

2015172e1

1 A bill to be entitled
2 An act relating to local government pension reform;
3 amending s. 175.021, F.S.; requiring that firefighter
4 pension plans meet the requirements of chapter 175,
5 F.S., in order to receive certain insurance premium
6 tax revenues; amending s. 175.032, F.S.; revising
7 definitions to conform to changes made by the act and
8 providing new definitions; amending s. 175.061, F.S.;
9 requiring the board of trustees of the firefighters'
10 pension trust fund to provide a detailed accounting
11 report of its expenses and to make the report
12 available; requiring the board to operate under an
13 administrative expense budget; providing
14 applicability; amending s. 175.071, F.S.; conforming a
15 cross-reference; amending s. 175.091, F.S.; revising
16 the method of creating and maintaining a firefighters'
17 pension trust fund; amending s. 175.162, F.S.;
18 deleting a provision basing the availability of
19 additional benefits in a firefighter pension plan upon
20 state funding; revising the calculation of monthly
21 retirement income for a full-time firefighter;
22 specifying the minimum benefits that must be
23 maintained by certain firefighter pension plans after
24 a specified date; amending s. 175.351, F.S.; exempting
25 certain firefighter pension plans of a municipality or
26 special fire control district from meeting certain
27 minimum benefits in order to participate in the
28 distribution of a premium tax; redesignating the term
29 "pension plan" as "retirement plan"; revising criteria

2015172e1

30 governing the use of revenues of the premium tax;
31 authorizing a pension plan to reduce certain excess
32 benefits if the plan continues to meet certain minimum
33 benefits and standards; providing that the use of
34 premium tax revenues may deviate from the requirements
35 of chapter 175, F.S., under certain circumstances;
36 revising the conditions for proposing the adoption of
37 a pension plan or an amendment to a pension plan;
38 requiring plan sponsors to have a defined contribution
39 plan component in place by a certain date; authorizing
40 a municipality or special fire control district to
41 implement certain changes to a local law plan which
42 are contrary to chapter 175, F.S., for a limited time,
43 under certain circumstances; amending s. 185.01, F.S.;
44 requiring that police officer pension plans meet the
45 requirements of chapter 185, F.S., in order to receive
46 certain insurance premium tax revenues; amending s.
47 185.02, F.S.; revising definitions to conform to
48 changes made by the act and providing new definitions;
49 revising applicability of the limitation on the amount
50 of overtime payments which may be used for pension
51 benefit calculations; amending s. 185.05, F.S.;
52 requiring the board of trustees of the municipal
53 police officers' retirement trust fund to provide a
54 detailed accounting report of its expenses and to make
55 the report available; requiring the board to operate
56 under an administrative expense budget; providing
57 applicability; amending s. 185.06, F.S.; conforming a
58 cross-reference; amending s. 185.07, F.S.; revising

2015172e1

59 the method of creating and maintaining a police
60 officers' retirement trust fund; amending s. 185.16,
61 F.S.; deleting a provision basing the availability of
62 additional benefits in a police officer pension plan
63 upon state funding; revising the calculation of
64 monthly retirement income for a police officer;
65 specifying the minimum benefits that must be
66 maintained by certain police officer pension plans
67 after a specified date; amending s. 185.35, F.S.;
68 exempting certain municipal police officer pension
69 plans from meeting certain minimum benefits in order
70 to participate in the distribution of a premium tax;
71 redesignating the term "pension plan" as "retirement
72 plan"; revising criteria governing the use of revenues
73 from the premium tax; authorizing a plan to reduce
74 certain excess benefits if the plan continues to meet
75 certain minimum benefits and minimum standards;
76 providing that the use of premium tax revenues may
77 deviate from the requirements of chapter 185, F.S.,
78 under specified circumstances; revising the conditions
79 for proposing the adoption of a pension plan or
80 amendment to a pension plan; conforming a cross-
81 reference; requiring plan sponsors to have a defined
82 contribution plan component in place by a certain
83 date; authorizing a municipality to implement certain
84 changes to a local law plan which are contrary to
85 chapter 185, F.S., for a limited time; providing a
86 declaration of important state interest; providing an
87 effective date.

2015172e1

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

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

175.021 Legislative declaration.—

(2) This chapter hereby establishes, for all municipal and special district pension plans existing ~~now or hereafter~~ under this chapter, including chapter plans and local law plans, minimum benefits and minimum standards for the operation and funding of such plans, hereinafter referred to as firefighters' pension trust funds, which must be met as conditions precedent to the plan or plan sponsor's receiving a distribution of insurance premium tax revenues under s. 175.121. ~~The~~ Minimum benefits and minimum standards for each plan set forth in this chapter may not be diminished by local charter, ordinance, or resolution or by special act of the Legislature and may not, ~~nor may the minimum benefits or minimum standards~~ be reduced or offset by any other local, state, or federal law that includes ~~may include~~ firefighters in its operation, except as provided under s. 112.65.

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

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

(1) "Additional premium tax revenues" means revenues

2015172e1

117 received by a municipality or special fire control district
118 pursuant to s. 175.121 which exceed base premium tax revenues.

119 (2)(1)(a) "Average final compensation" for:

120 (a) A full-time firefighter means one-twelfth of the
121 average annual compensation of the 5 best years of the last 10
122 years of creditable service before ~~prior to~~ retirement,
123 termination, or death, or the career average as a full-time
124 firefighter since July 1, 1953, whichever is greater. A year is
125 ~~shall be~~ 12 consecutive months or such other consecutive period
126 of time as is used and consistently applied.

127 (b) ~~"Average final compensation" for~~ A volunteer
128 firefighter means the average salary of the 5 best years of the
129 last 10 best contributing years before ~~prior to~~ change in status
130 to a permanent full-time firefighter or retirement as a
131 volunteer firefighter or the career average of a volunteer
132 firefighter, since July 1, 1953, whichever is greater.

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

134 (a) For a local law plan in effect on October 1, 2003, the
135 revenues received by a municipality or special fire control
136 district pursuant to s. 175.121 for the 2002 calendar year.

137 (b) For a local law plan created between October 1, 2003,
138 and March 1, 2015, inclusive, the revenues received by a
139 municipality or special fire control district pursuant to s.
140 175.121 based upon the tax collections during the second
141 calendar year of participation.

142 (4)(2) "Chapter plan" means a separate defined benefit
143 pension plan for firefighters which incorporates by reference
144 the provisions of this chapter and has been adopted by the
145 governing body of a municipality or special district. Except as

2015172e1

146 ~~may be~~ specifically authorized in this chapter, the provisions
147 of a chapter plan may not differ from the plan provisions set
148 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial
149 valuations of chapter plans shall be conducted by the division
150 as provided by s. 175.261(1).

151 (5)~~(3)~~ "Compensation" or "salary" means, for
152 noncollectively bargained service earned before July 1, 2011, or
153 for service earned under collective bargaining agreements in
154 place before July 1, 2011, the fixed monthly remuneration paid a
155 firefighter. If remuneration is based on actual services
156 rendered, as in the case of a volunteer firefighter, the term
157 means the total cash remuneration received yearly for such
158 services, prorated on a monthly basis. For noncollectively
159 bargained service earned on or after July 1, 2011, or for
160 service earned under collective bargaining agreements entered
161 into on or after July 1, 2011, the term has the same meaning
162 except that when calculating retirement benefits, up to 300
163 hours per year in overtime compensation may be included as
164 specified in the plan or collective bargaining agreement, but
165 payments for accrued unused sick or annual leave may not be
166 included.

