

2013458e2

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

2013458e2

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

51
52 Be It Enacted by the Legislature of the State of Florida:

53
54 Section 1. Subsection (2) of section 175.021, Florida
55 Statutes, is amended to read:

56 175.021 Legislative declaration.—

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

2013458e2

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

72 Section 2. Section 175.032, Florida Statutes, is amended to
73 read:

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

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

82 (2) ~~(1)(a)~~ "Average final compensation" for:

83 (a) A full-time firefighter means one-twelfth of the
84 average annual compensation of the 5 best years of the last 10
85 years of creditable service before ~~prior to~~ retirement,
86 termination, or death, or the career average as a full-time
87 firefighter since July 1, 1953, whichever is greater. A year is

2013458e2

88 ~~shall be~~ 12 consecutive months or such other consecutive period
89 of time as is used and consistently applied.

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

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

98 (4) "Base premium tax revenues" means revenues received by
99 a municipality or special fire control district pursuant to s.
100 175.121 equal to the amount of such revenues received for
101 calendar year 1997.

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

111 (6)~~(3)~~ "Compensation" or "salary" means, for
112 noncollectively bargained service earned before July 1, 2011, or
113 for service earned under collective bargaining agreements in
114 place before July 1, 2011, the fixed monthly remuneration paid a
115 firefighter. If remuneration is based on actual services
116 rendered, as in the case of a volunteer firefighter, the term

2013458e2

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

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

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

140 (c) For any person who first becomes a member in any plan
141 year beginning on or after January 1, 1996, compensation for
142 that plan year may not include any amounts in excess of the
143 Internal Revenue Code s. 401(a)(17) limitation, as amended by
144 the Omnibus Budget Reconciliation Act of 1993, which limitation
145 of \$150,000 shall be adjusted as required by federal law for

2013458e2

146 qualified government plans and ~~shall be~~ further adjusted for
147 changes in the cost of living in the manner provided by Internal
148 Revenue Code s. 401(a)(17)(B). For any person who first became a
149 member before the first plan year beginning on or after January
150 1, 1996, the limitation on compensation may not be less than the
151 maximum compensation amount that was allowed to be taken into
152 account under the plan in effect on July 1, 1993, which
153 limitation shall be adjusted for changes in the cost of living
154 since 1989 in the manner provided by Internal Revenue Code s.
155 401(a)(17)(1991).

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

162 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
163 or fractional parts of years of service if he or she has
164 withdrawn his or her contributions to the fund for those years
165 or fractional parts of years of service, unless the firefighter
166 repays into the fund the amount he or she has withdrawn, plus
167 interest determined by the board. The member shall have at least
168 90 days after his or her reemployment to make repayment.

169 (b) A firefighter may voluntarily leave his or her
170 contributions in the fund for ~~a period of~~ 5 years after leaving
171 the employ of the fire department, pending the possibility of
172 being rehired by the same department, without losing credit for
173 the time he or she has participated actively as a firefighter.
174 If the firefighter is not reemployed as a firefighter, with the

2013458e2

175 same department, within 5 years, his or her contributions shall
176 be returned without interest.

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

194 (8) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
195 local law plan retirement option in which a firefighter may
196 elect to participate. A firefighter may retire for all purposes
197 of the plan and defer receipt of retirement benefits into a DROP
198 account while continuing employment with his or her employer.
199 However, a firefighter who enters ~~the~~ DROP and who is otherwise
200 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
201 participating, or continuing to participate, in a supplemental
202 plan in existence on, or created after, March 12, 1999 ~~the~~
203 ~~effective date of this act.~~

2013458e2

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

217 (10)~~(6)~~ "Division" means the Division of Retirement of the
218 Department of Management Services.

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

223 (12)~~(8)~~(a) "Firefighter" means any person employed solely
224 by a constituted fire department of any municipality or special
225 fire control district who is certified as a firefighter as a
226 condition of employment in accordance with s. 633.35 and whose
227 duty it is to extinguish fires, to protect life, or to protect
228 property. The term includes all certified, supervisory, and
229 command personnel whose duties include, in whole or in part, the
230 supervision, training, guidance, and management responsibilities
231 of full-time firefighters, part-time firefighters, or auxiliary
232 firefighters but does not include part-time firefighters or

2013458e2

233 auxiliary firefighters. However, for purposes of this chapter
234 only, the term also includes public safety officers who are
235 responsible for performing both police and fire services, who
236 are certified as police officers or firefighters, and who are
237 certified by their employers to the Chief Financial Officer as
238 participating in this chapter before October 1, 1979. Effective
239 October 1, 1979, public safety officers who have not been
240 certified as participating in this chapter are considered police
241 officers for retirement purposes and are eligible to participate
242 in chapter 185. Any plan may provide that the fire chief has an
243 option to participate, ~~or not,~~ in that plan.

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

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

261 (14) ~~(10)~~ "Local law municipality" is any municipality in

2013458e2

262 which ~~there exists~~ a local law plan exists.

