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Proposed Committee Substitute by the Committee on Governmental
Oversight and Accountability

A bill to be entitled

An act relating to local government pension reform;
amending s. 175.021, F.S.; requiring that firefighter
pension plans meet the requirements of ch. 175, F.S.,
in order to receive certain insurance premium tax
revenues; amending s. 175.032, F.S.; revising
definitions to conform to changes made by the act and
providing new definitions; amending s. 175.071, F.S.;
conforming a cross-reference; amending s. 175.091,
F.S.; revising the method of creating and maintaining
a firefighters' pension trust fund; amending s.
175.162, F.S.; deleting a provision basing the
availability of additional benefits in a firefighter
pension plan upon state funding; revising the
calculation of monthly retirement income for a full-
time firefighter; specifying the minimum benefits that
must be maintained by certain firefighter pension
plans after a specified date; amending s. 175.351,
F.S.; exempting certain firefighter pension plans of a
municipality or special fire control district from
meeting certain minimum benefits in order to
participate in the distribution of a premium tax;
redesignating the term "pension plan" as "retirement
plan"; revising criteria governing the use of revenues
of the premium tax; authorizing a pension plan to
reduce certain excess benefits if the plan continues
to meet certain minimum benefits and standards;



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28 providing that the use of premium tax revenues may
29 deviate from the requirements of ch. 175, F.S., under
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 which 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.;



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57 exempting certain municipal police officer pension
58 plans from meeting certain minimum benefits in order
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



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86 funding of such plans, hereinafter referred to as firefighters'
87 pension trust funds, which must be met as conditions precedent
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.



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



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144 rendered, as in the case of a volunteer firefighter, the term
145 means the total cash remuneration received yearly for such
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



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173 of \$150,000 shall be adjusted as required by federal law for
174 qualified government plans and ~~shall be~~ further adjusted for
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 service⁷ and fractional parts of
186 years of service⁷ 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.



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202 If the firefighter is not reemployed as a firefighter, with the
203 same department, within 5 years, his or her contributions shall
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 (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~~



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231 ~~provisions~~ of the Uniformed Services Employment and Reemployment
232 Rights Act.

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 plan component that meets
254 minimum benefits and minimum standards. The retirement benefits,
255 if any, of the defined contribution plan component shall be
256 provided through individual member accounts in accordance with
257 the applicable provisions of the Internal Revenue Code and
258 related regulations and are limited to the contributions, if
259 any, made into each member's account and the actual accumulated



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260 earnings, net of expenses, earned on the member's account.

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



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289 carried on the active membership roll of a constituted volunteer
290 fire department or a combination of a paid and volunteer fire
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.



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318 Actuarial valuations of local law plans shall be conducted by an
319 enrolled actuary as provided in s. 175.261(2).

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.



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347 For purposes of a plan that includes a Deferred Retirement
348 Option Plan (DROP), "retirement" means the date a firefighter
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 plan
371 component that meets ~~the~~ minimum benefits and minimum standards
372 ~~of 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



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376 law municipality in which ~~there existed~~ a supplemental plan
377 ~~existed, of any type or nature,~~ as of December 1, 2000.

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:



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405 (1) The firefighters' pension trust fund in each
406 municipality and in each special fire control district shall be
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 benefits in a
415 defined benefit plan component.

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



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434 is retirement from the service of the municipality or special
435 fire control district on or after the normal retirement date. In
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



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463 credited service, the plan may not thereafter decrease the
464 percentage amount or maximum benefit limitation to less than
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



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492 firefighters, or for firefighters and police officers if both
493 are included, where it shall become an integral part of that
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 that
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;



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521 provided that any amount of accumulations in excess of the
522 amount required to fund the unfunded actuarial liabilities must
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 before the reduction,
539 excluding the amount of any additional premium tax revenues
540 distributed to a supplemental plan for the 2012 calendar year,
541 must be used as provided in paragraph (b). However, benefits in
542 excess of minimum benefits may not be reduced if a plan does not
543 meet the minimum percentage amount of 2.75 percent of the
544 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



