

By the Committee on Appropriations; and Senators Ring and Bradley

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

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

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

69
70 Be It Enacted by the Legislature of the State of Florida:

71
72 Section 1. Subsection (2) of section 175.021, Florida
73 Statutes, is amended to read:

74 175.021 Legislative declaration.—

75 (2) This chapter hereby establishes, for all municipal and
76 special district pension plans existing ~~now or hereafter~~ under
77 this chapter, including chapter plans and local law plans,
78 minimum benefits and minimum standards for the operation and
79 funding of such plans, hereinafter referred to as firefighters'
80 pension trust funds, which must be met as a condition precedent
81 to the plan or plan sponsor receiving a distribution of
82 insurance premium tax revenues under s. 175.121. The minimum
83 benefits and minimum standards for each plan as set forth in
84 this chapter may not be diminished by local charter, ordinance,
85 or resolution or by special act of the Legislature and may not
86 ~~nor may the minimum benefits or minimum standards~~ be reduced or
87 offset by any other local, state, or federal law that includes

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88 ~~may include~~ firefighters in its operation, except as provided
89 under s. 112.65.

90 Section 2. Section 175.032, Florida Statutes, is amended to
91 read:

92 175.032 Definitions.—For any municipality, special fire
93 control district, chapter plan, local law municipality, local
94 law special fire control district, or local law plan under this
95 chapter, the term ~~following words and phrases have the following~~
96 meanings:

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

100 (2) ~~(1)(a)~~ "Average final compensation" for:

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

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

114 (3) "Base premium tax revenues" means the revenues received
115 by a municipality or special fire control district pursuant to
116 s. 175.121 for the calendar year 1997.

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117 (4)~~(2)~~ "Chapter plan" means a separate defined benefit
118 pension plan for firefighters which incorporates by reference
119 the provisions of this chapter and has been adopted by the
120 governing body of a municipality or special district. Except as
121 ~~may be~~ specifically authorized in this chapter, the provisions
122 of a chapter plan may not differ from the plan provisions set
123 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial
124 valuations of chapter plans shall be conducted by the division
125 as provided by s. 175.261(1).

126 (5)~~(3)~~ "Compensation" or "salary" means, for
127 noncollectively bargained service earned before July 1, 2011, or
128 for service earned under collective bargaining agreements in
129 place before July 1, 2011, the fixed monthly remuneration paid a
130 firefighter. If remuneration is based on actual services
131 rendered, as in the case of a volunteer firefighter, the term
132 means the total cash remuneration received yearly for such
133 services, prorated on a monthly basis. For noncollectively
134 bargained service earned on or after July 1, 2011, or for
135 service earned under collective bargaining agreements entered
136 into on or after July 1, 2011, the term has the same meaning
137 except that when calculating retirement benefits, up to 300
138 hours per year in overtime compensation may be included as
139 specified in the plan or collective bargaining agreement, but
140 payments for accrued unused sick or annual leave may not be
141 included.

142 (a) Any retirement trust fund or plan that meets the
143 requirements of this chapter does not, solely by virtue of this
144 subsection, reduce or diminish the monthly retirement income
145 otherwise payable to each firefighter covered by the retirement

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146 trust fund or plan.

147 (b) The member's compensation or salary contributed as
148 employee-elective salary reductions or deferrals to any salary
149 reduction, deferred compensation, or tax-sheltered annuity
150 program authorized under the Internal Revenue Code shall be
151 deemed to be the compensation or salary the member would receive
152 if he or she were not participating in such program and ~~shall be~~
153 treated as compensation for retirement purposes under this
154 chapter.

155 (c) For any person who first becomes a member in any plan
156 year beginning on or after January 1, 1996, compensation for
157 that plan year may not include any amounts in excess of the
158 Internal Revenue Code s. 401(a)(17) limitation, as amended by
159 the Omnibus Budget Reconciliation Act of 1993, which limitation
160 of \$150,000 shall be adjusted as required by federal law for
161 qualified government plans and ~~shall be~~ further adjusted for
162 changes in the cost of living in the manner provided by Internal
163 Revenue Code s. 401(a)(17)(B). For any person who first became a
164 member before the first plan year beginning on or after January
165 1, 1996, the limitation on compensation may not be less than the
166 maximum compensation amount that was allowed to be taken into
167 account under the plan in effect on July 1, 1993, which
168 limitation shall be adjusted for changes in the cost of living
169 since 1989 in the manner provided by Internal Revenue Code s.
170 401(a)(17)(1991).

171 (6)~~(4)~~ "Creditable service" or "credited service" means the
172 aggregate number of years of service~~7~~ and fractional parts of
173 years of service~~7~~ of any firefighter, omitting intervening years
174 and fractional parts of years when such firefighter may not have

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175 been employed by the municipality or special fire control
176 district, subject to the following conditions:

177 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
178 or fractional parts of years of service if he or she has
179 withdrawn his or her contributions to the fund for those years
180 or fractional parts of years of service, unless the firefighter
181 repays into the fund the amount he or she has withdrawn, plus
182 interest determined by the board. The member shall have at least
183 90 days after his or her reemployment to make repayment.

184 (b) A firefighter may voluntarily leave his or her
185 contributions in the fund for ~~a period of~~ 5 years after leaving
186 the employ of the fire department, pending the possibility of
187 being rehired by the same department, without losing credit for
188 the time he or she has participated actively as a firefighter.
189 If the firefighter is not reemployed as a firefighter, with the
190 same department, within 5 years, his or her contributions shall
191 be returned without interest.

192 (c) Credited service under this chapter shall be provided
193 only for service as a firefighter, ~~as defined in subsection (8),~~
194 or for military service and does not include credit for any
195 other type of service. A municipality ~~may~~, by local ordinance,
196 or a special fire control district ~~may~~, by resolution, may
197 provide for the purchase of credit for military service prior to
198 employment as well as for prior service as a firefighter for
199 some other employer as long as a firefighter is not entitled to
200 receive a benefit for such prior service ~~as a firefighter~~. For
201 purposes of determining credit for prior service as a
202 firefighter, in addition to service as a firefighter in this
203 state, credit may be given for federal, other state, or county

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204 service if the prior service is recognized by the Division of
205 State Fire Marshal as provided in ~~under~~ chapter 633, or the
206 firefighter provides proof to the board of trustees that his or
207 her service is equivalent to the service required to meet the
208 definition of a firefighter under subsection (11) ~~(8)~~.

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

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

217 2. The firefighter is entitled to reemployment under the
218 provisions of the Uniformed Services Employment and Reemployment
219 Rights Act.