263 (15)~~(11)~~ "Local law plan" means a retirement defined
264 benefit pension plan, which includes both a defined benefit plan
265 component and a defined contribution plan component, for
266 firefighters, or for firefighters or police officers if both are
267 ~~where~~ included, as described in s. 175.351, established by
268 municipal ordinance, special district resolution, or special act
269 of the Legislature, which ~~enactment~~ sets forth all plan
270 provisions. Local law plan provisions may vary from the
271 provisions of this chapter if the,~~provided that~~ required
272 ~~minimum~~ benefits and minimum standards of this chapter are met.
273 However, any such variance must ~~shall~~ provide a greater benefit
274 for firefighters. Actuarial valuations of local law plans shall
275 be conducted by an enrolled actuary as provided in s.
276 175.261(2).

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

280 (17) "Long-term funded ratio" or "funded ratio" means the
281 ratio of the actuarial value of assets of the plan to the
282 actuarial accrued liabilities of the plan, as reported in the
283 most recent actuarial valuation of the plan, deemed to be in
284 compliance with chapter 112 by the Department of Management
285 Services.

286 (18) "Minimum benefits" means the benefits set forth in ss.
287 175.021-175.341 and ss. 175.361-175.401.

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

290 (20)~~(13)~~ "Property insurance" means property insurance as

2013458e2

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

297 (21) "Required benefits" means the base benefits of the
298 plan. For local law plans created after March 12, 1999, the
299 required benefits are the minimum benefits set forth in this
300 chapter.

301 (22)~~(14)~~ "Retiree" or "retired firefighter" means a
302 firefighter who has entered retirement status. For the purposes
303 of a plan that includes a Deferred Retirement Option Plan
304 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
305 a retiree for all purposes of the plan. However, a firefighter
306 who enters ~~the~~ DROP and who is otherwise eligible to participate
307 may shall not ~~thereby~~ be precluded from participating, or
308 continuing to participate, in a supplemental plan in existence
309 on, or created after, March 12, 1999 ~~the effective date of this~~
310 ~~act.~~

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

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

319 (25)~~(16)~~ "Special fire control district" means a special

2013458e2

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

330 (26)~~(17)~~ "Supplemental plan" means a plan to which deposits
331 are made to provide extra benefits for firefighters, or for
332 firefighters and police officers if both are ~~where~~ included
333 ~~under this chapter~~. Such a plan is an element of a local law
334 plan and exists in conjunction with a defined benefit component
335 ~~plan~~ that meets the required minimum ~~minimum~~ benefits and minimum
336 standards of this chapter. Any supplemental plan in existence on
337 March 1, 2013, shall be deemed to be a defined contribution plan
338 in compliance with s. 175.351(8).

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

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

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

348 (7) To assist the board in meeting its responsibilities

2013458e2

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

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

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

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

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

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

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

377 (e) For local law plans, and in addition to the mandatory

2013458e2

378 payment specified in paragraph (d), by mandatory payment by the
379 municipality or special fire control district of the amount
380 specified in s. 175.351(3), if the long-term funded ratio of the
381 plan is less than 80 percent.

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

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

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

389

390 Nothing in this section shall be construed to require adjustment
391 of member contribution rates in effect on the date this act
392 becomes a law, including rates that exceed 5 percent of salary,
393 provided that such rates are at least one-half of 1 percent of
394 salary.

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

397 175.162 Requirements for retirement.—For any municipality,
398 special fire control district, chapter plan, local law
399 municipality, local law special fire control district, or local
400 law plan under this chapter, any firefighter who completes 10 or
401 more years of creditable service as a firefighter and attains
402 age 55, or completes 25 years of creditable service as a
403 firefighter and attains age 52, and who for such minimum period
404 has been a member of the firefighters' pension trust fund
405 operating under a chapter plan or local law plan, is eligible
406 for normal retirement benefits. Normal retirement under the plan

2013458e2

407 is retirement from the service of the municipality or special
408 fire control district on or after the normal retirement date. In
409 such event, payment of retirement income will be governed by the
410 following provisions of this section:

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

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

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

2013458e2

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

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

447 (a) The base premium tax revenues must be used to fund
448 required benefits. To the extent the base premium tax revenues
449 exceed the annual actuarial cost of the plan's required
450 benefits, such excess revenues must be used as directed in
451 paragraph (b).

452 (b) Of the additional premium tax revenues received which
453 are in excess of the amount received for the 2012 calendar year
454 and any accumulations of additional tax revenues which have not
455 been applied to fund benefits in excess of the plan's base
456 benefits:

457 1. If the plan has a supplemental plan in effect as of
458 September 30, 2012, whereby all premium tax revenues received in
459 excess of the amount received for the 2012 calendar year are
460 scheduled to be used to fund defined contribution plan benefits
461 and:

462 a. If the plan has a long-term funded ratio of less than 70
463 percent, 50 percent of the additional premium tax revenues
464 subject to this paragraph must be used as additional