167 (a) Any retirement trust fund or plan that meets the
168 requirements of this chapter does not, solely by virtue of this
169 subsection, reduce or diminish the monthly retirement income
170 otherwise payable to each firefighter covered by the retirement
171 trust fund or plan.

172 (b) The member's compensation or salary contributed as
173 employee-elective salary reductions or deferrals to any salary
174 reduction, deferred compensation, or tax-sheltered annuity

2015172e1

175 program authorized under the Internal Revenue Code shall be
176 deemed to be the compensation or salary the member would receive
177 if he or she were not participating in such program and shall be
178 treated as compensation for retirement purposes under this
179 chapter.

180 (c) For any person who first becomes a member in any plan
181 year beginning on or after January 1, 1996, compensation for
182 that plan year may not include any amounts in excess of the
183 Internal Revenue Code s. 401(a)(17) limitation, as amended by
184 the Omnibus Budget Reconciliation Act of 1993, which limitation
185 of \$150,000 shall be adjusted as required by federal law for
186 qualified government plans and ~~shall be~~ further adjusted for
187 changes in the cost of living in the manner provided by Internal
188 Revenue Code s. 401(a)(17)(B). For any person who first became a
189 member before the first plan year beginning on or after January
190 1, 1996, the limitation on compensation may not be less than the
191 maximum compensation amount that was allowed to be taken into
192 account under the plan in effect on July 1, 1993, which
193 limitation shall be adjusted for changes in the cost of living
194 since 1989 in the manner provided by Internal Revenue Code s.
195 401(a)(17)(1991).

196 ~~(6)(4)~~ "Creditable service" or "credited service" means the
197 aggregate number of years of service~~7~~ and fractional parts of
198 years of service~~7~~ of any firefighter, omitting intervening years
199 and fractional parts of years when such firefighter may not have
200 been employed by the municipality or special fire control
201 district, subject to the following conditions:

202 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
203 or fractional parts of years of service if he or she has

2015172e1

204 withdrawn his or her contributions to the fund for those years
205 or fractional parts of years of service, unless the firefighter
206 repays into the fund the amount he or she has withdrawn, plus
207 interest determined by the board. The member has ~~shall have~~ at
208 least 90 days after his or her reemployment to make repayment.

209 (b) A firefighter may voluntarily leave his or her
210 contributions in the fund for ~~a period of~~ 5 years after leaving
211 the employ of the fire department, pending the possibility of
212 being rehired by the same department, without losing credit for
213 the time he or she has participated actively as a firefighter.
214 If the firefighter is not reemployed as a firefighter~~,~~ with the
215 same department~~,~~ within 5 years, his or her contributions shall
216 be returned without interest.

217 (c) Credited service under this chapter shall be provided
218 only for service as a firefighter~~, as defined in subsection (8),~~
219 or for military service and does not include credit for any
220 other type of service. A municipality ~~may,~~ by local ordinance,
221 or a special fire control district ~~may,~~ by resolution, may
222 provide for the purchase of credit for military service prior to
223 employment as well as for prior service as a firefighter for
224 some other employer as long as a firefighter is not entitled to
225 receive a benefit for such prior service ~~as a firefighter~~. For
226 purposes of determining credit for prior service as a
227 firefighter, in addition to service as a firefighter in this
228 state, credit may be given for federal, other state, or county
229 service if the prior service is recognized by the Division of
230 State Fire Marshal as provided in ~~under~~ chapter 633, or the
231 firefighter provides proof to the board of trustees that his or
232 her service is equivalent to the service required to meet the

2015172e1

233 definition of a firefighter ~~under subsection (8)~~.

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

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

242 2. The firefighter is entitled to reemployment under ~~the~~
243 ~~provisions of~~ the Uniformed Services Employment and Reemployment
244 Rights Act.

245 3. The firefighter returns to his or her employment as a
246 firefighter of the municipality or special fire control district
247 within 1 year after ~~from~~ the date of release from such active
248 service.

249 ~~(7)(5)~~ (7) "Deferred Retirement Option Plan" or "DROP" means a
250 local law plan retirement option in which a firefighter may
251 elect to participate. A firefighter may retire for all purposes
252 of the plan and defer receipt of retirement benefits into a DROP
253 account while continuing employment with his or her employer.
254 However, a firefighter who enters the DROP and who is otherwise
255 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
256 participation or continued participation ~~participating, or~~
257 ~~continuing to participate,~~ in a supplemental plan in existence
258 on, or created after, March 12, 1999 ~~the effective date of this~~
259 ~~act.~~

260 (8) "Defined contribution plan" means the component of a
261 local law plan, as provided in s. 175.351(1), to which deposits,

2015172e1

262 if any, are made to provide benefits for firefighters, or for
263 firefighters and police officers if both are included. Such
264 component is an element of a local law plan and exists in
265 conjunction with the defined benefit plan component that meets
266 minimum benefits and minimum standards. The retirement benefits,
267 if any, of the defined contribution plan component shall be
268 provided through individual member accounts in accordance with
269 the applicable provisions of the Internal Revenue Code and
270 related regulations and are limited to the contributions, if
271 any, made into each member's account and the actual accumulated
272 earnings, net of expenses, earned on the member's account.

273 (9)~~(6)~~ "Division" means the Division of Retirement of the
274 Department of Management Services.

275 (10)~~(7)~~ "Enrolled actuary" means an actuary who is enrolled
276 under Subtitle C of Title III of the Employee Retirement Income
277 Security Act of 1974 and who is a member of the Society of
278 Actuaries or the American Academy of Actuaries.

279 (11) (a)~~(8) (a)~~ "Firefighter" means a person employed solely
280 by a constituted fire department of any municipality or special
281 fire control district who is certified as a firefighter as a
282 condition of employment in accordance with s. 633.408 and whose
283 duty it is to extinguish fires, to protect life, or to protect
284 property. The term includes all certified, supervisory, and
285 command personnel whose duties include, in whole or in part, the
286 supervision, training, guidance, and management responsibilities
287 of full-time firefighters, part-time firefighters, or auxiliary
288 firefighters but does not include part-time firefighters or
289 auxiliary firefighters. However, for purposes of this chapter
290 only, the term also includes public safety officers who are

2015172e1

291 responsible for performing both police and fire services, who
292 are certified as police officers or firefighters, and who are
293 certified by their employers to the Chief Financial Officer as
294 participating in this chapter before October 1, 1979. Effective
295 October 1, 1979, public safety officers who have not been
296 certified as participating in this chapter are considered police
297 officers for retirement purposes and are eligible to participate
298 in chapter 185. Any plan may provide that the fire chief has an
299 option to participate, ~~or not,~~ in that plan.