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

223 (7) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
224 local law plan retirement option in which a firefighter may
225 elect to participate. A firefighter may retire for all purposes
226 of the plan and defer receipt of retirement benefits into a DROP
227 account while continuing employment with his or her employer.
228 However, a firefighter who enters ~~the~~ DROP and who is otherwise
229 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
230 participation or continued participation ~~participating, or~~
231 ~~continuing to participate,~~ in a supplemental plan in existence
232 on, or created after, March 12, 1999 ~~the effective date of this~~

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233 act.

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

248 (9)~~(6)~~ "Division" means the Division of Retirement of the
249 Department of Management Services.

250 (10)~~(7)~~ "Enrolled actuary" means an actuary who is enrolled
251 under Subtitle C of Title III of the Employee Retirement Income
252 Security Act of 1974 and who is a member of the Society of
253 Actuaries or the American Academy of Actuaries.

254 (11)~~(8)~~ (a) "Firefighter" means a person employed solely by
255 a constituted fire department of any municipality or special
256 fire control district who is certified as a firefighter as a
257 condition of employment in accordance with s. 633.408 and whose
258 duty it is to extinguish fires, to protect life, or to protect
259 property. The term includes all certified, supervisory, and
260 command personnel whose duties include, in whole or in part, the
261 supervision, training, guidance, and management responsibilities

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262 of full-time firefighters, part-time firefighters, or auxiliary
263 firefighters but does not include part-time firefighters or
264 auxiliary firefighters. However, for purposes of this chapter
265 only, the term also includes public safety officers who are
266 responsible for performing both police and fire services, who
267 are certified as police officers or firefighters, and who are
268 certified by their employers to the Chief Financial Officer as
269 participating in this chapter before October 1, 1979. Effective
270 October 1, 1979, public safety officers who have not been
271 certified as participating in this chapter are considered police
272 officers for retirement purposes and are eligible to participate
273 in chapter 185. Any plan may provide that the fire chief has an
274 option to participate, ~~or not,~~ in that plan.

275 (b) "Volunteer firefighter" means any person whose name is
276 carried on the active membership roll of a constituted volunteer
277 fire department or a combination of a paid and volunteer fire
278 department of any municipality or special fire control district
279 and whose duty it is to extinguish fires, to protect life, and
280 to protect property. Compensation for services rendered by a
281 volunteer firefighter does ~~shall~~ not disqualify him or her as a
282 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
283 firefighter solely because he or she has other gainful
284 employment. Any person who volunteers assistance at a fire but
285 is not an active member of a department described herein is not
286 a volunteer firefighter within the meaning of this paragraph.

287 ~~(12)-(9)~~ "Firefighters' Pension Trust Fund" means a trust
288 fund, by whatever name known, as provided under s. 175.041, for
289 the purpose of assisting municipalities and special fire control
290 districts in establishing and maintaining a retirement plan for

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291 firefighters.

292 ~~(13)(10)~~ "Local law municipality" is any municipality in
293 which ~~there exists~~ a local law plan exists.

294 ~~(14)(11)~~ "Local law plan" means a retirement defined
295 benefit pension plan, that includes both a defined benefit plan
296 component and a defined contribution plan component, for
297 firefighters, or for firefighters and ~~or~~ police officers if both
298 are ~~where~~ included, as described in s. 175.351, established by
299 municipal ordinance, special district resolution, or special act
300 of the Legislature, which ~~enactment~~ sets forth all plan
301 provisions. Local law plan provisions may vary from the
302 provisions of this chapter if the, ~~provided that required~~
303 minimum benefits and minimum standards of this chapter are met.
304 However, any such variance must ~~shall~~ provide a greater benefit
305 for firefighters. Actuarial valuations of local law plans shall
306 be conducted by an enrolled actuary as provided in s.
307 175.261(2).

308 ~~(15)(12)~~ "Local law special fire control district" means is
309 any special fire control district in which ~~there exists~~ a local
310 law plan exists.

311 ~~(16)~~ "Minimum benefits" means the benefits set forth in ss.
312 175.021-175.341 and ss. 175.361-175.401.

313 ~~(17)~~ "Minimum standards" means the standards set forth in
314 ss. 175.021-175.341 and ss. 175.361-175.401.

315 ~~(18)(13)~~ "Property insurance" means property insurance as
316 defined in s. 624.604 and covers real and personal property
317 within the corporate limits of a any municipality, or within the
318 boundaries of a any special fire control district, within the
319 state. The term "multiple peril" means a combination or package

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320 policy that includes both property and casualty coverage for a
321 single premium.

322 (19)~~(14)~~ "Retiree" or "retired firefighter" means a
323 firefighter who has entered retirement status. For the purposes
324 of a plan that includes a Deferred Retirement Option Plan
325 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
326 a retiree for all purposes of the plan. However, a firefighter
327 who enters ~~the~~ DROP and who is otherwise eligible to participate
328 may ~~shall~~ not ~~thereby~~ be precluded from participation or
329 continued participation ~~participating, or continuing to~~
330 ~~participate,~~ in a supplemental plan in existence on, or created
331 after, March 12, 1999 ~~the effective date of this act.~~

332 (20)~~(15)~~ "Retirement" means a firefighter's separation from
333 municipal city or fire district employment as a firefighter with
334 immediate eligibility for ~~receipt of~~ benefits under the plan.
335 For purposes of a plan that includes a Deferred Retirement
336 Option Plan (DROP), "retirement" means the date a firefighter
337 enters ~~the~~ DROP.

338 (21) "Special act plan" means a plan subject to the
339 provisions of this chapter which was created by an act of the
340 Legislature and continues to require an act of the Legislature
341 to alter plan benefits.

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

344 (23)~~(16)~~ "Special fire control district" means a special
345 district, as defined in s. 189.403~~(1)~~, established for the
346 purposes of extinguishing fires, protecting life, and protecting
347 property within the incorporated or unincorporated portions of a
348 ~~any~~ county or combination of counties, or within any combination

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349 of incorporated and unincorporated portions of a any county or
350 combination of counties. The term does not include any dependent
351 or independent special district, as those terms are defined in
352 s. 189.403, whose s. 189.403(2) and (3), respectively, the
353 employees ~~of which~~ are members of the Florida Retirement System
354 pursuant to s. 121.051(1) or (2).