2013458e2

465 contributions to pay the plan's actuarial deficiency and the
466 remainder must be used to fund special benefits; or
467 b. If the plan has a long-term funded ratio of 70 percent
468 or greater, the additional premium tax revenues subject to this
469 paragraph must be used to fund special benefits.
470 2. If subparagraph 1. is not applicable and the plan has a
471 long-term funded ratio of less than 80 percent:
472 a. Fifty percent of the additional premium tax revenues
473 subject to this paragraph must be used as additional
474 contributions to pay the plan's actuarial deficiency;
475 b. Twenty-five percent of the additional premium tax
476 revenues subject to this paragraph must be used to fund required
477 benefits; and
478 c. The remainder must be placed in a defined contribution
479 plan to fund special benefits.
480 3. If subparagraph 1. is not applicable and the plan has a
481 long-term funded ratio of 80 percent or greater:
482 a. Fifty percent of the additional premium tax revenues
483 subject to this paragraph must be used to fund required
484 benefits; and
485 b. The remainder must be placed in a defined contribution
486 plan to fund special benefits.
487
488 Any additional premium tax revenues used to fund the plan's
489 actuarial deficiency pursuant to this paragraph may not be
490 considered in determining the mandatory payment described in s.
491 175.091(1)(d).
492 (c) Additional premium tax revenues not described in
493 paragraph (b) must be used to fund benefits that were not

2013458e2

494 ~~included in the required benefits to pay extra benefits to the~~
495 ~~firefighters included in that pension plan; or~~

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

500 (2) Insurance premium tax revenues may not be used to fund
501 benefits provided in a defined benefit plan which were not
502 provided by the plan as of March 1, 2013; however, for a local
503 law plan created after March 1, 2013, up to 50 percent of the
504 insurance premium tax revenues may be used to fund defined
505 benefit plan component benefits and the remainder must be used
506 to fund defined contribution plan component benefits.

507 (3) If a plan offers benefits in excess of its required
508 benefits, such benefits may be reduced if the plan continues to
509 meet the required benefits of the plan and the minimum standards
510 set forth in this chapter. The amount of insurance premium tax
511 revenues previously used to fund benefits in excess of the
512 plan's required benefits before the reduction must be used as
513 provided in subsection (1)(b). Twenty-five percent of the amount
514 of any mandatory contribution paid by the municipality or
515 special fire control district which was previously used to fund
516 benefits above the level of required benefits provided before
517 the reduction must be used as additional contributions as
518 specified in s. 175.091 to fund the plan's actuarial deficiency.

519 (4)~~(2)~~ The premium tax provided by this chapter shall in
520 all cases be used in its entirety to provide retirement extra
521 benefits to firefighters, or to firefighters and police officers
522 if both are included. However, local law plans in effect on

2013458e2

523 ~~October 1, 1998, must comply with the minimum benefit provisions~~
524 ~~of this chapter only to the extent that additional premium tax~~
525 ~~revenues become available to incrementally fund the cost of such~~
526 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
527 ~~compliance with such minimum benefit provisions, as subsequent~~
528 ~~additional premium tax revenues become available, they must be~~
529 ~~used to provide extra benefits. Local law plans created by~~
530 ~~special act before May 27, 1939, are deemed to comply with this~~
531 ~~chapter. For the purpose of this chapter, the term:~~

532 ~~(a) "Additional premium tax revenues" means revenues~~
533 ~~received by a municipality or special fire control district~~
534 ~~pursuant to s. 175.121 which exceed that amount received for~~
535 ~~calendar year 1997.~~

536 ~~(b) "Extra benefits" means benefits in addition to or~~
537 ~~greater than those provided to general employees of the~~
538 ~~municipality and in addition to those in existence for~~
539 ~~firefighters on March 12, 1999.~~

540 (5)~~(3)~~ A retirement plan or amendment to a retirement plan
541 may not be proposed for adoption unless the proposed plan or
542 amendment contains an actuarial estimate of the costs involved.
543 Such proposed plan or proposed plan change may not be adopted
544 without the approval of the municipality, special fire control
545 district, or, where permitted, the Legislature. Copies of the
546 proposed plan or proposed plan change and the actuarial impact
547 statement of the proposed plan or proposed plan change shall be
548 furnished to the division before the last public hearing
549 thereon. Such statement must also indicate whether the proposed
550 plan or proposed plan change is in compliance with s. 14, Art. X
551 of the State Constitution and those provisions of part VII of

2013458e2

552 chapter 112 which are not expressly provided in this chapter.
553 Notwithstanding any other provision, only those local law plans
554 created by special act of legislation before May 27, 1939, are
555 deemed to meet the minimum benefits and minimum standards only
556 in this chapter.

557 (6)~~(4)~~ Notwithstanding any other provision, with respect to
558 any supplemental plan municipality:

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

562 (b) Section 175.061(1)(b) does not apply, and a local law
563 plan and a supplemental plan shall continue to be administered
564 by a board or boards of trustees numbered, constituted, and
565 selected as the board or boards were numbered, constituted, and
566 selected on December 1, 2000.

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

569 (7)~~(5)~~ The retirement plan setting forth the benefits and
570 the trust agreement, if any, covering the duties and
571 responsibilities of the trustees and the regulations of the
572 investment of funds must be in writing, and copies made
573 available to the participants and to the general public.

574 (8) In addition to the defined benefit component of the
575 local law plan, each plan sponsor must have a defined
576 contribution plan component within the local law plan by October
577 1, 2013, or upon the creation date of a new participating plan.
578 However, the plan sponsor of any plan established by special act
579 of the Legislature has until July 1, 2014, to create a defined
580 contribution component within the plan.

