

By the Committee on Governmental Oversight and Productivity;
and Senator Sanderson

302-1866-02

1 A bill to be entitled
2 An act relating to firefighter pensions and
3 police pensions; amending s. 175.032, F.S.;
4 providing an extended time period for the
5 recognition of supplemental firefighter plans;
6 amending s. 185.02, F.S.; providing an extended
7 time period for the recognition of supplemental
8 police pension plans; amending ss. 175.061,
9 185.05, F.S.; prescribing guidelines for
10 selecting trustees for closed plans of
11 specified size; amending ss. 175.371, 185.38,
12 F.S.; providing for termination of plans after
13 distribution of final benefit payments;
14 providing an effective date.

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

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18 Section 1. Subsection (18) of section 175.032, Florida
19 Statutes, is amended to read:

20 175.032 Definitions.--For any municipality, special
21 fire control district, chapter plan, local law municipality,
22 local law special fire control district, or local law plan
23 under this chapter, the following words and phrases have the
24 following meanings:

25 (18) "Supplemental plan municipality" means any local
26 law municipality in which there existed a supplemental plan,
27 of any type or nature, as of December 1, 2000 ~~January 1, 1997~~.

28 Section 2. Subsection (16) of section 185.02, Florida
29 Statutes, is amended to read:

30 185.02 Definitions.--For any municipality, chapter
31 plan, local law municipality, or local law plan under this

1 chapter, the following words and phrases as used in this
2 chapter shall have the following meanings, unless a different
3 meaning is plainly required by the context:

4 (16) "Supplemental plan municipality" means any local
5 law municipality in which there existed a supplemental plan as
6 of December 1, 2000 ~~January 1, 1997~~.

7 Section 3. Paragraph (c) is added to subsection (1) of
8 section 175.061, Florida Statutes, to read:

9 175.061 Board of trustees; members; terms of office;
10 meetings; legal entity; costs; attorney's fees.--For any
11 municipality, special fire control district, chapter plan,
12 local law municipality, local law special fire control
13 district, or local law plan under this chapter:

14 (1) In each municipality and in each special fire
15 control district there is hereby created a board of trustees
16 of the firefighters' pension trust fund, which shall be solely
17 responsible for administering the trust fund. Effective
18 October 1, 1986, and thereafter:

19 (c) Whenever the active firefighter membership of a
20 closed chapter plan or closed local law plan as provided in s.
21 175.371 falls below 10, an active firefighter member seat may
22 be held by either a retired member or an active firefighter
23 member of the plan who is elected by the active and retired
24 members of the plan. If there are no active or retired
25 firefighters remaining in the plan or capable of serving, the
26 remaining board members may elect an individual to serve in
27 the active firefighter seat. Upon receipt of such person's
28 name, the legislative body of the municipality or special fire
29 control district shall, as a ministerial duty, appoint such
30 person to the board of trustees. This paragraph applies only
31 to those plans that are closed to new members under s.

1 175.371(2), and does not apply to any other municipality or
2 fire control district having a chapter or local law plan.

3 Section 4. Subsection (2) of section 175.371, Florida
4 Statutes, is amended to read:

5 175.371 Transfer to another state retirement system;
6 benefits payable.--For any municipality, special fire control
7 district, chapter plan, local law municipality, local law
8 special fire control district, or local law plan under this
9 chapter:

10 (2) When every active participant in any pension plan
11 created pursuant to this chapter elects to transfer to another
12 state retirement system, the pension plan created pursuant to
13 this chapter shall be terminated and the assets distributed in
14 accordance with s. 175.361. If some participants in a pension
15 plan created pursuant to this chapter elect to transfer to
16 another state retirement system and other participants elect
17 to remain in the existing plan created pursuant to this
18 chapter, the plan created pursuant to this chapter shall
19 continue to receive state premium tax moneys until fully
20 funded. If the plan is fully funded at a particular valuation
21 date and not fully funded at a later valuation date, the plan
22 shall resume receipt of state premium tax moneys until the
23 plan is once again fully funded."Fully funded" means that the
24 present value of all benefits, accrued and projected, is less
25 than the available assets and the present value of future
26 member contributions and future plan sponsor contributions on
27 an actuarial entry age cost funding basis. The plan shall
28 remain in effect until the final benefit payment has been made
29 to the last active participant or beneficiary ~~has terminated~~
30 and shall then be terminated in accordance with s. 175.361.