355 ~~(24)(17)~~ "Supplemental plan" means a plan to which deposits
356 are made to provide extra benefits for firefighters, or for
357 firefighters and police officers if both are ~~where~~ included
358 ~~under this chapter~~. Such a plan is an element of a local law
359 plan and exists in conjunction with a defined benefit component
360 ~~plan~~ that meets the minimum benefits and minimum standards of
361 this chapter. Any supplemental plan in existence on March 1,
362 2014, shall be deemed to be a defined contribution plan in
363 compliance with s. 175.351(6).

364 ~~(25)(18)~~ "Supplemental plan municipality" means a any local
365 law municipality in which any ~~there existed a~~ supplemental plan
366 existed, ~~of any type or nature,~~ as of December 1, 2000.

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

369 175.071 General powers and duties of board of trustees.—For
370 any municipality, special fire control district, chapter plan,
371 local law municipality, local law special fire control district,
372 or local law plan under this chapter:

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

375 (a) Employ independent legal counsel at the pension fund's
376 expense.

377 (b) Employ an independent enrolled actuary, as defined in

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378 s. 175.032(7), at the pension fund's expense.

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

382

383 If the board chooses to use the municipality's or special
384 district's legal counsel or actuary, or chooses to use any of
385 the municipality's or special district's other professional,
386 technical, or other advisers, it must do so only under terms and
387 conditions acceptable to the board.

388 Section 4. Paragraph (d) of subsection (1) of section
389 175.091, Florida Statutes, is amended to read:

390 175.091 Creation and maintenance of fund.—For any
391 municipality, special fire control district, chapter plan, local
392 law municipality, local law special fire control district, or
393 local law plan under this chapter:

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

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

405

406 Nothing in this section shall be construed to require adjustment

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407 of member contribution rates in effect on the date this act
408 becomes a law, including rates that exceed 5 percent of salary,
409 provided that such rates are at least one-half of 1 percent of
410 salary.

411 Section 5. Paragraph (a) of subsection (2) of section
412 175.162, Florida Statutes, is amended to read:

413 175.162 Requirements for retirement.—For any municipality,
414 special fire control district, chapter plan, local law
415 municipality, local law special fire control district, or local
416 law plan under this chapter, any firefighter who completes 10 or
417 more years of creditable service as a firefighter and attains
418 age 55, or completes 25 years of creditable service as a
419 firefighter and attains age 52, and who for such minimum period
420 has been a member of the firefighters' pension trust fund
421 operating under a chapter plan or local law plan, is eligible
422 for normal retirement benefits. Normal retirement under the plan
423 is retirement from the service of the municipality or special
424 fire control district on or after the normal retirement date. In
425 such event, payment of retirement income will be governed by the
426 following provisions of this section:

427 (2) (a) 1. The amount of monthly retirement income payable to
428 a full-time firefighter who retires on or after his or her
429 normal retirement date shall be an amount equal to the number of
430 his or her years of credited service multiplied by 2.75 ~~2~~
431 percent of his or her average final compensation as a full-time
432 firefighter. ~~However, if current state contributions pursuant to~~
433 ~~this chapter are not adequate to fund the additional benefits to~~
434 ~~meet the minimum requirements in this chapter, only such~~
435 ~~incremental increases shall be required as state moneys are~~

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436 ~~adequate to provide. Such increments shall be provided as state~~
437 ~~moneys become available.~~

438 2. Effective July 1, 2014, a plan that is in compliance
439 with this chapter except that the plan provides a benefit that
440 is less than 2.75 percent of the average final compensation of a
441 full-time firefighter, as defined in s. 175.162(2)(a)1., must
442 maintain, at a minimum, the percentage amount in effect on July
443 1, 2014, and is not required to increase the benefit to 2.75
444 percent of the average final compensation of a full-time
445 firefighter.

446 3. Effective July 1, 2014, a plan that is in compliance
447 with this chapter except that the plan provides a benefit that
448 is less than 2.75 percent of the average final compensation of a
449 full-time firefighter, as defined in s. 175.162(2)(a)1., and
450 that changes its accrual rate to 2.75 percent, or greater, of
451 the average final compensation of a full-time firefighter, as
452 defined in s. 175.162(2)(a)1., may not thereafter decrease the
453 accrual rate to less than 2.75 percent of the average final
454 compensation of a full-time firefighter, as defined in s.
455 175.162(2)(a)1.

456 Section 6. Section 175.351, Florida Statutes, is amended to
457 read:

458 175.351 Municipalities and special fire control districts
459 that have ~~having~~ their own pension plans for firefighters. ~~For~~
460 any municipality, special fire control district, local law
461 municipality, local law special fire control district, or local
462 law plan under this chapter, In order for a municipality or
463 municipalities and special fire control district that has its
464 ~~districts with their~~ own pension plan plans for firefighters, or

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465 for firefighters and police officers if both are included, to
466 participate in the distribution of the tax fund established
467 under ~~pursuant to~~ s. 175.101, a local law plan ~~plans~~ must meet
468 the minimum benefits and minimum standards set forth in this
469 chapter.

470 (1) If a municipality has a pension plan for firefighters,
471 or a ~~pension plan~~ for firefighters and police officers if both
472 are included, which in the opinion of the division meets the
473 minimum benefits and minimum standards set forth in this
474 chapter, the board of trustees of the pension plan must, ~~as~~
475 ~~approved by a majority of firefighters of the municipality, may:~~

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

484 (a) The base premium tax revenues must be used to fund
485 minimum benefits or other retirement benefits in excess of the
486 minimum benefits as determined by the municipality or special
487 fire control district.

488 (b) Of the additional premium tax revenues received which
489 are in excess of the amount received for the 2013 calendar year,
490 50 percent must be used to fund minimum benefits or other
491 retirement benefits in excess of the minimum benefits as
492 determined by the municipality or special fire control district,
493 and 50 percent must be placed in a defined contribution plan to

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494 fund special benefits.

495 (c) Additional premium tax revenues not described in
496 paragraph (b) must be used to fund benefits that are not
497 included in the minimum benefits. If the additional premium tax
498 revenues subject to this paragraph exceed the full cost of
499 benefits provided through the plan which are in excess of the
500 minimum benefits, any amount in excess of the full cost must be
501 used as provided in paragraph (b).