2013458e2

581 (9) Notwithstanding any other provision of this chapter, a
582 municipality or special fire control district that has
583 implemented or proposed changes to a local law plan based on the
584 municipality's or district's reliance on an interpretation of
585 this chapter by the department on or after August 14, 2012, and
586 before February 1, 2013, may continue the implemented changes or
587 continue to implement proposed changes. Such reliance must be
588 evidenced by a written collective bargaining proposal,
589 collective bargaining agreement, or formal correspondence
590 between the municipality or district and the department which
591 describes the specific changes to the local law plan, with the
592 initial proposal, agreement, or correspondence from the
593 municipality or district dated prior to February 1, 2013. The
594 changes to the local law plan that are otherwise contrary to the
595 provisions of this chapter may continue in effect until the
596 earlier of October 1, 2016, or the effective date of a
597 collective bargaining agreement that is contrary to the changes
598 to the local law plan.

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

601 185.01 Legislative declaration.—

602 (2) This chapter hereby establishes, for all municipal
603 pension plans ~~now or hereinafter~~ provided for under this
604 chapter, including chapter plans and local law plans, required
605 ~~minimum~~ benefits and minimum standards for the operation and
606 funding of such plans, hereinafter referred to as municipal
607 police officers' retirement trust funds, which must be met as a
608 condition precedent to the plan or plan sponsor receiving a
609 distribution of insurance premium tax revenues under s. 185.10.

2013458e2

610 The required ~~minimum~~ benefits and minimum standards for each
611 plan as set forth in this chapter may not be diminished by local
612 ordinance or by special act of the Legislature, or ~~nor may the~~
613 ~~minimum benefits or minimum standards be~~ reduced or offset by
614 any other local, state, or federal plan that may include police
615 officers in its operation, except as provided under s. 112.65.

616 Section 8. Section 185.02, Florida Statutes, is amended to
617 read:

618 185.02 Definitions.—For any municipality, chapter plan,
619 local law municipality, or local law plan under this chapter,
620 the term following words and phrases as used in this chapter
621 ~~shall have the following meanings, unless a different meaning is~~
622 ~~plainly required by the context:~~

623 (1) "Additional premium tax revenues" means revenues
624 received by a municipality pursuant to s. 185.10 which exceed
625 base premium tax revenues.

626 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
627 the average annual compensation of the 5 best years of the last
628 10 years of creditable service prior to retirement, termination,
629 or death.

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

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

635 (5) ~~(2)~~ "Casualty insurance" means automobile public
636 liability and property damage insurance to be applied at the
637 place of residence of the owner, or if the subject is a
638 commercial vehicle, to be applied at the place of business of

2013458e2

639 the owner; automobile collision insurance; fidelity bonds;
640 burglary and theft insurance; and plate glass insurance.
641 "Multiple peril" means a combination or package policy that
642 includes both property coverage and casualty coverage for a
643 single premium.

644 (6)~~(3)~~ "Chapter plan" means a separate defined benefit
645 pension plan for police officers which incorporates by reference
646 the provisions of this chapter and has been adopted by the
647 governing body of a municipality as provided in s. 185.08.
648 Except as may be specifically authorized in this chapter, the
649 provisions of a chapter plan may not differ from the plan
650 provisions set forth in ss. 185.01-185.341 and 185.37-185.39.
651 Actuarial valuations of chapter plans shall be conducted by the
652 division as provided by s. 185.221(1)(b).

653 (7)~~(4)~~ "Compensation" or "salary" means, for
654 noncollectively bargained service earned before July 1, 2011, or
655 for service earned under collective bargaining agreements in
656 place before July 1, 2011, the total cash remuneration including
657 "overtime" paid by the primary employer to a police officer for
658 services rendered, but not including any payments for extra duty
659 or special detail work performed on behalf of a second party
660 employer. ~~A local law plan may limit the amount of overtime~~
661 ~~payments which can be used for retirement benefit calculation~~
662 ~~purposes; however, such overtime limit may not be less than 300~~
663 ~~hours per officer per calendar year.~~ For noncollectively
664 bargained service earned on or after July 1, 2011, or for
665 service earned under collective bargaining agreements entered
666 into on or after July 1, 2011, the term has the same meaning
667 except that when calculating retirement benefits, up to 300

2013458e2

668 hours per year in overtime compensation may be included as
669 specified in the plan or collective bargaining agreement, but
670 payments for accrued unused sick or annual leave may not be
671 included.

672 (a) Any retirement trust fund or plan that meets the
673 requirements of this chapter does not, solely by virtue of this
674 subsection, reduce or diminish the monthly retirement income
675 otherwise payable to each police officer covered by the
676 retirement trust fund or plan.

677 (b) The member's compensation or salary contributed as
678 employee-elective salary reductions or deferrals to any salary
679 reduction, deferred compensation, or tax-sheltered annuity
680 program authorized under the Internal Revenue Code shall be
681 deemed to be the compensation or salary the member would receive
682 if he or she were not participating in such program and shall be
683 treated as compensation for retirement purposes under this
684 chapter.