300 (b) "Volunteer firefighter" means any person whose name is
301 carried on the active membership roll of a constituted volunteer
302 fire department or a combination of a paid and volunteer fire
303 department of any municipality or special fire control district
304 and whose duty it is to extinguish fires, to protect life, and
305 to protect property. Compensation for services rendered by a
306 volunteer firefighter does ~~shall~~ not disqualify him or her as a
307 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
308 firefighter solely because he or she has other gainful
309 employment. Any person who volunteers assistance at a fire but
310 is not an active member of a department described herein is not
311 a volunteer firefighter within the meaning of this paragraph.

312 (12) ~~(9)~~ "Firefighters' Pension Trust Fund" means a trust
313 fund, by whatever name known, as provided under s. 175.041, for
314 the purpose of assisting municipalities and special fire control
315 districts in establishing and maintaining a retirement plan for
316 firefighters.

317 (13) ~~(10)~~ "Local law municipality" means ~~is~~ any municipality
318 in which ~~there exists~~ a local law plan exists.

319 (14) ~~(11)~~ "Local law plan" means a retirement ~~defined~~

2015172e1

320 ~~benefit pension~~ plan that includes both a defined benefit plan
321 component and a defined contribution plan component for
322 firefighters, or for firefighters and ~~or~~ police officers if both
323 are ~~where~~ included, as described in s. 175.351, established by
324 municipal ordinance, special district resolution, or special act
325 of the Legislature, which enactment sets forth all plan
326 provisions. Local law plan provisions may vary from the
327 provisions of this chapter if, ~~provided that required~~ minimum
328 benefits and minimum standards are met. However, any such
329 variance must ~~shall~~ provide a greater benefit for firefighters.
330 Actuarial valuations of local law plans shall be conducted by an
331 enrolled actuary as provided in s. 175.261(2).

332 (15) ~~(12)~~ "Local law special fire control district" means ~~is~~
333 any special fire control district in which ~~there exists~~ a local
334 law plan exists.

335 (16) "Minimum benefits" means the benefits specified in ss.
336 175.021-175.341 and ss. 175.361-175.401.

337 (17) "Minimum standards" means the standards specified in
338 ss. 175.021-175.401.

339 (18) ~~(13)~~ "Property insurance" means property insurance as
340 defined in s. 624.604 and covers real and personal property
341 within the corporate limits of a ~~any~~ municipality, or within the
342 boundaries of a ~~any~~ special fire control district, within the
343 state. The term "multiple peril" means a combination or package
344 policy that includes both property and casualty coverage for a
345 single premium.

346 (19) ~~(14)~~ "Retiree" or "retired firefighter" means a
347 firefighter who has entered retirement status. For the purposes
348 of a plan that includes a Deferred Retirement Option Plan

2015172e1

349 (DROP), a firefighter who enters the DROP is ~~shall be~~ considered
350 a retiree for all purposes of the plan. However, a firefighter
351 who enters the DROP and who is otherwise eligible to participate
352 may ~~shall~~ not ~~thereby~~ be precluded from participation or
353 continued participation ~~participating, or continuing to~~
354 ~~participate,~~ in a supplemental plan in existence on, or created
355 after, March 12, 1999 ~~the effective date of this act.~~

356 (20) ~~(15)~~ "Retirement" means a firefighter's separation from
357 municipal city or fire district employment as a firefighter with
358 immediate eligibility for ~~receipt of~~ benefits under the plan.
359 For purposes of a plan that includes a Deferred Retirement
360 Option Plan (DROP), "retirement" means the date a firefighter
361 enters the DROP.

362 (21) "Special act plan" means a plan subject to the
363 provisions of this chapter which was created by an act of the
364 Legislature and continues to require an act of the Legislature
365 to alter plan benefits.

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

368 (23) ~~(16)~~ "Special fire control district" means a special
369 district, as defined in s. 189.012, established for the purposes
370 of extinguishing fires, protecting life, and protecting property
371 within the incorporated or unincorporated portions of a ~~any~~
372 county or combination of counties, or within any combination of
373 incorporated and unincorporated portions of a ~~any~~ county or
374 combination of counties. The term does not include any dependent
375 or independent special district, as those terms are defined in
376 s. 189.012, the employees of which are members of the Florida
377 Retirement System pursuant to s. 121.051(1) or (2).

2015172e1

378 ~~(24)(17)~~ "Supplemental plan" means a plan to which deposits
379 are made to provide special ~~extra~~ benefits for firefighters, or
380 for firefighters and police officers if both are ~~where~~ included
381 ~~under this chapter~~. Such a plan is an element of a local law
382 plan and exists in conjunction with a defined benefit plan
383 component that meets ~~the~~ minimum benefits and minimum standards
384 ~~of this chapter~~. Any supplemental plan in existence on March 1,
385 2015, shall be deemed to be a defined contribution plan in
386 compliance with s. 175.351(6).

387 ~~(25)(18)~~ "Supplemental plan municipality" means a ~~any~~ local
388 law municipality in which any ~~there existed~~ a supplemental plan
389 ~~existed, of any type or nature,~~ as of December 1, 2000.

390 Section 3. Subsection (8) is added to section 175.061,
391 Florida Statutes, to read:

392 175.061 Board of trustees; members; terms of office;
393 meetings; legal entity; costs; attorney's fees.—For any
394 municipality, special fire control district, chapter plan, local
395 law municipality, local law special fire control district, or
396 local law plan under this chapter:

397 (8) (a) The board of trustees shall:

398 1. Provide a detailed accounting report of its expenses for
399 each fiscal year to the plan sponsor and the Department of
400 Management Services and make the report available to each member
401 of the plan and post the report on the board's website, if the
402 board has a website. The report must include all administrative
403 expenses that, for purposes of this subsection, are expenses
404 relating to any legal counsel, actuary, plan administrator, and
405 all other consultants, and all travel and other expenses paid to
406 or on behalf of the members of the board of trustees or anyone

2015172e1

407 else on behalf of the plan.

408 2. Operate under an administrative expense budget for each
409 fiscal year, provide a copy of the budget to the plan sponsor,
410 and make available a copy of the budget to plan members before
411 the beginning of the fiscal year. If the board of trustees
412 amends the administrative expense budget, the board must provide
413 a copy of the amended budget to the plan sponsor and make
414 available a copy of the amended budget to plan members.

415 (b) Notwithstanding s. 175.351(2) and (3), a local law plan
416 created by special act before May 27, 1939, must comply with the
417 provisions of this subsection.

418 Section 4. Subsection (7) of section 175.071, Florida
419 Statutes, is amended to read:

420 175.071 General powers and duties of board of trustees.—For
421 any municipality, special fire control district, chapter plan,
422 local law municipality, local law special fire control district,
423 or local law plan under this chapter:

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

426 (a) Employ independent legal counsel at the pension fund's
427 expense.

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

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

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434 If the board chooses to use the municipality's or special
435 district's legal counsel or actuary, or chooses to use any of

2015172e1

436 the municipality's or special district's other professional,
437 technical, or other advisers, it must do so only under terms and
438 conditions acceptable to the board.