502 (d) Any accumulations of additional premium tax revenues
503 which have not been applied to fund benefits in excess of the
504 minimum benefits may be allocated by mutual consent as provided
505 in paragraph (g). If such accumulations are not allocated by
506 mutual consent, 50 percent of the amount of the accumulations
507 must be used to fund special benefits, and 50 percent must be
508 applied to fund any unfunded actuarial liabilities of the plan
509 ~~to pay extra benefits to the firefighters included in that~~
510 ~~pension plan; or~~

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

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

519 (f) If a plan offers benefits in excess of the minimum
520 benefits, excluding supplemental plan benefits in effect as of
521 September 30, 2013, such benefits may be reduced if the plan
522 continues to meet the minimum benefits and the minimum standards

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523 set forth in this chapter. The amount of insurance premium tax
524 revenues previously used to fund benefits in excess of minimum
525 benefits, excluding supplemental plan benefits in effect as of
526 September 30, 2013, before the reduction must be used as
527 provided in paragraph (b). However, benefits in excess of the
528 minimum benefits may not be reduced if a plan does not meet the
529 minimum accrual rate of 2.75 percent, or greater, of the average
530 final compensation of a full-time firefighter, as defined in s.
531 175.162(2)(a)1.

532 (g) Notwithstanding any other provision of this subsection,
533 the use of premium tax revenues, including any accumulations of
534 additional tax revenues which have not been applied to fund
535 benefits in excess of the minimum benefits, may deviate from the
536 provisions of this subsection by mutual consent of the members'
537 collective bargaining representative or, if none, by majority
538 consent of the firefighter members of the fund, and by consent
539 of the municipality or special fire control district, provided
540 that the plan continues to meet the minimum benefits and minimum
541 standards of this chapter; however, a plan operating pursuant to
542 the provisions of this paragraph which does not meet a minimum
543 benefit as of October 1, 2012, may continue to provide the
544 benefit that does not meet the minimum benefit at the same
545 level, but not less than that level, as was provided as of
546 October 1, 2012, and all other benefit levels must continue to
547 meet the minimum benefits. Such mutually agreed deviation shall
548 continue until modified or revoked by subsequent mutual consent
549 of the members' collective bargaining representative or, if
550 none, by a majority of the firefighter members of the fund, and
551 the municipality or special fire control district. A special act

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552 plan or a plan within a supplemental plan municipality shall be
553 considered to have mutually consented to such deviation as of
554 July 1, 2014, regarding the existing arrangement on the use of
555 premium tax revenues.

556 (2) The premium tax provided by this chapter shall ~~in all~~
557 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
558 benefits to firefighters, or to firefighters and police officers
559 if both are included. ~~However, local law plans in effect on~~
560 ~~October 1, 1998, must comply with the minimum benefit provisions~~
561 ~~of this chapter only to the extent that additional premium tax~~
562 ~~revenues become available to incrementally fund the cost of such~~
563 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
564 ~~compliance with such minimum benefit provisions, as subsequent~~
565 ~~additional premium tax revenues become available, they must be~~
566 ~~used to provide extra benefits.~~ Local law plans created by
567 special act before May 27, 1939, are deemed to comply with this
568 chapter. ~~For the purpose of this chapter, the term:~~

569 (a) ~~"Additional premium tax revenues" means revenues~~
570 ~~received by a municipality or special fire control district~~
571 ~~pursuant to s. 175.121 which exceed that amount received for~~
572 ~~calendar year 1997.~~

573 (b) ~~"Extra benefits" means benefits in addition to or~~
574 ~~greater than those provided to general employees of the~~
575 ~~municipality and in addition to those in existence for~~
576 ~~firefighters on March 12, 1999.~~

577 (3) A retirement plan or amendment to a retirement plan may
578 not be proposed for adoption unless the proposed plan or
579 amendment contains an actuarial estimate of the costs involved.
580 Such proposed plan or proposed plan change may not be adopted

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581 without the approval of the municipality, special fire control
582 district, or, where required ~~permitted~~, the Legislature. Copies
583 of the proposed plan or proposed plan change and the actuarial
584 impact statement of the proposed plan or proposed plan change
585 shall be furnished to the division before the last public
586 hearing on the proposal is held ~~thereon~~. Such statement must
587 also indicate whether the proposed plan or proposed plan change
588 is in compliance with s. 14, Art. X of the State Constitution
589 and those provisions of part VII of chapter 112 which are not
590 expressly provided in this chapter. Notwithstanding any other
591 provision, only those local law plans created by special act of
592 legislation before May 27, 1939, are deemed to meet the minimum
593 benefits and minimum standards only in this chapter.

594 (4) Notwithstanding any other provision, with respect to
595 any supplemental plan municipality:

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

599 (b) Section 175.061(1)(b) does not apply, and a local law
600 plan and a supplemental plan shall continue to be administered
601 by a board or boards of trustees numbered, constituted, and
602 selected as the board or boards were numbered, constituted, and
603 selected on December 1, 2000.

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

606 (5) The retirement plan setting forth the benefits and the
607 trust agreement, if any, covering the duties and
608 responsibilities of the trustees and the regulations of the
609 investment of funds must be in writing, and copies made

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610 available to the participants and to the general public.

611 (6) In addition to the defined benefit component of the
612 local law plan, each plan sponsor must have a defined
613 contribution plan component within the local law plan by October
614 1, 2014, for noncollectively bargained service, upon entering
615 into a collective bargaining agreement on or after July 1, 2014,
616 or upon the creation date of a new participating plan. Depending
617 upon the application of subsection (1), a defined contribution
618 component may or may not receive any funding.

619 (7) Notwithstanding any other provision of this chapter, a
620 municipality or special fire control district that has
621 implemented or proposed changes to a local law plan based on the
622 municipality's or district's reliance on an interpretation of
623 this chapter by the department on or after August 14, 2012, and
624 before March 4, 2014, may continue the implemented changes or
625 continue to implement proposed changes. Such reliance must be
626 evidenced by a written collective bargaining proposal or
627 agreement, or formal correspondence between the municipality or
628 district and the department which describes the specific changes
629 to the local law plan, with the initial proposal, agreement, or
630 correspondence from the municipality or district dated before
631 March 4, 2014. Changes to the local law plan which are otherwise
632 contrary to the minimum benefits and minimum standards in this
633 chapter may continue in effect until the earlier of October 1,
634 2017, or the effective date of a collective bargaining agreement
635 that is contrary to the changes to the local law plan.