685 (c) For any person who first becomes a member in any plan
686 year beginning on or after January 1, 1996, compensation for
687 that plan year may not include any amounts in excess of the
688 Internal Revenue Code s. 401(a)(17) limitation, as amended by
689 the Omnibus Budget Reconciliation Act of 1993, which limitation
690 of \$150,000 shall be adjusted as required by federal law for
691 qualified government plans and ~~shall be~~ further adjusted for
692 changes in the cost of living in the manner provided by Internal
693 Revenue Code s. 401(a)(17)(B). For any person who first became a
694 member before the first plan year beginning on or after January
695 1, 1996, the limitation on compensation may not be less than the
696 maximum compensation amount that was allowed to be taken into

2013458e2

697 account under the plan ~~as~~ in effect on July 1, 1993, which
698 limitation shall be adjusted for changes in the cost of living
699 since 1989 in the manner provided by Internal Revenue Code s.
700 401(a)(17)(1991).

701 (8)~~(5)~~ "Creditable service" or "credited service" means the
702 aggregate number of years of service and fractional parts of
703 years of service of any police officer, omitting intervening
704 years and fractional parts of years when such police officer may
705 not have been employed by the municipality subject to the
706 following conditions:

707 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
708 years or fractional parts of years of service if he or she has
709 withdrawn his or her contributions to the fund for those years
710 or fractional parts of years of service, unless the police
711 officer repays into the fund the amount he or she has withdrawn,
712 plus interest as determined by the board. The member has ~~shall~~
713 ~~have~~ at least 90 days after his or her reemployment to make
714 repayment.

715 (b) A police officer may voluntarily leave his or her
716 contributions in the fund for ~~a period of~~ 5 years after leaving
717 the employ of the police department, pending the possibility of
718 his or her being rehired by the same department, without losing
719 credit for the time he or she has participated actively as a
720 police officer. If he or she is not reemployed as a police
721 officer with the same department within 5 years, his or her
722 contributions shall be returned to him or her without interest.

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

2013458e2

726 other type of service. A municipality ~~may~~, by local ordinance,
727 may provide for the purchase of credit for military service
728 occurring before employment as well as prior service as a police
729 officer for some other employer as long as the police officer is
730 not entitled to receive a benefit for such ~~other~~ prior service
731 ~~as a police officer~~. For purposes of determining credit for
732 prior service, in addition to service as a police officer in
733 this state, credit may be given for federal, other state, or
734 county service as long as such service is recognized by the
735 Criminal Justice Standards and Training Commission within the
736 Department of Law Enforcement as provided under chapter 943 or
737 the police officer provides proof to the board of trustees that
738 such service is equivalent to the service required to meet the
739 definition of a police officer under subsection (16) ~~(11)~~.

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

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

748 2. The police officer is entitled to reemployment under ~~the~~
749 ~~provisions of~~ the Uniformed Services Employment and Reemployment
750 Rights Act.

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

754 (9) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a

2013458e2

755 local law plan retirement option in which a police officer may
756 elect to participate. A police officer may retire for all
757 purposes of the plan and defer receipt of retirement benefits
758 into a DROP account while continuing employment with his or her
759 employer. However, a police officer who enters the DROP and who
760 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
761 precluded from participating, or continuing to participate, in a
762 supplemental plan in existence on, or created after, March 12,
763 1999 ~~the effective date of this act.~~

764 (10) "Defined contribution plan" means the component of a
765 local law plan to which deposits are made to provide benefits
766 for police officers, or for police officers and firefighters if
767 both are included. Such component is an element of a local law
768 plan and exists in conjunction with the defined benefit
769 component that meets the required benefits and minimum standards
770 of this chapter. The retirement benefits of the defined
771 contribution plan shall be provided through individual member
772 accounts, in accordance with the applicable provisions of the
773 Internal Revenue Code and related regulations, and are limited
774 to the contributions made into each member's account and the
775 actual accumulated earnings, net of expenses, earned on the
776 member's account.

777 (11) ~~(7)~~ "Division" means the Division of Retirement of the
778 Department of Management Services.

779 (12) ~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
780 under Subtitle C of Title III of the Employee Retirement Income
781 Security Act of 1974 and who is a member of the Society of
782 Actuaries or the American Academy of Actuaries.

783 (13) ~~(9)~~ "Local law municipality" is any municipality in

2013458e2

784 which ~~there exists~~ a local law plan exists.

785 (14)~~(10)~~ "Local law plan" means a retirement defined
786 benefit pension plan, which includes both a defined benefit plan
787 component and a defined contribution plan component, for police
788 officers, or for police officers and firefighters if both are~~7~~
789 ~~where~~ included, as described in s. 185.35, established by
790 municipal ordinance or special act of the Legislature, which
791 ~~enactment~~ sets forth all plan provisions. Local law plan
792 provisions may vary from the provisions of this chapter if the~~7~~
793 ~~provided that~~ required ~~minimum~~ benefits and minimum standards of
794 this chapter are met. However, any such variance must ~~shall~~
795 provide a greater benefit for police officers. Actuarial
796 valuations of local law plans shall be conducted by an enrolled
797 actuary as provided in s. 185.221(2)(b).