439 Section 5. Paragraph (d) of subsection (1) of section
440 175.091, Florida Statutes, is amended to read:

441 175.091 Creation and maintenance of fund.—For any
442 municipality, special fire control district, chapter plan, local
443 law municipality, local law special fire control district, or
444 local law plan under this chapter:

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

448 (d) By mandatory payment by the municipality or special
449 fire control district of a sum equal to the normal cost of and
450 the amount required to fund any actuarial deficiency shown by an
451 actuarial valuation conducted under ~~as provided in~~ part VII of
452 chapter 112 after taking into account the amounts described in
453 paragraphs (b), (c), (e), (f), and (g) and the tax proceeds
454 described in paragraph (a) which are used to fund benefits in a
455 defined benefit plan component.

456
457 Nothing in this section shall be construed to require adjustment
458 of member contribution rates in effect on the date this act
459 becomes a law, including rates that exceed 5 percent of salary,
460 provided that such rates are at least one-half of 1 percent of
461 salary.

462 Section 6. Paragraph (a) of subsection (2) of section
463 175.162, Florida Statutes, is amended to read:

464 175.162 Requirements for retirement.—For any municipality,

2015172e1

465 special fire control district, chapter plan, local law
466 municipality, local law special fire control district, or local
467 law plan under this chapter, any firefighter who completes 10 or
468 more years of creditable service as a firefighter and attains
469 age 55, or completes 25 years of creditable service as a
470 firefighter and attains age 52, and who for such minimum period
471 has been a member of the firefighters' pension trust fund
472 operating under a chapter plan or local law plan, is eligible
473 for normal retirement benefits. Normal retirement under the plan
474 is retirement from the service of the municipality or special
475 fire control district on or after the normal retirement date. In
476 such event, payment of retirement income will be governed by the
477 following provisions of this section:

478 (2) (a) 1. The amount of monthly retirement income payable to
479 a full-time firefighter who retires on or after his or her
480 normal retirement date shall be an amount equal to the number of
481 his or her years of credited service multiplied by 2.75 ~~2~~
482 percent of his or her average final compensation as a full-time
483 firefighter. ~~However, if current state contributions pursuant to~~
484 ~~this chapter are not adequate to fund the additional benefits to~~
485 ~~meet the minimum requirements in this chapter, only such~~
486 ~~incremental increases shall be required as state moneys are~~
487 ~~adequate to provide. Such increments shall be provided as state~~
488 ~~moneys become available.~~

489 2. Effective July 1, 2015, a plan that is in compliance
490 with this chapter except that the plan provides a benefit that
491 is less than 2.75 percent of the average final compensation of a
492 full-time firefighter for all years of credited service or
493 provides an effective benefit that is less than 2.75 percent as

2015172e1

494 a result of a maximum benefit limitation:

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

500 b. If the plan changes the percentage amount or maximum
501 benefit limitation to 2.75 percent or more of the average final
502 compensation of a full-time firefighter for all years of
503 credited service, the plan may not thereafter decrease the
504 percentage amount or maximum benefit limitation to less than
505 2.75 percent of the average final compensation of a full-time
506 firefighter for all years of credited service.

507 Section 7. Section 175.351, Florida Statutes, is amended to
508 read:

509 175.351 Municipalities and special fire control districts
510 that have ~~having~~ their own retirement pension plans for
511 firefighters. ~~For any municipality, special fire control~~
512 ~~district, local law municipality, local law special fire control~~
513 ~~district, or local law plan under this chapter,~~ In order for a
514 municipality or municipalities and special fire control district
515 that has its districts with their own retirement plan pension
516 plans for firefighters, or for firefighters and police officers
517 if both are included, to participate in the distribution of the
518 tax fund established under ~~pursuant to~~ s. 175.101, a local law
519 plan plans must meet ~~the~~ minimum benefits and minimum standards,
520 except as provided in the mutual consent provisions in paragraph
521 (1) (g) with respect to the minimum benefits not met as of
522 October 1, 2012 set forth in this chapter.

2015172e1

523 (1) If a municipality has a retirement ~~pension~~ plan for
524 firefighters, or a ~~pension plan~~ for firefighters and police
525 officers if both are included, which in the opinion of the
526 division meets ~~the~~ minimum benefits and minimum standards ~~set~~
527 ~~forth in this chapter~~, the board of trustees of the retirement
528 ~~pension plan must, as approved by a majority of firefighters of~~
529 ~~the municipality, may:~~

530 ~~(a)~~ place the income from the premium tax in s. 175.101 in
531 such ~~pension~~ plan for the sole and exclusive use of its
532 firefighters, or for firefighters and police officers if both
533 are included, where it shall become an integral part of that
534 ~~pension~~ plan and ~~shall~~ be used to fund benefits as provided
535 herein. Effective October 1, 2015, for noncollectively bargained
536 service or upon entering into a collective bargaining agreement
537 on or after July 1, 2015:

538 (a) The base premium tax revenues must be used to fund
539 minimum benefits or other retirement benefits in excess of the
540 minimum benefits as determined by the municipality or special
541 fire control district.

542 (b) Of the additional premium tax revenues received that
543 are in excess of the amount received for the 2012 calendar year,
544 50 percent must be used to fund minimum benefits or other
545 retirement benefits in excess of the minimum benefits as
546 determined by the municipality or special fire control district,
547 and 50 percent must be placed in a defined contribution plan to
548 fund special benefits.

549 (c) Additional premium tax revenues not described in
550 paragraph (b) must be used to fund benefits that are not
551 included in the minimum benefits. If the additional premium tax

2015172e1

552 revenues subject to this paragraph exceed the full annual cost
553 of benefits provided through the plan which are in excess of the
554 minimum benefits, any amount in excess of the full annual cost
555 must be used as provided in paragraph (b).

556 (d) Of any accumulations of additional premium tax revenues
557 which have not been allocated to fund benefits in excess of the
558 minimum benefits, 50 percent of the amount of the accumulations
559 must be used to fund special benefits, and 50 percent must be
560 applied to fund any unfunded actuarial liabilities of the plan;
561 provided that any amount of accumulations in excess of the
562 amount required to fund the unfunded actuarial liabilities must
563 be used to fund special benefits ~~to pay extra benefits to the~~
564 ~~firefighters included in that pension plan; or~~

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

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

573 (f) If a plan offers benefits in excess of the minimum
574 benefits, such benefits, excluding supplemental plan benefits in
575 effect as of September 30, 2014, may be reduced if the plan
576 continues to meet minimum benefits and minimum standards. The
577 amount of insurance premium tax revenues previously used to fund
578 benefits in excess of minimum benefits before the reduction,
579 excluding the amount of any additional premium tax revenues
580 distributed to a supplemental plan for the 2012 calendar year,

2015172e1

581 must be used as provided in paragraph (b). However, benefits in
582 excess of minimum benefits may not be reduced if a plan does not
583 meet the minimum percentage amount of 2.75 percent of the
584 average final compensation of a full-time firefighter, as
585 required by s. 175.162 (2) (a)1., or provides an effective benefit
586 that is below 2.75 percent as a result of a maximum benefit
587 limitation as described in s. 175.162 (2) (a)2.