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

638 185.01 Legislative declaration.-

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639 (2) This chapter hereby establishes, for all municipal
640 pension plans ~~now or hereinafter~~ provided for under this
641 chapter, including chapter plans and local law plans, minimum
642 benefits and minimum standards for the operation and funding of
643 such plans, hereinafter referred to as municipal police
644 officers' retirement trust funds, which must be met as
645 conditions precedent to the plans or plan sponsors receiving a
646 distribution of insurance premium tax revenues under s. 185.10.
647 The minimum benefits and minimum standards for each plan as set
648 forth in this chapter may not be diminished by local ordinance
649 or by special act of the Legislature and may not, ~~nor may the~~
650 ~~minimum benefits or minimum standards~~ be reduced or offset by
651 any other local, state, or federal plan that includes ~~may~~
652 ~~include~~ police officers in its operation, except as provided
653 under s. 112.65.

654 Section 8. Section 185.02, Florida Statutes, is amended to
655 read:

656 185.02 Definitions.—For any municipality, chapter plan,
657 local law municipality, or local law plan under this chapter,
658 the term ~~following words and phrases as used in this chapter~~
659 ~~shall have the following meanings, unless a different meaning is~~
660 ~~plainly required by the context:~~

661 (1) "Additional premium tax revenues" means revenues
662 received by a municipality pursuant to s. 185.10 which exceed
663 base premium tax revenues.

664 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
665 the average annual compensation of the 5 best years of the last
666 10 years of creditable service prior to retirement, termination,
667 or death.

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668 (3) "Base premium tax revenues" means the revenues received
669 by a municipality pursuant to s. 185.10 for the calendar year
670 1997.

671 ~~(4)(2)~~ "Casualty insurance" means automobile public
672 liability and property damage insurance to be applied at the
673 place of residence of the owner, or if the subject is a
674 commercial vehicle, to be applied at the place of business of
675 the owner; automobile collision insurance; fidelity bonds;
676 burglary and theft insurance; and plate glass insurance. The
677 term "multiple peril" means a combination or package policy that
678 includes both property coverage and casualty coverage for a
679 single premium.

680 ~~(5)(3)~~ "Chapter plan" means a separate defined benefit
681 pension plan for police officers which incorporates by reference
682 the provisions of this chapter and has been adopted by the
683 governing body of a municipality as provided in s. 185.08.
684 ~~Except as may be~~ specifically authorized in this chapter, the
685 provisions of a chapter plan may not differ from the plan
686 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
687 185.39. Actuarial valuations of chapter plans shall be conducted
688 by the division as provided by s. 185.221(1)(b).

689 ~~(6)(4)~~ "Compensation" or "salary" means, for
690 noncollectively bargained service earned before July 1, 2011, or
691 for service earned under collective bargaining agreements in
692 place before July 1, 2011, the total cash remuneration including
693 "overtime" paid by the primary employer to a police officer for
694 services rendered, but not including any payments for extra duty
695 or special detail work performed on behalf of a second party
696 employer. Overtime may be limited prior to July 1, 2011, in a

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697 local law plan by the plan provisions ~~A local law plan may limit~~
698 ~~the amount of overtime payments which can be used for retirement~~
699 ~~benefit calculation purposes; however, such overtime limit may~~
700 ~~not be less than 300 hours per officer per calendar year.~~ For
701 noncollectively bargained service earned on or after July 1,
702 2011, or for service earned under collective bargaining
703 agreements entered into on or after July 1, 2011, the term has
704 the same meaning except that when calculating retirement
705 benefits, up to 300 hours per year in overtime compensation may
706 be included as specified in the plan or collective bargaining
707 agreement, but payments for accrued unused sick or annual leave
708 may not be included.

709 (a) Any retirement trust fund or plan that meets the
710 requirements of this chapter does not, solely by virtue of this
711 subsection, reduce or diminish the monthly retirement income
712 otherwise payable to each police officer covered by the
713 retirement trust fund or plan.

714 (b) The member's compensation or salary contributed as
715 employee-elective salary reductions or deferrals to any salary
716 reduction, deferred compensation, or tax-sheltered annuity
717 program authorized under the Internal Revenue Code shall be
718 deemed to be the compensation or salary the member would receive
719 if he or she were not participating in such program and shall be
720 treated as compensation for retirement purposes under this
721 chapter.

722 (c) For any person who first becomes a member in any plan
723 year beginning on or after January 1, 1996, compensation for
724 that plan year may not include any amounts in excess of the
725 Internal Revenue Code s. 401(a)(17) limitation, as amended by

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726 the Omnibus Budget Reconciliation Act of 1993, which limitation
727 of \$150,000 shall be adjusted as required by federal law for
728 qualified government plans and ~~shall be~~ further adjusted for
729 changes in the cost of living in the manner provided by Internal
730 Revenue Code s. 401(a)(17)(B). For any person who first became a
731 member before the first plan year beginning on or after January
732 1, 1996, the limitation on compensation may not be less than the
733 maximum compensation amount that was allowed to be taken into
734 account under the plan ~~as~~ in effect on July 1, 1993, which
735 limitation shall be adjusted for changes in the cost of living
736 since 1989 in the manner provided by Internal Revenue Code s.
737 401(a)(17)(1991).

738 (7)~~(5)~~ "Creditable service" or "credited service" means the
739 aggregate number of years of service and fractional parts of
740 years of service of any police officer, omitting intervening
741 years and fractional parts of years when such police officer may
742 not have been employed by the municipality subject to the
743 following conditions:

744 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
745 years or fractional parts of years of service if he or she has
746 withdrawn his or her contributions to the fund for those years
747 or fractional parts of years of service, unless the police
748 officer repays into the fund the amount he or she has withdrawn,
749 plus interest as determined by the board. The member has ~~shall~~
750 ~~have~~ at least 90 days after his or her reemployment to make
751 repayment.

752 (b) A police officer may voluntarily leave his or her
753 contributions in the fund for ~~a period of~~ 5 years after leaving
754 the employ of the police department, pending the possibility of

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755 his or her being rehired by the same department, without losing
756 credit for the time he or she has participated actively as a
757 police officer. If he or she is not reemployed as a police
758 officer with the same department within 5 years, his or her
759 contributions shall be returned ~~to him or her~~ without interest.

760 (c) Credited service under this chapter shall be provided
761 only for service as a police officer, ~~as defined in subsection~~
762 ~~(11)~~, or for military service and may not include credit for any
763 other type of service. A municipality ~~may~~, by local ordinance,
764 may provide for the purchase of credit for military service
765 occurring before employment as well as prior service as a police
766 officer for some other employer as long as the police officer is
767 not entitled to receive a benefit for such ~~other~~ prior service
768 ~~as a police officer~~. For purposes of determining credit for
769 prior service, in addition to service as a police officer in
770 this state, credit may be given for federal, other state, or
771 county service as long as such service is recognized by the
772 Criminal Justice Standards and Training Commission within the
773 Department of Law Enforcement as provided in ~~under~~ chapter 943
774 or the police officer provides proof to the board of trustees
775 that such service is equivalent to the service required to meet
776 the definition of a police officer under subsection (16) ~~(11)~~.