798 (15) "Long-term funded ratio" or "funded ratio" means the
799 ratio of the actuarial value of assets of the plan to the
800 actuarial accrued liabilities of the plan, as reported in the
801 most recent actuarial valuation of the plan, deemed to be in
802 compliance with chapter 112 by the Department of Management
803 Services.

804 (16) "Minimum benefits" means the benefits set forth in ss.
805 185.01-185.341 and ss. 185.37-185.50.

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

808 (18)~~(11)~~ "Police officer" means any person who is elected,
809 appointed, or employed full time by a ~~any~~ municipality, who is
810 certified or required to be certified as a law enforcement
811 officer in compliance with s. 943.1395, who is vested with
812 authority to bear arms and make arrests, and whose primary

2013458e2

813 responsibility is the prevention and detection of crime or the
814 enforcement of the penal, criminal, traffic, or highway laws of
815 the state. The term ~~This definition~~ includes all certified
816 supervisory and command personnel whose duties include, in whole
817 or in part, the supervision, training, guidance, and management
818 responsibilities of full-time law enforcement officers, part-
819 time law enforcement officers, or auxiliary law enforcement
820 officers, but does not include part-time law enforcement
821 officers or auxiliary law enforcement officers as those terms
822 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For
823 the purposes of this chapter only, the term also includes
824 ~~"police officer" also shall include~~ a public safety officer who
825 is responsible for performing both police and fire services. Any
826 plan may provide that the police chief shall have an option to
827 participate, ~~or not,~~ in that plan.

828 (19) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
829 trust fund, by whatever name known, as provided under s. 185.03
830 for the purpose of assisting municipalities in establishing and
831 maintaining a retirement plan for police officers.

832 (20) "Required benefits" means the base benefits of the
833 plan. For local law plans created after March 12, 1999, the
834 required benefits are the minimum benefits set forth in this
835 chapter.

836 (21) ~~(13)~~ "Retiree" or "retired police officer" means a
837 police officer who has entered retirement status. For the
838 purposes of a plan that includes a Deferred Retirement Option
839 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
840 considered a retiree for all purposes of the plan. However, a
841 police officer who enters ~~the~~ DROP and who is otherwise eligible

2013458e2

842 to participate may ~~shall~~ not ~~thereby~~ be precluded from
843 participating, or continuing to participate, in a supplemental
844 plan in existence on, or created after, March 12, 1999 ~~the~~
845 ~~effective date of this act.~~

846 (22) ~~(14)~~ "Retirement" means a police officer's separation
847 from city employment as a police officer with immediate
848 eligibility for ~~receipt of~~ benefits under the plan. For purposes
849 of a plan that includes a Deferred Retirement Option Plan
850 (DROP), "retirement" means the date a police officer enters ~~the~~
851 DROP.

852 (23) "Special benefits" means benefits provided in a
853 defined contribution plan for police officers.

854 (24) ~~(15)~~ "Supplemental plan" means a plan to which deposits
855 of the premium tax moneys as provided in s. 185.08 are made to
856 provide extra benefits to police officers, or police officers
857 and firefighters if both are ~~where~~ included, ~~under this chapter.~~
858 Such a plan is an element of a local law plan and exists in
859 conjunction with a defined benefit component ~~plan~~ that meets the
860 required minimum ~~minimum~~ benefits and minimum standards of this chapter.
861 Any supplemental plan in existence on March 1, 2013, shall be
862 deemed to be defined contribution plan in compliance with s.
863 185.35(8).

864 (25) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
865 law municipality in which ~~there existed~~ a supplemental plan
866 existed as of December 1, 2000.

867 Section 9. Paragraph (b) of subsection (6) of section
868 185.06, Florida Statutes, is amended to read:

869 185.06 General powers and duties of board of trustees.—For
870 any municipality, chapter plan, local law municipality, or local

2013458e2

871 law plan under this chapter:

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

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

876

877 If the board chooses to use the municipality's or special
878 district's legal counsel or actuary, or chooses to use any of
879 the municipality's other professional, technical, or other
880 advisers, it must do so only under terms and conditions
881 acceptable to the board.

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

885 185.07 Creation and maintenance of fund.—For any
886 municipality, chapter plan, local law municipality, or local law
887 plan under this chapter:

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

891 (d) By payment by the municipality or other sources of a
892 sum equal to the normal cost and the amount required to fund any
893 actuarial deficiency shown by an actuarial valuation as provided
894 in part VII of chapter 112 after taking into account the amounts
895 described in paragraphs (b), (c), (f), (g), and (h) and the
896 amounts of the tax proceeds described in paragraph (a) which
897 must be used to fund defined benefit plan benefits, except as
898 otherwise excluded from consideration in determining the
899 mandatory payment.

2013458e2

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

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

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

908 (h)~~(g)~~ By all other sources of income now or hereafter
909 authorized by law for the augmentation of such municipal police
910 officers' retirement trust fund.

911
912 Nothing in this section shall be construed to require adjustment
913 of member contribution rates in effect on the date this act
914 becomes a law, including rates that exceed 5 percent of salary,
915 provided that such rates are at least one-half of 1 percent of
916 salary.