588 (g) Notwithstanding paragraphs (a)-(f), the use of premium
589 tax revenues, including any accumulations of additional premium
590 tax revenues which have not been allocated to fund benefits in
591 excess of minimum benefits, may deviate from the provisions of
592 this subsection by mutual consent of the members' collective
593 bargaining representative or, if there is no representative, by
594 a majority of the firefighter members of the fund, and by
595 consent of the municipality or special fire control district,
596 provided that the plan continues to meet minimum benefits and
597 minimum standards; however, a plan that operates pursuant to
598 this paragraph and does not meet minimum benefits as of October
599 1, 2012, may continue to provide the benefits that do not meet
600 the minimum benefits at the same level as was provided as of
601 October 1, 2012, and all other benefit levels must continue to
602 meet the minimum benefits. Such mutually agreed deviation must
603 continue until modified or revoked by subsequent mutual consent
604 of the members' collective bargaining representative or, if
605 none, by a majority of the firefighter members of the fund, and
606 the municipality or special fire control district. An existing
607 arrangement for the use of premium tax revenues contained within
608 a special act plan or a plan within a supplemental plan
609 municipality is considered, as of July 1, 2015, to be a

2015172e1

610 deviation for which mutual consent has been granted.

611 (2) The premium tax provided by this chapter must ~~shall in~~
612 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
613 benefits to firefighters, or to firefighters and police officers
614 if both are included. ~~However, local law plans in effect on~~
615 ~~October 1, 1998, must comply with the minimum benefit provisions~~
616 ~~of this chapter only to the extent that additional premium tax~~
617 ~~revenues become available to incrementally fund the cost of such~~
618 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
619 ~~compliance with such minimum benefit provisions, as subsequent~~
620 ~~additional premium tax revenues become available, they must be~~
621 ~~used to provide extra benefits.~~ Local law plans created by
622 special act before May 27, 1939, are deemed to comply with this
623 chapter. ~~For the purpose of this chapter, the term:~~

624 (a) ~~"Additional premium tax revenues" means revenues~~
625 ~~received by a municipality or special fire control district~~
626 ~~pursuant to s. 175.121 which exceed that amount received for~~
627 ~~calendar year 1997.~~

628 (b) ~~"Extra benefits" means benefits in addition to or~~
629 ~~greater than those provided to general employees of the~~
630 ~~municipality and in addition to those in existence for~~
631 ~~firefighters on March 12, 1999.~~

632 (3) A retirement plan or amendment to a retirement plan may
633 not be proposed for adoption unless the proposed plan or
634 amendment contains an actuarial estimate of the costs involved.
635 Such proposed plan or proposed plan change may not be adopted
636 without the approval of the municipality, special fire control
637 district, or, where required ~~permitted~~, the Legislature. Copies
638 of the proposed plan or proposed plan change and the actuarial

2015172e1

639 impact statement of the proposed plan or proposed plan change
640 shall be furnished to the division before the last public
641 hearing on the proposal is held ~~thereon~~. Such statement must
642 also indicate whether the proposed plan or proposed plan change
643 is in compliance with s. 14, Art. X of the State Constitution
644 and those provisions of part VII of chapter 112 which are not
645 expressly provided in this chapter. Notwithstanding any other
646 provision, only those local law plans created by special act of
647 legislation before May 27, 1939, are deemed to meet ~~the~~ minimum
648 benefits and minimum standards ~~only in this chapter~~.

649 (4) Notwithstanding any other provision, with respect to
650 any supplemental plan municipality:

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

654 (b) Section 175.061(1)(b) does not apply, and a local law
655 plan and a supplemental plan shall continue to be administered
656 by a board or boards of trustees numbered, constituted, and
657 selected as the board or boards were numbered, constituted, and
658 selected on December 1, 2000.

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

661 (5) The retirement plan setting forth the benefits and the
662 trust agreement, if any, covering the duties and
663 responsibilities of the trustees and the regulations of the
664 investment of funds must be in writing, and copies made
665 available to the participants and to the general public.

666 (6) In addition to the defined benefit plan component of
667 the local law plan, each plan sponsor must have a defined

2015172e1

668 contribution plan component within the local law plan by October
669 1, 2015, for noncollectively bargained service, upon entering
670 into a collective bargaining agreement on or after July 1, 2015,
671 or upon the creation date of a new participating plan. Depending
672 upon the application of subsection (1), a defined contribution
673 plan component may or may not receive any funding.

674 (7) Notwithstanding any other provision of this chapter, a
675 municipality or special fire control district that has
676 implemented or proposed changes to a local law plan based on the
677 municipality's or district's reliance on an interpretation of
678 this chapter by the Department of Management Services on or
679 after August 14, 2012, and before March 3, 2015, may continue
680 the implemented changes or continue to implement proposed
681 changes. Such reliance must be evidenced by a written collective
682 bargaining proposal or agreement, or formal correspondence
683 between the municipality or district and the Department of
684 Management Services which describes the specific changes to the
685 local law plan, with the initial proposal, agreement, or
686 correspondence from the municipality or district dated before
687 March 3, 2015. Changes to the local law plan which are otherwise
688 contrary to minimum benefits and minimum standards may continue
689 in effect until the earlier of October 1, 2018, or the effective
690 date of a collective bargaining agreement that is contrary to
691 the changes to the local law plan.

692 Section 8. Subsection (2) of section 185.01, Florida
693 Statutes, is amended to read:

694 185.01 Legislative declaration.—

695 (2) This chapter hereby establishes, for all municipal
696 pension plans ~~now or hereinafter~~ provided for under this

2015172e1

697 chapter, including chapter plans and local law plans, minimum
698 benefits and minimum standards for the operation and funding of
699 such plans, hereinafter referred to as municipal police
700 officers' retirement trust funds, which must be met as
701 conditions precedent to the plan or plan sponsor's receiving a
702 distribution of insurance premium tax revenues under s. 185.10.
703 ~~The~~ Minimum benefits and minimum standards for each plan set
704 ~~forth in this chapter~~ may not be diminished by local ordinance
705 or by special act of the Legislature and may not, ~~nor may the~~
706 ~~minimum benefits or minimum standards~~ be reduced or offset by
707 any other local, state, or federal plan that includes ~~may~~
708 ~~include~~ police officers in its operation, except as provided
709 under s. 112.65.

710 Section 9. Section 185.02, Florida Statutes, is amended to
711 read:

712 185.02 Definitions.—For any municipality, chapter plan,
713 local law municipality, or local law plan under this chapter,
714 the term following words and phrases as used in this chapter
715 ~~shall have the following meanings, unless a different meaning is~~
716 ~~plainly required by the context:~~

717 (1) "Additional premium tax revenues" means revenues
718 received by a municipality pursuant to s. 185.10 which exceed
719 base premium tax revenues.

720 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
721 the average annual compensation of the 5 best years of the last
722 10 years of creditable service before ~~prior to~~ retirement,
723 termination, or death.

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

725 (a) For a local law plan in effect on October 1, 2003, the

2015172e1

726 revenues received by a municipality pursuant to s. 185.10 for
727 the 2002 calendar year.

728 (b) For a local law plan created between October 1, 2003,
729 and March 1, 2015, inclusive, the revenues received by a
730 municipality pursuant to s. 185.10 based upon the tax
731 collections during the second calendar year of participation.

732 (4)-(2) "Casualty insurance" means automobile public
733 liability and property damage insurance to be applied at the
734 place of residence of the owner, or if the subject is a
735 commercial vehicle, to be applied at the place of business of
736 the owner; automobile collision insurance; fidelity bonds;
737 burglary and theft insurance; and plate glass insurance. The
738 term "multiple peril" means a combination or package policy that
739 includes both property coverage and casualty coverage for a
740 single premium.

