as of July 1, 2015, to be a

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1103 deviation for which mutual consent has been granted.

1104 (2) The premium tax provided by this chapter must ~~shall in~~
1105 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
1106 benefits to police officers, or to police officers and
1107 firefighters if both are included. ~~However, local law plans in~~
1108 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1109 ~~provisions of this chapter only to the extent that additional~~
1110 ~~premium tax revenues become available to incrementally fund the~~
1111 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
1112 ~~is in compliance with such minimum benefit provisions, as~~
1113 ~~subsequent additional tax revenues become available, they shall~~
1114 ~~be used to provide extra benefits.~~ Local law plans created by
1115 special act before May 27, 1939, shall be deemed to comply with
1116 this chapter. ~~For the purpose of this chapter, the term:~~

1117 (a) ~~"Additional premium tax revenues" means revenues~~
1118 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1119 ~~the amount received for calendar year 1997.~~

1120 (b) ~~"Extra benefits" means benefits in addition to or~~
1121 ~~greater than those provided to general employees of the~~
1122 ~~municipality and in addition to those in existence for police~~
1123 ~~officers on March 12, 1999.~~

1124 (3) A retirement plan or amendment to a retirement plan may
1125 not be proposed for adoption unless the proposed plan or
1126 amendment contains an actuarial estimate of the costs involved.
1127 Such proposed plan or proposed plan change may not be adopted
1128 without the approval of the municipality or, where required
1129 permitted, the Legislature. Copies of the proposed plan or
1130 proposed plan change and the actuarial impact statement of the
1131 proposed plan or proposed plan change shall be furnished to the

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1132 division before the last public hearing on the proposal is held
1133 ~~thereon~~. Such statement must also indicate whether the proposed
1134 plan or proposed plan change is in compliance with s. 14, Art. X
1135 of the State Constitution and those provisions of part VII of
1136 chapter 112 which are not expressly provided in this chapter.
1137 Notwithstanding any other provision, only those local law plans
1138 created by special act of legislation before May 27, 1939, are
1139 deemed to meet the minimum benefits and minimum standards only
1140 in this chapter.

1141 (4) Notwithstanding any other provision, with respect to
1142 any supplemental plan municipality:

1143 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and a
1144 local law plan and a supplemental plan may continue to use their
1145 definition of compensation or salary in existence on March 12,
1146 1999.

1147 (b) A local law plan and a supplemental plan must continue
1148 to be administered by a board or boards of trustees numbered,
1149 constituted, and selected as the board or boards were numbered,
1150 constituted, and selected on December 1, 2000.

1151 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
1152 ~~have been made.~~

1153 (5) The retirement plan setting forth the benefits and the
1154 trust agreement, if any, covering the duties and
1155 responsibilities of the trustees and the regulations of the
1156 investment of funds must be in writing and copies made available
1157 to the participants and to the general public.

1158 (6) In addition to the defined benefit component of the
1159 local law plan, each plan sponsor must have a defined
1160 contribution plan component within the local law plan by October

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1161 1, 2015, for noncollectively bargained service, upon entering
1162 into a collective bargaining agreement on or after July 1, 2015,
1163 or upon the creation date of a new participating plan. Depending
1164 upon the application of subsection (1), a defined contribution
1165 component may or may not receive any funding.

1166 (7) Notwithstanding any other provision of this chapter, a
1167 municipality that has implemented or proposed changes to a local
1168 law plan based on the municipality's reliance on an
1169 interpretation of this chapter by the Department of Management
1170 Services on or after August 14, 2012, and before March 4, 2015,
1171 may continue the implemented changes or continue to implement
1172 proposed changes. Such reliance must be evidenced by a written
1173 collective bargaining proposal or agreement, or formal
1174 correspondence between the municipality and the Department of
1175 Management Services which describes the specific changes to the
1176 local law plan, with the initial proposal, agreement, or
1177 correspondence from the municipality dated before March 4, 2015.
1178 Changes to the local law plan which are otherwise contrary to
1179 minimum benefits and minimum standards may continue in effect
1180 until the earlier of October 1, 2018, or the effective date of a
1181 collective bargaining agreement that is contrary to the changes
1182 to the local law plan.

1183 Section 13. The Legislature finds that a proper and
1184 legitimate state purpose is served when employees and retirees
1185 of this state and its political subdivisions, and the
1186 dependents, survivors, and beneficiaries of such employees and
1187 retirees, are extended the basic protections afforded by
1188 governmental retirement systems that provide fair and adequate
1189 benefits and that are managed, administered, and funded in an

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1190 actuarially sound manner as required under s. 14, Article X of
1191 the State Constitution and part VII of chapter 112, Florida
1192 Statutes. Therefore, the Legislature determines and declares
1193 that this act fulfills an important state interest.

1194 Section 14. This act shall take effect July 1, 2015.