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

919 185.16 Requirements for retirement.—For any municipality,
920 chapter plan, local law municipality, or local law plan under
921 this chapter, any police officer who completes 10 or more years
922 of creditable service as a police officer and attains age 55, or
923 completes 25 years of creditable service as a police officer and
924 attains age 52, and for such period has been a member of the
925 retirement fund is eligible for normal retirement benefits.
926 Normal retirement under the plan is retirement from the service
927 of the city on or after the normal retirement date. In such
928 event, for chapter plans and local law plans, payment of

2013458e2

929 retirement income will be governed by the following provisions
930 of this section:

931 (2) The amount of the monthly retirement income payable to
932 a police officer who retires on or after his or her normal
933 retirement date shall be an amount equal to the number of the
934 police officer's years of credited service multiplied by 2
935 percent of his or her average final compensation. ~~However, if~~
936 ~~current state contributions pursuant to this chapter are not~~
937 ~~adequate to fund the additional benefits to meet the minimum~~
938 ~~requirements in this chapter, only increment increases shall be~~
939 ~~required as state moneys are adequate to provide. Such~~
940 ~~increments shall be provided as state moneys become available.~~

941 Section 12. Section 185.35, Florida Statutes, is amended to
942 read:

943 185.35 Municipalities that have ~~having~~ their own retirement
944 ~~pension~~ plans for police officers. ~~For any municipality, chapter~~
945 ~~plan, local law municipality, or local law plan under this~~
946 ~~chapter,~~ In order for a municipality that has municipalities
947 ~~with its~~ their own retirement plan ~~pension plans~~ for police
948 officers, or for police officers and firefighters if both are
949 included, to participate in the distribution of the tax fund
950 established under ~~pursuant to~~ s. 185.08, a local law plan and
951 its plan sponsor plans must meet the required ~~minimum~~ benefits
952 and minimum standards set forth in this chapter:

953 (1) If a municipality has a retirement ~~pension~~ plan for
954 police officers, or for police officers and firefighters if both
955 are included, which, in the opinion of the division, meets the
956 required ~~minimum~~ benefits and minimum standards set forth in
957 this chapter, the board of trustees of the pension plan must, ~~as~~

2013458e2

958 ~~approved by a majority of police officers of the municipality,~~
959 ~~may:~~

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

965 (a) The base premium tax revenues must be used to fund
966 required benefits. To the extent the base premium tax revenues
967 exceed the annual actuarial cost of the plan's required
968 benefits, such excess revenues must be used as directed in
969 paragraph (b).

970 (b) Of the additional premium tax revenues received which
971 are in excess of the amount received for the 2012 calendar year
972 and any accumulations of additional premium tax revenues which
973 have not been applied to fund benefits in excess of the plan's
974 base benefits:

975 1. If the plan has a supplemental plan in effect as of
976 September 30, 2012, whereby all premium tax revenues received in
977 excess of the amount received for the 2012 calendar year are
978 scheduled to be used to fund defined contribution plan benefits
979 and:

980 a. If the plan has a long-term funded ratio of less than 70
981 percent, 50 percent of the additional premium tax revenues
982 subject to this paragraph must be used as additional
983 contributions to pay the plan's actuarial deficiency and the
984 remainder must be used to fund special benefits; or

985 b. If the plan has a long-term funded ratio of 70 percent
986 or greater, the additional premium tax revenues subject to this

2013458e2

987 paragraph must be used to fund special benefits.

988 2. If subparagraph 1. is not applicable and the plan has a
989 long-term funded ratio of less than 80 percent:

990 a. Fifty percent of the additional premium tax revenues
991 subject to this paragraph must be used as additional
992 contributions to pay the plan's actuarial deficiency;

993 b. Twenty-five percent of the additional premium tax
994 revenues subject to this paragraph must be used to fund required
995 benefits; and

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

998 3. If subparagraph 1. is not applicable and the plan has a
999 long-term funded ratio of 80 percent or greater:

1000 a. Fifty percent of the additional premium tax revenues
1001 subject to this paragraph must be used to fund required
1002 benefits; and

1003 b. The remainder must be placed in a defined contribution
1004 plan to fund special benefits.

1005
1006 Any additional premium tax revenues used to fund the plan's
1007 actuarial deficiency pursuant to this paragraph may not be
1008 considered in determining the mandatory payment described in s.
1009 185.07(1)(d).

1010 (c) Additional premium tax revenues not described in
1011 paragraph (b) must be used to fund benefits that were not
1012 included in the required benefits ~~pay extra benefits to the~~
1013 ~~police officers included in that pension plan; or~~

1014 ~~(b) May place the income from the premium tax in s. 185.08~~
1015 ~~in a separate supplemental plan to pay extra benefits to the~~

2013458e2

1016 ~~police officers, or police officers and firefighters if~~
1017 ~~included, participating in such separate supplemental plan.~~

1018 (2) Insurance premium tax revenues may not be used to fund
1019 benefits provided in a defined benefit plan which were not
1020 provided by the plan as of March 1, 2013; however, for a local
1021 law plan created after March 1, 2013, up to 50 percent of the
1022 insurance premium tax revenues may be used to fund defined
1023 benefit plan component benefits and the remainder must be used
1024 to fund defined contribution plan component benefits.