741 (5)-(3) "Chapter plan" means a separate defined benefit
742 pension plan for police officers which incorporates by reference
743 the provisions of this chapter and has been adopted by the
744 governing body of a municipality as provided in s. 185.08.
745 Except as ~~may be~~ specifically authorized in this chapter, the
746 provisions of a chapter plan may not differ from the plan
747 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
748 185.39. Actuarial valuations of chapter plans shall be conducted
749 by the division as provided by s. 185.221(1)(b).

750 (6)-(4) "Compensation" or "salary" means, for
751 noncollectively bargained service earned before July 1, 2011, or
752 for service earned under collective bargaining agreements in
753 place before July 1, 2011, the total cash remuneration including
754 "overtime" paid by the primary employer to a police officer for

2015172e1

755 services rendered, but not including any payments for extra duty
756 or special detail work performed on behalf of a second party
757 employer. Overtime may be limited before July 1, 2011, in a
758 local law plan by the plan provisions ~~A local law plan may limit~~
759 ~~the amount of overtime payments which can be used for retirement~~
760 ~~benefit calculation purposes; however, such overtime limit may~~
761 ~~not be less than 300 hours per officer per calendar year. For~~
762 noncollectively bargained service earned on or after July 1,
763 2011, or for service earned under collective bargaining
764 agreements entered into on or after July 1, 2011, the term has
765 the same meaning except that when calculating retirement
766 benefits, up to 300 hours per year in overtime compensation may
767 be included as specified in the plan or collective bargaining
768 agreement, but payments for accrued unused sick or annual leave
769 may not be included.

770 (a) Any retirement trust fund or plan that meets the
771 requirements of this chapter does not, solely by virtue of this
772 subsection, reduce or diminish the monthly retirement income
773 otherwise payable to each police officer covered by the
774 retirement trust fund or plan.

775 (b) The member's compensation or salary contributed as
776 employee-elective salary reductions or deferrals to any salary
777 reduction, deferred compensation, or tax-sheltered annuity
778 program authorized under the Internal Revenue Code shall be
779 deemed to be the compensation or salary the member would receive
780 if he or she were not participating in such program and shall be
781 treated as compensation for retirement purposes under this
782 chapter.

783 (c) For any person who first becomes a member in any plan

2015172e1

784 year beginning on or after January 1, 1996, compensation for
785 that plan year may not include any amounts in excess of the
786 Internal Revenue Code s. 401(a)(17) limitation, as amended by
787 the Omnibus Budget Reconciliation Act of 1993, which limitation
788 of \$150,000 shall be adjusted as required by federal law for
789 qualified government plans and ~~shall be~~ further adjusted for
790 changes in the cost of living in the manner provided by Internal
791 Revenue Code s. 401(a)(17)(B). For any person who first became a
792 member before the first plan year beginning on or after January
793 1, 1996, the limitation on compensation may not be less than the
794 maximum compensation amount that was allowed to be taken into
795 account under the plan ~~as~~ in effect on July 1, 1993, which
796 limitation shall be adjusted for changes in the cost of living
797 since 1989 in the manner provided by Internal Revenue Code s.
798 401(a)(17)(1991).

799 (7)~~(5)~~ "Creditable service" or "credited service" means the
800 aggregate number of years of service and fractional parts of
801 years of service of any police officer, omitting intervening
802 years and fractional parts of years when such police officer may
803 not have been employed by the municipality subject to the
804 following conditions:

805 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
806 years or fractional parts of years of service if he or she has
807 withdrawn his or her contributions to the fund for those years
808 or fractional parts of years of service, unless the police
809 officer repays into the fund the amount he or she has withdrawn,
810 plus interest as determined by the board. The member has ~~shall~~
811 ~~have~~ at least 90 days after his or her reemployment to make
812 repayment.

2015172e1

813 (b) A police officer may voluntarily leave his or her
814 contributions in the fund for ~~a period of~~ 5 years after leaving
815 the employ of the police department, pending the possibility of
816 his or her being rehired by the same department, without losing
817 credit for the time he or she has participated actively as a
818 police officer. If he or she is not reemployed as a police
819 officer with the same department within 5 years, his or her
820 contributions shall be returned ~~to him or her~~ without interest.

821 (c) Credited service under this chapter shall be provided
822 only for service as a police officer, ~~as defined in subsection~~
823 ~~(11)~~, or for military service and may not include credit for any
824 other type of service. A municipality ~~may~~, by local ordinance,
825 may provide for the purchase of credit for military service
826 occurring before employment as well as prior service as a police
827 officer for some other employer as long as the police officer is
828 not entitled to receive a benefit for such ~~other~~ prior service
829 ~~as a police officer~~. For purposes of determining credit for
830 prior service, in addition to service as a police officer in
831 this state, credit may be given for federal, other state, or
832 county service as long as such service is recognized by the
833 Criminal Justice Standards and Training Commission within the
834 Department of Law Enforcement as provided in ~~under~~ chapter 943
835 or the police officer provides proof to the board of trustees
836 that such service is equivalent to the service required to meet
837 the definition of a police officer ~~under subsection (11)~~.

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

2015172e1

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

846 2. The police officer is entitled to reemployment under ~~the~~
847 ~~provisions of~~ the Uniformed Services Employment and Reemployment
848 Rights Act.

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

852 ~~(8)-(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
853 local law plan retirement option in which a police officer may
854 elect to participate. A police officer may retire for all
855 purposes of the plan and defer receipt of retirement benefits
856 into a DROP account while continuing employment with his or her
857 employer. However, a police officer who enters the DROP and who
858 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
859 precluded from participation or continued participation
860 ~~participating, or continuing to participate,~~ in a supplemental
861 plan in existence on, or created after, March 12, 1999 ~~the~~
862 ~~effective date of this act.~~

863 (9) "Defined contribution plan" means the component of a
864 local law plan, as provided in s. 185.35(1), to which deposits,
865 if any, are made to provide benefits for police officers, or for
866 police officers and firefighters if both are included. Such
867 component is an element of a local law plan and exists in
868 conjunction with the defined benefit component that meets
869 minimum benefits and minimum standards. The retirement benefits,
870 if any, of the defined contribution plan shall be provided

2015172e1

871 through individual member accounts in accordance with the
872 applicable provisions of the Internal Revenue Code and related
873 regulations and are limited to the contributions, if any, made
874 into each member's account and the actual accumulated earnings,
875 net of expenses, earned on the member's account.

876 (10)~~(7)~~ "Division" means the Division of Retirement of the
877 Department of Management Services.

878 (11)~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
879 under Subtitle C of Title III of the Employee Retirement Income
880 Security Act of 1974 and who is a member of the Society of
881 Actuaries or the American Academy of Actuaries.

882 (12)~~(9)~~ "Local law municipality" means ~~is~~ any municipality
883 in which ~~there exists~~ a local law plan exists.