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1 Section 5. Paragraphs (c) and (d) are added to
2 subsection (1) of section 185.05, Florida Statutes, to read:

3 185.05 Board of trustees; members; terms of office;
4 meetings; legal entity; costs; attorney's fees.--For any
5 municipality, chapter plan, local law municipality, or local
6 law plan under this chapter:

7 (1) In each municipality described in s. 185.03 there
8 is hereby created a board of trustees of the municipal police
9 officers' retirement trust fund, which shall be solely
10 responsible for administering the trust fund. Effective
11 October 1, 1986, and thereafter:

12 (c) Whenever the active police officer membership of a
13 closed chapter plan or closed local law plan as provided in s.
14 185.38 falls below 10, an active police officer member seat
15 may be held by either a retired police officer or an active
16 police officer member of the plan who is elected by the active
17 and retired members of the plan. If there are no active or
18 retired police officers remaining in the plan or capable of
19 serving, the remaining board members may elect an individual
20 to serve in the active police officer member seat. Upon
21 receipt of such person's name, the legislative body of the
22 municipality shall, as a ministerial duty, appoint such person
23 to the board of trustees. This paragraph applies only to those
24 plans that are closed to new members under s. 185.38(2), and
25 does not apply to any other municipality having a chapter or
26 local law plan.

27 (d) If the chapter plan or local law plan with an
28 active membership of 10 or more is closed to new members, the
29 member seats may be held by either a retiree, as defined in s.
30 185.02, or an active police officer of the plan who has been
31 elected by the active police officers. A closed plan means a

1 plan that is closed to new members but continues to operate,
2 pursuant to s. 185.38(2), for participants who elect to remain
3 in the existing plan. This paragraph applies only to those
4 plans that are closed to new members pursuant to s. 185.38(2)
5 and does not apply to any other municipality that has a
6 chapter plan or a local law plan.

7 Section 6. Subsection (2) of section 185.38, Florida
8 Statutes, is amended to read:

9 185.38 Transfer to another state retirement system;
10 benefits payable.--For any municipality, chapter plan, local
11 law municipality, or local law plan under this chapter:

12 (2) When every active participant in any pension plan
13 created pursuant to this chapter elects to transfer to another
14 state retirement system, the pension plan created pursuant to
15 this chapter shall be terminated and the assets distributed in
16 accordance with s. 185.37. If some participants in a pension
17 plan created pursuant to this chapter elect to transfer to
18 another state retirement system and other participants elect
19 to remain in the existing plan created pursuant to this
20 chapter, the plan created pursuant to this chapter shall
21 continue to receive state premium tax moneys until fully
22 funded. If the plan is fully funded at a particular valuation
23 date and not fully funded at a later valuation date, the plan
24 shall resume receipt of state premium tax moneys until the
25 plan is once again determined to be fully funded."Fully
26 funded" means that the present value of all benefits, accrued
27 and projected, is less than the available assets and the
28 present value of future member contributions and future plan
29 sponsor contributions on an actuarial entry age cost funding
30 basis. The plan shall remain in effect until the final
31 benefit payment has been made to the last ~~active~~ participant

1 or beneficiary ~~has terminated~~ and shall then be terminated in
2 accordance with s. 185.37.

3 Section 7. This act shall take effect October 1, 2002.

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5 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
6 COMMITTEE SUBSTITUTE FOR
7 Senate Bill 666

8 The Committee Substitute further defines the circumstances
9 under which a closed plan may have active or retired members
10 appointed to the board. It reinstates current law on the use
11 of recognized actuarial valuation methods. It also changes an
12 effective date on the creation of approved supplemental
13 benefit plans to permit the additional qualification of the
14 City of Tallahassee for monies held in escrow.

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