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550 tax revenues which have not been allocated to fund benefits in
551 excess of minimum benefits, may deviate from the provisions of
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 and does not meet minimum benefits as of October
559 1, 2012, may continue to provide the benefits that do not meet
560 the minimum benefits at the same level as was provided as of
561 October 1, 2012, and all other benefit levels must continue to
562 meet the minimum benefits. Such mutually agreed deviation must
563 continue until modified or revoked by subsequent mutual consent
564 of the members' collective bargaining representative or, if
565 none, by a majority of the firefighter members of the fund, and
566 the municipality or special fire control district. An existing
567 arrangement for the use of premium tax revenues contained within
568 a special act plan or a plan within a supplemental plan
569 municipality is considered, as of July 1, 2015, to be a
570 deviation for which mutual consent has been granted.

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



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

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

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

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



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608 benefits and minimum standards ~~only in this chapter.~~

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

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

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

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

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

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

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



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637 municipality's or district's reliance on an interpretation of
638 this chapter by the Department of Management Services on or
639 after August 14, 2012, and before March 3, 2015, may continue
640 the implemented changes or continue to implement proposed
641 changes. Such reliance must be evidenced by a written collective
642 bargaining proposal or agreement, or formal correspondence
643 between the municipality or district and the Department of
644 Management Services which describes the specific changes to the
645 local law plan, with the initial proposal, agreement, or
646 correspondence from the municipality or district dated before
647 March 3, 2015. Changes to the local law plan which are otherwise
648 contrary to minimum benefits and minimum standards may continue
649 in effect until the earlier of October 1, 2018, or the effective
650 date of a collective bargaining agreement that is contrary to
651 the changes to the local law plan.

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

654 185.01 Legislative declaration.—

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



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666 ~~minimum benefits or minimum standards~~ be reduced or offset by
667 any other local, state, or federal plan that includes ~~may~~
668 ~~include~~ police officers in its operation, except as provided
669 under s. 112.65.

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

672 185.02 Definitions.—For any municipality, chapter plan,
673 local law municipality, or local law plan under this chapter,
674 the term following words and phrases as used in this chapter
675 ~~shall have the following meanings, unless a different meaning is~~
676 ~~plainly required by the context:~~

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

680 (2) ~~(1)~~ “Average final compensation” means one-twelfth of
681 the average annual compensation of the 5 best years of the last
682 10 years of creditable service before ~~prior to~~ retirement,
683 termination, or death.

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

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

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

692 (4) ~~(2)~~ “Casualty insurance” means automobile public
693 liability and property damage insurance to be applied at the
694 place of residence of the owner, or if the subject is a



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695 commercial vehicle, to be applied at the place of business of
696 the owner; automobile collision insurance; fidelity bonds;
697 burglary and theft insurance; and plate glass insurance. The
698 term "multiple peril" means a combination or package policy that
699 includes both property coverage and casualty coverage for a
700 single premium.

701 (5)-(3) "Chapter plan" means a separate defined benefit
702 pension plan for police officers which incorporates by reference
703 the provisions of this chapter and has been adopted by the
704 governing body of a municipality as provided in s. 185.08.
705 Except as ~~may be~~ specifically authorized in this chapter, the
706 provisions of a chapter plan may not differ from the plan
707 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
708 185.39. Actuarial valuations of chapter plans shall be conducted
709 by the division as provided by s. 185.221(1)(b).