884 (13)~~(10)~~ "Local law plan" means a retirement defined
885 benefit pension plan that includes both a defined benefit plan
886 component and a defined contribution plan component for police
887 officers, or for police officers and firefighters if both are
888 ~~where~~ included, as described in s. 185.35, established by
889 municipal ordinance or special act of the Legislature, which
890 ~~enactment~~ sets forth all plan provisions. Local law plan
891 provisions may vary from the provisions of this chapter if
892 ~~provided that required~~ minimum benefits and minimum standards
893 are met. However, any such variance must ~~shall~~ provide a greater
894 benefit for police officers. Actuarial valuations of local law
895 plans shall be conducted by an enrolled actuary as provided in
896 s. 185.221(2)(b).

897 (14) "Minimum benefits" means the benefits specified in ss.
898 185.01-185.341 and ss. 185.37-185.50.

899 (15) "Minimum standards" means the standards specified in

2015172e1

900 ss. 185.01-185.50.

901 (16)~~(11)~~ "Police officer" means any person who is elected,
902 appointed, or employed full time by a ~~any~~ municipality, who is
903 certified or required to be certified as a law enforcement
904 officer in compliance with s. 943.1395, who is vested with
905 authority to bear arms and make arrests, and whose primary
906 responsibility is the prevention and detection of crime or the
907 enforcement of the penal, criminal, traffic, or highway laws of
908 the state. The term ~~This definition~~ includes all certified
909 supervisory and command personnel whose duties include, in whole
910 or in part, the supervision, training, guidance, and management
911 responsibilities of full-time law enforcement officers, part-
912 time law enforcement officers, or auxiliary law enforcement
913 officers, but does not include part-time law enforcement
914 officers or auxiliary law enforcement officers as those terms
915 ~~the same~~ are defined in s. 943.10~~(6)~~ and ~~(8)~~, respectively. For
916 the purposes of this chapter only, the term also includes
917 ~~"police officer"~~ ~~also shall include~~ a public safety officer who
918 is responsible for performing both police and fire services. Any
919 plan may provide that the police chief shall have an option to
920 participate, ~~or not,~~ in that plan.

921 (17)~~(12)~~ "Police Officers' Retirement Trust Fund" means a
922 trust fund, by whatever name known, as provided under s. 185.03
923 for the purpose of assisting municipalities in establishing and
924 maintaining a retirement plan for police officers.

925 (18)~~(13)~~ "Retiree" or "retired police officer" means a
926 police officer who has entered retirement status. For the
927 purposes of a plan that includes a Deferred Retirement Option
928 Plan (DROP), a police officer who enters the DROP is ~~shall be~~

2015172e1

929 considered a retiree for all purposes of the plan. However, a
930 police officer who enters the DROP and who is otherwise eligible
931 to participate may shall not ~~thereby~~ be precluded from
932 participation or continued participation ~~participating, or~~
933 ~~continuing to participate,~~ in a supplemental plan in existence
934 on, or created after, March 12, 1999 ~~the effective date of this~~
935 ~~act.~~

936 (19) ~~(14)~~ "Retirement" means a police officer's separation
937 from municipal city employment as a police officer with
938 immediate eligibility for ~~receipt of~~ benefits under the plan.
939 For purposes of a plan that includes a Deferred Retirement
940 Option Plan (DROP), "retirement" means the date a police officer
941 enters the DROP.

942 (20) "Special act plan" means a plan subject to the
943 provisions of this chapter which was created by an act of the
944 Legislature and continues to require an act of the Legislature
945 to alter plan benefits.

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

948 (22) ~~(15)~~ "Supplemental plan" means a plan to which deposits
949 of the premium tax moneys as provided in s. 185.08 are made to
950 provide special extra benefits to police officers, or police
951 officers and firefighters if both are ~~where included, under this~~
952 ~~chapter.~~ Such a plan is an element of a local law plan and
953 exists in conjunction with a defined benefit plan component that
954 meets ~~the~~ minimum benefits and minimum standards ~~of this~~
955 ~~chapter.~~ Any supplemental plan in existence on March 1, 2015,
956 shall be deemed to be a defined contribution plan in compliance
957 with s. 185.35(6).

2015172e1

958 ~~(23)(16)~~ "Supplemental plan municipality" means a any local
959 law municipality in which any ~~there existed~~ a supplemental plan
960 existed as of December 1, 2000.

961 Section 10. Subsection (8) is added to section 185.05,
962 Florida Statutes, to read:

963 185.05 Board of trustees; members; terms of office;
964 meetings; legal entity; costs; attorney's fees.—For any
965 municipality, chapter plan, local law municipality, or local law
966 plan under this chapter:

967 (8) (a) The board of trustees shall:

968 1. Provide a detailed accounting report of its expenses for
969 each fiscal year to the plan sponsor and the Department of
970 Management Services and make the report available to each member
971 of the plan and post the report on the board's website, if the
972 board has a website. The report must include all administrative
973 expenses that, for purposes of this subsection, are expenses
974 relating to any legal counsel, actuary, plan administrator, and
975 all other consultants, and all travel and other expenses paid to
976 or on behalf of the members of the board of trustees or anyone
977 else on behalf of the plan.

978 2. Operate under an administrative expense budget for each
979 fiscal year, provide a copy of the budget to the plan sponsor,
980 and make available a copy of the budget to plan members before
981 the beginning of the fiscal year. If the board of trustees
982 amends the administrative expense budget, the board must provide
983 a copy of the amended budget to the plan sponsor and make
984 available a copy of the amended budget to plan members.

985 (b) Notwithstanding s. 185.35(2) and (3), a local law plan
986 created by special act before May 27, 1939, must comply with the

2015172e1

987 provisions of this subsection.

988 Section 11. Subsection (6) of section 185.06, Florida
989 Statutes, is amended to read:

990 185.06 General powers and duties of board of trustees.—For
991 any municipality, chapter plan, local law municipality, or local
992 law plan under this chapter:

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

995 (a) Employ independent legal counsel at the pension fund's
996 expense.

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

999 (c) Employ such independent professional, technical, or
1000 other advisers as it deems necessary at the pension fund's
1001 expense.

1002
1003 If the board chooses to use the municipality's or special
1004 district's legal counsel or actuary, or chooses to use any of
1005 the municipality's other professional, technical, or other
1006 advisers, it must do so only under terms and conditions
1007 acceptable to the board.

1008 Section 12. Paragraph (d) of subsection (1) of section
1009 185.07, Florida Statutes, is amended to read:

1010 185.07 Creation and maintenance of fund.—For any
1011 municipality, chapter plan, local law municipality, or local law
1012 plan under this chapter:

1013 (1) The municipal police officers' retirement trust fund in
1014 each municipality described in s. 185.03 shall be created and
1015 maintained in the following manner:

2015172e1

1016 (d) By payment by the municipality or other sources of a
1017 sum equal to the normal cost and the amount required to fund any
1018 actuarial deficiency shown by an actuarial valuation conducted
1019 under as provided in part VII of chapter 112 after taking into
1020 account the amounts described in paragraphs (b), (c), (e), (f),
1021 and (g) and the tax proceeds described in paragraph (a) which
1022 are used to fund benefits provided in a defined benefit plan
1023 component.

1024
1025 Nothing in this section shall be construed to require adjustment
1026 of member contribution rates in effect on the date this act
1027 becomes a law, including rates that exceed 5 percent of salary,
1028 provided that such rates are at least one-half of 1 percent of
1029 salary.