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

781 1. The police officer is in the active employ of the
782 municipality before ~~prior to~~ such service and leaves a position,
783 other than a temporary position, for the purpose of voluntary or

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784 involuntary service in the Armed Forces of the United States.

785 2. The police officer is entitled to reemployment under ~~the~~
786 ~~provisions of~~ the Uniformed Services Employment and Reemployment
787 Rights Act.

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

791 ~~(8)(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
792 local law plan retirement option in which a police officer may
793 elect to participate. A police officer may retire for all
794 purposes of the plan and defer receipt of retirement benefits
795 into a DROP account while continuing employment with his or her
796 employer. However, a police officer who enters ~~the~~ DROP and who
797 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
798 precluded from participation or continued participation
799 ~~participating, or continuing to participate,~~ in a supplemental
800 plan in existence on, or created after, March 12, 1999 ~~the~~
801 ~~effective date of this act.~~

802 (9) "Defined contribution plan" means the component of a
803 local law plan, as provided in s. 185.35(1), to which deposits,
804 if any, are made to provide benefits for police officers, or for
805 police officers and firefighters if both are included. Such
806 component is an element of a local law plan and exists in
807 conjunction with the defined benefit component that meets the
808 minimum benefits and minimum standards of this chapter. The
809 retirement benefits, if any, of the defined contribution plan
810 shall be provided through individual member accounts in
811 accordance with the applicable provisions of the Internal
812 Revenue Code and related regulations and are limited to the

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813 contributions, if any, made into each member's account and the
814 actual accumulated earnings, net of expenses, earned on the
815 member's account.

816 (10)~~(7)~~ "Division" means the Division of Retirement of the
817 Department of Management Services.

818 (11)~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
819 under Subtitle C of Title III of the Employee Retirement Income
820 Security Act of 1974 and who is a member of the Society of
821 Actuaries or the American Academy of Actuaries.

822 (12)~~(9)~~ "Local law municipality" means ~~is~~ any municipality
823 in which ~~there exists~~ a local law plan exists.

824 (13)~~(10)~~ "Local law plan" means a retirement defined
825 benefit pension plan, that includes both a defined benefit plan
826 component and a defined contribution plan component, for police
827 officers, or for police officers and firefighters if both are,
828 ~~where~~ included, as described in s. 185.35, established by
829 municipal ordinance or special act of the Legislature, which
830 ~~enactment~~ sets forth all plan provisions. Local law plan
831 provisions may vary from the provisions of this chapter if the,
832 ~~provided that required~~ minimum benefits and minimum standards of
833 this chapter are met. However, any such variance must ~~shall~~
834 provide a greater benefit for police officers. Actuarial
835 valuations of local law plans shall be conducted by an enrolled
836 actuary as provided in s. 185.221(2)(b).

837 (14) "Minimum benefits" means the benefits set forth in ss.
838 185.01-185.341 and ss. 185.37-185.50.

839 (15) "Minimum standards" means the standards set forth in
840 ss. 185.01-185.341 and ss. 185.37-185.50.

841 (16)~~(11)~~ "Police officer" means any person who is elected,

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842 appointed, or employed full time by a ~~any~~ municipality, who is
843 certified or required to be certified as a law enforcement
844 officer in compliance with s. 943.1395, who is vested with
845 authority to bear arms and make arrests, and whose primary
846 responsibility is the prevention and detection of crime or the
847 enforcement of the penal, criminal, traffic, or highway laws of
848 the state. The term ~~This definition~~ includes all certified
849 supervisory and command personnel whose duties include, in whole
850 or in part, the supervision, training, guidance, and management
851 responsibilities of full-time law enforcement officers, part-
852 time law enforcement officers, or auxiliary law enforcement
853 officers, but does not include part-time law enforcement
854 officers or auxiliary law enforcement officers as those terms
855 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For
856 the purposes of this chapter only, the term also includes
857 ~~"police officer"~~ also shall include a public safety officer who
858 is responsible for performing both police and fire services. Any
859 plan may provide that the police chief shall have an option to
860 participate, ~~or not,~~ in that plan.

861 (17) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
862 trust fund, by whatever name known, as provided under s. 185.03
863 for the purpose of assisting municipalities in establishing and
864 maintaining a retirement plan for police officers.

865 (18) ~~(13)~~ "Retiree" or "retired police officer" means a
866 police officer who has entered retirement status. For the
867 purposes of a plan that includes a Deferred Retirement Option
868 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
869 considered a retiree for all purposes of the plan. However, a
870 police officer who enters ~~the~~ DROP and who is otherwise eligible

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

875 (19) ~~(14)~~ "Retirement" means a police officer's separation
876 from municipal ~~city~~ employment as a police officer with
877 immediate eligibility for ~~receipt of~~ benefits under the plan.
878 For purposes of a plan that includes a Deferred Retirement
879 Option Plan (DROP), "retirement" means the date a police officer
880 enters ~~the~~ DROP.

881 (20) "Special act plan" means a plan subject to the
882 provisions of this chapter which was created by an act of the
883 Legislature and continues to require an act of the Legislature
884 to alter plan benefits.

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

887 (22) ~~(15)~~ "Supplemental plan" means a plan to which deposits
888 of the premium tax moneys as provided in s. 185.08 are made to
889 provide extra benefits to police officers, or police officers
890 and firefighters if both are ~~where included, under this chapter.~~
891 Such a plan is an element of a local law plan and exists in
892 conjunction with a defined benefit component ~~plan~~ that meets the
893 minimum benefits and minimum standards of this chapter. Any
894 supplemental plan in existence on March 1, 2014, shall be deemed
895 to be a defined contribution plan in compliance with s.
896 185.35(6).

897 (23) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
898 law municipality in which ~~there existed~~ a supplemental plan
899 existed as of December 1, 2000.

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

902 185.06 General powers and duties of board of trustees.—For
903 any municipality, chapter plan, local law municipality, or local
904 law plan under this chapter:

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

907 (a) Employ independent legal counsel at the pension fund's
908 expense.

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

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

914

915 If the board chooses to use the municipality's or special
916 district's legal counsel or actuary, or chooses to use any of
917 the municipality's other professional, technical, or other
918 advisers, it must do so only under terms and conditions
919 acceptable to the board.