710 (6)-(4) "Compensation" or "salary" means, for
711 noncollectively bargained service earned before July 1, 2011, or
712 for service earned under collective bargaining agreements in
713 place before July 1, 2011, the total cash remuneration including
714 "overtime" paid by the primary employer to a police officer for
715 services rendered, but not including any payments for extra duty
716 or special detail work performed on behalf of a second party
717 employer. Overtime may be limited before July 1, 2011, in a
718 local law plan by the plan provisions ~~A local law plan may limit~~
719 ~~the amount of overtime payments which can be used for retirement~~
720 ~~benefit calculation purposes; however, such overtime limit may~~
721 ~~not be less than 300 hours per officer per calendar year.~~ For
722 noncollectively bargained service earned on or after July 1,
723 2011, or for service earned under collective bargaining



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724 agreements entered into on or after July 1, 2011, the term has
725 the same meaning except that when calculating retirement
726 benefits, up to 300 hours per year in overtime compensation may
727 be included as specified in the plan or collective bargaining
728 agreement, but payments for accrued unused sick or annual leave
729 may not be included.

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

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

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



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753 1, 1996, the limitation on compensation may not be less than the
754 maximum compensation amount that was allowed to be taken into
755 account under the plan ~~as~~ in effect on July 1, 1993, which
756 limitation shall be adjusted for changes in the cost of living
757 since 1989 in the manner provided by Internal Revenue Code s.
758 401(a)(17)(1991).

759 (7)~~(5)~~ "Creditable service" or "credited service" means the
760 aggregate number of years of service and fractional parts of
761 years of service of any police officer, omitting intervening
762 years and fractional parts of years when such police officer may
763 not have been employed by the municipality subject to the
764 following conditions:

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

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

781 (c) Credited service under this chapter shall be provided



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

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

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

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

809 3. The police officer returns to his or her employment as a
810 police officer of the municipality within 1 year after ~~from~~ the



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811 date of his or her release from such active service.

812 ~~(8)(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
813 local law plan retirement option in which a police officer may
814 elect to participate. A police officer may retire for all
815 purposes of the plan and defer receipt of retirement benefits
816 into a DROP account while continuing employment with his or her
817 employer. However, a police officer who enters the DROP and who
818 is otherwise eligible to participate ~~may shall~~ not ~~thereby~~ be
819 precluded from participation or continued participation
820 ~~participating, or continuing to participate,~~ in a supplemental
821 plan in existence on, or created after, March 12, 1999 ~~the~~
822 ~~effective date of this act.~~

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

836 ~~(10)(7)~~ "Division" means the Division of Retirement of the
837 Department of Management Services.

838 ~~(11)(8)~~ "Enrolled actuary" means an actuary who is enrolled
839 under Subtitle C of Title III of the Employee Retirement Income



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840 Security Act of 1974 and who is a member of the Society of
841 Actuaries or the American Academy of Actuaries.

842 (12)~~(9)~~ "Local law municipality" means ~~is~~ any municipality
843 in which ~~there exists~~ a local law plan exists.

844 (13)~~(10)~~ "Local law plan" means a retirement defined
845 benefit pension plan that includes both a defined benefit plan
846 component and a defined contribution plan component for police
847 officers, or for police officers and firefighters if both are~~7~~
848 ~~where~~ included, as described in s. 185.35, established by
849 municipal ordinance or special act of the Legislature, which
850 ~~enactment~~ sets forth all plan provisions. Local law plan
851 provisions may vary from the provisions of this chapter if~~7~~
852 ~~provided that required~~ minimum benefits and minimum standards
853 are met. However, any such variance must ~~shall~~ provide a greater
854 benefit for police officers. Actuarial valuations of local law
855 plans shall be conducted by an enrolled actuary as provided in
856 s. 185.221(2) (b).

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

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

861 (16)~~(11)~~ "Police officer" means any person who is elected,
862 appointed, or employed full time by a ~~any~~ municipality, who is
863 certified or required to be certified as a law enforcement
864 officer in compliance with s. 943.1395, who is vested with
865 authority to bear arms and make arrests, and whose primary
866 responsibility is the prevention and detection of crime or the
867 enforcement of the penal, criminal, traffic, or highway laws of
868 the state. The term ~~This definition~~ includes all certified



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

881 (17)~~(12)~~ "Police Officers' Retirement Trust Fund" means a
882 trust fund, by whatever name known, as provided under s. 185.03
883 for the purpose of assisting municipalities in establishing and
884 maintaining a retirement plan for police officers.