1025 (3) If a plan offers benefits in excess of its required
1026 benefits, such benefits may be reduced if the plan continues to
1027 meet the required benefits of the plan and the minimum standards
1028 set forth in this chapter. The amount of insurance premium tax
1029 revenues previously used to fund benefits in excess of the
1030 plan's required benefits before the reduction must be used as
1031 provided in subsection (1)(b). Twenty-five percent of the amount
1032 of any mandatory contribution paid by the municipality which was
1033 previously used to fund benefits above the level of required
1034 benefits provided before the reduction must be used as
1035 additional contributions as specified in s. 185.07 to fund the
1036 plan's actuarial deficiency.

1037 (4)~~(2)~~ The premium tax provided by this chapter shall in
1038 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
1039 benefits to police officers, or to police officers and
1040 firefighters if both are included. However, local law plans in
1041 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1042 ~~provisions of this chapter only to the extent that additional~~
1043 ~~premium tax revenues become available to incrementally fund the~~
1044 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~

2013458e2

1045 ~~is in compliance with such minimum benefit provisions, as~~
1046 ~~subsequent additional tax revenues become available, they shall~~
1047 ~~be used to provide extra benefits.~~ Local law plans created by
1048 special act before May 27, 1939, shall be deemed to comply with
1049 this chapter. ~~For the purpose of this chapter, the term:~~

1050 ~~(a) "Additional premium tax revenues" means revenues~~
1051 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1052 ~~the amount received for calendar year 1997.~~

1053 ~~(b) "Extra benefits" means benefits in addition to or~~
1054 ~~greater than those provided to general employees of the~~
1055 ~~municipality and in addition to those in existence for police~~
1056 ~~officers on March 12, 1999.~~

1057 (5)~~(3)~~ A retirement plan or amendment to a retirement plan
1058 may not be proposed for adoption unless the proposed plan or
1059 amendment contains an actuarial estimate of the costs involved.
1060 Such proposed plan or proposed plan change may not be adopted
1061 without the approval of the municipality or, where permitted,
1062 the Legislature. Copies of the proposed plan or proposed plan
1063 change and the actuarial impact statement of the proposed plan
1064 or proposed plan change shall be furnished to the division
1065 before the last public hearing thereon. Such statement must also
1066 indicate whether the proposed plan or proposed plan change is in
1067 compliance with s. 14, Art. X of the State Constitution and
1068 those provisions of part VII of chapter 112 which are not
1069 expressly provided in this chapter. Notwithstanding any other
1070 provision, only those local law plans created by special act of
1071 legislation before May 27, 1939, are deemed to meet the minimum
1072 benefits and minimum standards only in this chapter.

1073 (6)~~(4)~~ Notwithstanding any other provision, with respect to

2013458e2

1074 any supplemental plan municipality:

1075 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and a
1076 local law plan and a supplemental plan may continue to use their
1077 definition of compensation or salary in existence on March 12,
1078 1999.

1079 (b) A local law plan and a supplemental plan must continue
1080 to be administered by a board or boards of trustees numbered,
1081 constituted, and selected as the board or boards were numbered,
1082 constituted, and selected on December 1, 2000.

1083 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
1084 ~~have been made.~~

1085 (7)(5) The retirement plan setting forth the benefits and
1086 the trust agreement, if any, covering the duties and
1087 responsibilities of the trustees and the regulations of the
1088 investment of funds must be in writing and copies made available
1089 to the participants and to the general public.

1090 (8) In addition to the defined benefit component of the
1091 local law plan, each plan sponsor must have a defined
1092 contribution plan component within the local law plan by October
1093 1, 2013, or upon the creation date of a new participating plan.
1094 However, the plan sponsor of any plan established by special act
1095 of the Legislature has until July 1, 2014, to create a defined
1096 contribution component within the plan.

1097 (9) Notwithstanding any other provision of this chapter, a
1098 municipality that has implemented or proposed changes to a local
1099 law plan based on the municipality's reliance on an
1100 interpretation of this chapter by the department on or after
1101 August 14, 2012 and before February 1, 2013, may continue the
1102 implemented changes or continue to implement proposed changes.

2013458e2

1103 Such reliance must be evidenced by a written collective
1104 bargaining proposal, collective bargaining agreement, or formal
1105 correspondence between the municipality and the department which
1106 describes the specific changes to the local law plan, with the
1107 initial proposal, agreement, or correspondence from the
1108 municipality dated prior to February 1, 2013. The changes to the
1109 local law plan which are otherwise contrary to the provisions of
1110 this chapter may continue in effect until the earlier of October
1111 1, 2016, or the effective date of a collective bargaining
1112 agreement that is contrary to the changes to the local law plan.

1113 Section 13. The Legislature finds that a proper and
1114 legitimate state purpose is served when employees and retirees
1115 of the state and its political subdivisions, and the dependents,
1116 survivors, and beneficiaries of such employees and retirees, are
1117 extended the basic protections afforded by governmental
1118 retirement systems that provide fair and adequate benefits and
1119 that are managed, administered, and funded in an actuarially
1120 sound manner as required by s. 14, Article X of the State
1121 Constitution and part VII of chapter 112, Florida Statutes.
1122 Therefore, the Legislature determines and declares that this act
1123 fulfills an important state interest.

1124 Section 14. This act shall take effect July 1, 2013.