920 Section 10. Paragraph (d) of subsection (1) of section
921 185.07, Florida Statutes, is amended to read:

922 185.07 Creation and maintenance of fund.—For any
923 municipality, chapter plan, local law municipality, or local law
924 plan under this chapter:

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

928 (d) By payment by the municipality or other sources of a

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929 sum equal to the normal cost and the amount required to fund any
930 actuarial deficiency shown by an actuarial valuation conducted
931 under as provided in part VII of chapter 112 after taking into
932 account the amounts described in paragraphs (b), (c), (e), (f),
933 and (g) and the tax proceeds described in paragraph (a) which
934 are used to fund defined benefit plan benefits.

935

936 Nothing in this section shall be construed to require adjustment
937 of member contribution rates in effect on the date this act
938 becomes a law, including rates that exceed 5 percent of salary,
939 provided that such rates are at least one-half of 1 percent of
940 salary.

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

943 185.16 Requirements for retirement.—For any municipality,
944 chapter plan, local law municipality, or local law plan under
945 this chapter, any police officer who completes 10 or more years
946 of creditable service as a police officer and attains age 55, or
947 completes 25 years of creditable service as a police officer and
948 attains age 52, and for such period has been a member of the
949 retirement fund is eligible for normal retirement benefits.
950 Normal retirement under the plan is retirement from the service
951 of the city on or after the normal retirement date. In such
952 event, for chapter plans and local law plans, payment of
953 retirement income will be governed by the following provisions
954 of this section:

955 (2) (a) The amount of the monthly retirement income payable
956 to a police officer who retires on or after his or her normal
957 retirement date shall be an amount equal to the number of the

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958 police officer's years of credited service multiplied by 2.75 ~~2~~
959 percent of his or her average final compensation. ~~However, if~~
960 ~~current state contributions pursuant to this chapter are not~~
961 ~~adequate to fund the additional benefits to meet the minimum~~
962 ~~requirements in this chapter, only increment increases shall be~~
963 ~~required as state moneys are adequate to provide. Such~~
964 ~~increments shall be provided as state moneys become available.~~

965 (b) Effective July 1, 2014, a plan that is in compliance
966 with this chapter except that the plan provides a benefit that
967 is less than 2.75 percent of the average final compensation of a
968 police officer, as defined in section 185.16(2) (a), must
969 maintain, at a minimum, the percentage amount in effect on July
970 1, 2014, and is not required to increase the benefit to 2.75
971 percent of the average final compensation of a police officer.

972 (c) Effective July 1, 2014, a plan that is in compliance
973 with this chapter except that the plan provides a benefit that
974 is less than 2.75 percent of the average final compensation of a
975 police officer, as defined in section 185.16(2) (a), and that
976 changes its accrual rate to 2.75 percent, or greater, of the
977 average final compensation of a police officer, as defined in
978 section 185.16(2) (a), may not thereafter decrease the accrual
979 rate to less than 2.75 percent of the average final compensation
980 of a police officer as defined in section 185.16(2) (a).

981 Section 12. Section 185.35, Florida Statutes, is amended to
982 read:

983 185.35 Municipalities that have ~~having~~ their own retirement
984 pension plans for police officers. For any municipality, chapter
985 plan, local law municipality, or local law plan under this
986 chapter, In order for a municipality that has its municipalities

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987 ~~with their own~~ retirement plan ~~pension plans~~ for police
988 officers, or for police officers and firefighters if both are
989 included, to participate in the distribution of the tax fund
990 established under ~~pursuant to~~ s. 185.08, a local law plan ~~plans~~
991 must meet the minimum benefits and minimum standards set forth
992 in this chapter:

993 (1) If a municipality has a retirement ~~pension~~ plan for
994 police officers, or for police officers and firefighters if both
995 are included, which, in the opinion of the division, meets the
996 minimum benefits and minimum standards set forth in this
997 chapter, the board of trustees of the pension plan must, ~~as~~
998 ~~approved by a majority of police officers of the municipality,~~
999 ~~may:~~

1000 ~~(a)~~ place the income from the premium tax in s. 185.08 in
1001 such ~~pension~~ plan for the sole and exclusive use of its police
1002 officers, or its police officers and firefighters if both are
1003 included, where it shall become an integral part of that ~~pension~~
1004 plan and ~~shall~~ be used to fund benefits as provided herein.
1005 Effective October 1, 2014, for noncollectively bargained service
1006 or upon entering into a collective bargaining agreement on or
1007 after July 1, 2014:

1008 (a) The base premium tax revenues must be used to fund
1009 minimum benefits or other retirement benefits in excess of the
1010 minimum benefits as determined by the municipality.

1011 (b) Of the additional premium tax revenues received which
1012 are in excess of the amount received for the 2013 calendar year,
1013 50 percent must be used to fund minimum benefits or other
1014 retirement benefits in excess of the minimum benefits as
1015 determined by the municipality, and 50 percent must be placed in

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1016 a defined contribution plan to fund special benefits.

1017 (c) Additional premium tax revenues not described in
1018 paragraph (b) must be used to fund benefits that are not
1019 included in the minimum benefits. If the additional premium tax
1020 revenues subject to this paragraph exceed the full cost of
1021 benefits provided through the plan which are in excess of the
1022 minimum benefits, any amount in excess of the full cost must be
1023 used as provided in paragraph (b).

1024 (d) Any accumulations of additional premium tax revenues
1025 which have not been applied to fund benefits in excess of the
1026 minimum benefits may be allocated by mutual consent as provided
1027 in paragraph (g). If such accumulations are not allocated by
1028 mutual consent, 50 percent of the amount of the accumulations
1029 must be used to fund special benefits and 50 percent must be
1030 applied to fund any unfunded actuarial liabilities of the plan
1031 ~~pay extra benefits to the police officers included in that~~
1032 ~~pension plan; or~~

1033 ~~(b) May place the income from the premium tax in s. 185.08~~
1034 ~~in a separate supplemental plan to pay extra benefits to the~~
1035 ~~police officers, or police officers and firefighters if~~
1036 ~~included, participating in such separate supplemental plan.~~

1037 (e) For a plan created after March 1, 2014, 50 percent of
1038 the insurance premium tax revenues shall be used to fund defined
1039 benefit plan component benefits, with the remainder used to fund
1040 defined contribution plan component benefits.