885 (18)~~(13)~~ "Retiree" or "retired police officer" means a
886 police officer who has entered retirement status. For the
887 purposes of a plan that includes a Deferred Retirement Option
888 Plan (DROP), a police officer who enters the DROP is ~~shall be~~
889 considered a retiree for all purposes of the plan. However, a
890 police officer who enters the DROP and who is otherwise eligible
891 to participate may ~~shall not thereby~~ be precluded from
892 participation or continued participation ~~participating, or~~
893 ~~continuing to participate,~~ in a supplemental plan in existence
894 on, or created after, March 12, 1999 ~~the effective date of this~~
895 act.

896 (19)~~(14)~~ "Retirement" means a police officer's separation
897 from municipal ~~city~~ employment as a police officer with



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898 immediate eligibility for ~~receipt~~ of benefits under the plan.
899 For purposes of a plan that includes a Deferred Retirement
900 Option Plan (DROP), "retirement" means the date a police officer
901 enters the DROP.

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

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

908 (22)-(15) "Supplemental plan" means a plan to which deposits
909 of the premium tax moneys as provided in s. 185.08 are made to
910 provide special ~~extra~~ benefits to police officers, or police
911 officers and firefighters if both are ~~where~~ included, ~~under this~~
912 ~~chapter~~. Such a plan is an element of a local law plan and
913 exists in conjunction with a defined benefit plan component that
914 meets ~~the~~ minimum benefits and minimum standards ~~of this~~
915 ~~chapter~~. Any supplemental plan in existence on March 1, 2015,
916 shall be deemed to be a defined contribution plan in compliance
917 with s. 185.35(6).

918 (23)-(16) "Supplemental plan municipality" means a ~~any~~ local
919 law municipality in which any ~~there existed~~ a supplemental plan
920 ~~existed~~ as of December 1, 2000.

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

923 185.06 General powers and duties of board of trustees.—For
924 any municipality, chapter plan, local law municipality, or local
925 law plan under this chapter:

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



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

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

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

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

935

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

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

943 185.07 Creation and maintenance of fund.—For any
944 municipality, chapter plan, local law municipality, or local law
945 plan under this chapter:

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

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



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956 component.

957
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~~



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985 ~~required as state moneys are adequate to provide. Such~~
986 ~~increments shall be provided as state moneys become available.~~

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



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1014 established under ~~pursuant to~~ s. 185.08, a local law plan ~~plans~~
1015 must meet ~~the~~ minimum benefits and minimum standards, except as
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 that
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 component to fund special benefits.



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



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1072 fund benefits in excess of the minimum benefits before the
1073 reduction, excluding the amount of any additional premium tax
1074 revenues distributed to a supplemental plan for the 2012
1075 calendar year, must be used as provided in paragraph (b).
1076 However, benefits in excess of the minimum benefits may not be
1077 reduced if a plan does not meet the minimum percentage amount of
1078 2.75 percent of the average final compensation of a police
1079 officer or provides an effective benefit that is less than 2.75
1080 percent as a result of a maximum benefit limitation, as
1081 described in s. 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 and 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



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1101 a special act plan or a plan within a supplemental plan
1102 municipality is considered, as of July 1, 2015, to be a
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



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1130 proposed plan change and the actuarial impact statement of the
1131 proposed plan or proposed plan change shall be furnished to the
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



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1159 local law plan, each plan sponsor must have a defined
1160 contribution plan component within the local law plan by October
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 3, 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 3, 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



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1188 governmental retirement systems that provide fair and adequate
1189 benefits and that are managed, administered, and funded in an
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.