1041 (f) If a plan offers benefits in excess of the minimum
1042 benefits, excluding supplemental plan benefits in effect as of
1043 September 30, 2013, such benefits may be reduced if the plan
1044 continues to meet the minimum benefits and the minimum standards

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1045 set forth in this chapter. The amount of insurance premium tax
1046 revenues previously used to fund benefits in excess of the
1047 minimum benefits, excluding supplemental plan benefits in effect
1048 as of September 30, 2013, before the reduction must be used as
1049 provided in paragraph (b). However, benefits in excess of the
1050 minimum benefits may not be reduced if a plan does not meet the
1051 minimum accrual rate of 2.75 percent, or greater, of the average
1052 final compensation of a police officer, as defined in section
1053 185.16(2) (a).

1054 (g) Notwithstanding any other provisions of this
1055 subsection, the use of premium tax revenues, including any
1056 accumulations of additional tax revenues which have not been
1057 applied to fund benefits in excess of the minimum benefits, may
1058 deviate from the provisions of this subsection by mutual consent
1059 of the members' collective bargaining representative or, if
1060 none, by majority consent of the police office members of the
1061 fund, and by consent of the municipality, provided that the plan
1062 continues to meet the minimum benefits and minimum standards of
1063 this chapter; however, a plan operating pursuant to the
1064 provisions of this paragraph which does not meet a minimum
1065 benefit as of October 1, 2012, may continue to provide the
1066 benefit that does not meet the minimum benefit at the same
1067 level, but not less than that level, as was provided as of
1068 October 1, 2012, and all other benefits must continue to meet
1069 the minimum benefits. Such mutually agreed deviation shall
1070 continue until modified or revoked by subsequent mutual consent
1071 of the members' collective bargaining representative or, if
1072 none, by a majority of the police office members of the fund,
1073 and the municipality. A special act plan or a plan within a

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1074 supplemental plan municipality shall be considered to have
1075 mutually consented to such deviation as of July 1, 2014,
1076 regarding the existing arrangement on the use of premium tax
1077 revenues.

1078 (2) The premium tax provided by this chapter shall ~~in all~~
1079 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
1080 benefits to police officers, or to police officers and
1081 firefighters if both are included. ~~However, local law plans in~~
1082 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1083 ~~provisions of this chapter only to the extent that additional~~
1084 ~~premium tax revenues become available to incrementally fund the~~
1085 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
1086 ~~is in compliance with such minimum benefit provisions, as~~
1087 ~~subsequent additional tax revenues become available, they shall~~
1088 ~~be used to provide extra benefits.~~ Local law plans created by
1089 special act before May 27, 1939, shall be deemed to comply with
1090 this chapter. ~~For the purpose of this chapter, the term:~~

1091 (a) ~~"Additional premium tax revenues" means revenues~~
1092 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1093 ~~the amount received for calendar year 1997.~~

1094 (b) ~~"Extra benefits" means benefits in addition to or~~
1095 ~~greater than those provided to general employees of the~~
1096 ~~municipality and in addition to those in existence for police~~
1097 ~~officers on March 12, 1999.~~

1098 (3) A retirement plan or amendment to a retirement plan may
1099 not be proposed for adoption unless the proposed plan or
1100 amendment contains an actuarial estimate of the costs involved.
1101 Such proposed plan or proposed plan change may not be adopted
1102 without the approval of the municipality or, where required

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1103 ~~permitted~~, the Legislature. Copies of the proposed plan or
1104 proposed plan change and the actuarial impact statement of the
1105 proposed plan or proposed plan change shall be furnished to the
1106 division before the last public hearing on the proposal is held
1107 ~~thereon~~. Such statement must also indicate whether the proposed
1108 plan or proposed plan change is in compliance with s. 14, Art. X
1109 of the State Constitution and those provisions of part VII of
1110 chapter 112 which are not expressly provided in this chapter.
1111 Notwithstanding any other provision, only those local law plans
1112 created by special act of legislation before May 27, 1939, are
1113 deemed to meet the minimum benefits and minimum standards only
1114 in this chapter.

1115 (4) Notwithstanding any other provision, with respect to
1116 any supplemental plan municipality:

1117 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and a
1118 local law plan and a supplemental plan may continue to use their
1119 definition of compensation or salary in existence on March 12,
1120 1999.

1121 (b) A local law plan and a supplemental plan must continue
1122 to be administered by a board or boards of trustees numbered,
1123 constituted, and selected as the board or boards were numbered,
1124 constituted, and selected on December 1, 2000.

1125 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
1126 ~~have been made.~~

1127 (5) The retirement plan setting forth the benefits and the
1128 trust agreement, if any, covering the duties and
1129 responsibilities of the trustees and the regulations of the
1130 investment of funds must be in writing and copies made available
1131 to the participants and to the general public.

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1132 (6) In addition to the defined benefit component of the
1133 local law plan, each plan sponsor must have a defined
1134 contribution plan component within the local law plan by October
1135 1, 2014, upon entering into a collective bargaining agreement on
1136 or after July 1, 2014, or upon the creation date of a new
1137 participating plan. Depending upon the application of subsection
1138 (1), a defined contribution component may or may not receive any
1139 funding.

1140 (7) Notwithstanding any other provision of this chapter, a
1141 municipality that has implemented or proposed changes to a local
1142 law plan based on the municipality's reliance on an
1143 interpretation of this chapter by the department on or after
1144 August 14, 2012, and before March 4, 2014, may continue the
1145 implemented changes or continue to implement proposed changes.
1146 Such reliance must be evidenced by a written collective
1147 bargaining proposal or agreement, or formal correspondence
1148 between the municipality and the department which describes the
1149 specific changes to the local law plan, with the initial
1150 proposal, agreement, or correspondence from the municipality
1151 dated before March 4, 2014. Changes to the local law plan which
1152 are otherwise contrary to the minimum benefits and minimum
1153 standards of this chapter may continue in effect until the
1154 earlier of October 1, 2017, or the effective date of a
1155 collective bargaining agreement that is contrary to the changes
1156 to the local law plan.

1157 Section 13. The Legislature finds that a proper and
1158 legitimate state purpose is served when employees and retirees
1159 of this state and its political subdivisions, and the
1160 dependents, survivors, and beneficiaries of such employees and

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1161 retirees, are extended the basic protections afforded by
1162 governmental retirement systems that provide fair and adequate
1163 benefits and that are managed, administered, and funded in an
1164 actuarially sound manner as required under s. 14, Article X of
1165 the State Constitution and part VII of chapter 112, Florida
1166 Statutes. Therefore, the Legislature determines and declares
1167 that this act fulfills an important state interest.

1168 Section 14. This act shall take effect July 1, 2014.