1030 Section 13. Subsection (2) of section 185.16, Florida
1031 Statutes, is amended to read:

1032 185.16 Requirements for retirement.—For any municipality,
1033 chapter plan, local law municipality, or local law plan under
1034 this chapter, any police officer who completes 10 or more years
1035 of creditable service as a police officer and attains age 55, or
1036 completes 25 years of creditable service as a police officer and
1037 attains age 52, and for such period has been a member of the
1038 retirement fund is eligible for normal retirement benefits.

1039 Normal retirement under the plan is retirement from the service
1040 of the city on or after the normal retirement date. In such
1041 event, for chapter plans and local law plans, payment of
1042 retirement income will be governed by the following provisions
1043 of this section:

1044 (2) (a) The amount of the monthly retirement income payable

2015172e1

1045 to a police officer who retires on or after his or her normal
1046 retirement date shall be an amount equal to the number of the
1047 police officer's years of credited service multiplied by 2.75 ~~2~~
1048 percent of his or her average final compensation. ~~However, if~~
1049 ~~current state contributions pursuant to this chapter are not~~
1050 ~~adequate to fund the additional benefits to meet the minimum~~
1051 ~~requirements in this chapter, only increment increases shall be~~
1052 ~~required as state moneys are adequate to provide. Such~~
1053 ~~increments shall be provided as state moneys become available.~~

1054 (b) Effective July 1, 2015, a plan that is in compliance
1055 with this chapter except that the plan provides a benefit that
1056 is less than 2.75 percent of the average final compensation of a
1057 police officer for all years of credited service or provides an
1058 effective benefit that is less than 2.75 percent as a result of
1059 a maximum benefit limitation:

1060 1. Must maintain, at a minimum, the percentage amount or
1061 maximum benefit limitation in effect on July 1, 2015, and is not
1062 required to increase the benefit to 2.75 percent of the average
1063 final compensation of a police officer for all years of credited
1064 service; or

1065 2. If the plan changes the percentage amount or maximum
1066 benefit limitation to 2.75 percent or more of the average final
1067 compensation of a police officer for all years of credited
1068 service, the plan may not thereafter decrease the percentage
1069 amount or the maximum benefit limitation to less than 2.75
1070 percent of the average final compensation of a police officer
1071 for all years of credited service.

1072 Section 14. Section 185.35, Florida Statutes, is amended to
1073 read:

2015172e1

1074 185.35 Municipalities that have ~~having~~ their own retirement
1075 ~~pension plans for police officers. For any municipality, chapter~~
1076 ~~plan, local law municipality, or local law plan under this~~
1077 ~~chapter,~~ In order for a municipality that has its municipalities
1078 ~~with their own retirement plan pension plans~~ for police
1079 officers, or for police officers and firefighters if both are
1080 included, to participate in the distribution of the tax fund
1081 established under pursuant to s. 185.08, a local law plan plans
1082 must meet ~~the~~ minimum benefits and minimum standards, except as
1083 provided in the mutual consent provisions in paragraph (1)(g)
1084 with respect to the minimum benefits not met as of October 1,
1085 2012. set forth in this chapter:

1086 (1) If a municipality has a retirement ~~pension~~ plan for
1087 police officers, or for police officers and firefighters if both
1088 are included, which, in the opinion of the division, meets ~~the~~
1089 minimum benefits and minimum standards ~~set forth in this~~
1090 ~~chapter,~~ the board of trustees of the retirement ~~pension~~ plan
1091 ~~must, as approved by a majority of police officers of the~~
1092 ~~municipality, may:~~

1093 ~~(a)~~ place the income from the premium tax in s. 185.08 in
1094 such ~~pension~~ plan for the sole and exclusive use of its police
1095 officers, or its police officers and firefighters if both are
1096 included, where it shall become an integral part of that ~~pension~~
1097 plan and ~~shall~~ be used to fund benefits as provided herein.
1098 Effective October 1, 2015, for noncollectively bargained service
1099 or upon entering into a collective bargaining agreement on or
1100 after July 1, 2015:

1101 (a) The base premium tax revenues must be used to fund
1102 minimum benefits or other retirement benefits in excess of the

2015172e1

1103 minimum benefits as determined by the municipality.

1104 (b) Of the additional premium tax revenues received that
1105 are in excess of the amount received for the 2012 calendar year,
1106 50 percent must be used to fund minimum benefits or other
1107 retirement benefits in excess of the minimum benefits as
1108 determined by the municipality, and 50 percent must be placed in
1109 a defined contribution plan component to fund special benefits.

1110 (c) Additional premium tax revenues not described in
1111 paragraph (b) must be used to fund benefits that are not
1112 included in the minimum benefits. If the additional premium tax
1113 revenues subject to this paragraph exceed the full annual cost
1114 of benefits provided through the plan which are in excess of the
1115 minimum benefits, any amount in excess of the full annual cost
1116 must be used as provided in paragraph (b).

1117 (d) Of any accumulations of additional premium tax revenues
1118 which have not been allocated to fund benefits in excess of the
1119 minimum benefits, 50 percent of the amount of the accumulations
1120 must be used to fund special benefits and 50 percent must be
1121 applied to fund any unfunded actuarial liabilities of the plan;
1122 provided that any amount of accumulations in excess of the
1123 amount required to fund the unfunded actuarial liabilities must
1124 be used to fund special benefits ~~pay extra benefits to the~~
1125 ~~police officers included in that pension plan; or~~

1126 ~~(b) May place the income from the premium tax in s. 185.08~~
1127 ~~in a separate supplemental plan to pay extra benefits to the~~
1128 ~~police officers, or police officers and firefighters if~~
1129 ~~included, participating in such separate supplemental plan.~~

1130 (e) For a plan created after March 1, 2015, 50 percent of
1131 the insurance premium tax revenues must be used to fund defined

2015172e1

1132 benefit plan component benefits, with the remainder used to fund
1133 defined contribution plan component benefits.

1134 (f) If a plan offers benefits in excess of the minimum
1135 benefits, such benefits, excluding supplemental plan benefits in
1136 effect as of September 30, 2014, may be reduced if the plan
1137 continues to meet minimum benefits and the minimum standards.
1138 The amount of insurance premium tax revenues previously used to
1139 fund benefits in excess of the minimum benefits before the
1140 reduction, excluding the amount of any additional premium tax
1141 revenues distributed to a supplemental plan for the 2012
1142 calendar year, must be used as provided in paragraph (b).
1143 However, benefits in excess of the minimum benefits may not be
1144 reduced if a plan does not meet the minimum percentage amount of
1145 2.75 percent of the average final compensation of a police
1146 officer or provides an effective benefit that is less than 2.75
1147 percent as a result of a maximum benefit limitation, as
1148 described in s. 185.16(2)(b).

1149 (g) Notwithstanding paragraphs (a)-(f), the use of premium
1150 tax revenues, including any accumulations of additional premium
1151 tax revenues which have not been allocated to fund benefits in
1152 excess of the minimum benefits, may deviate from the provisions
1153 of this subsection by mutual consent of the members' collective
1154 bargaining representative or, if none, by a majority of the
1155 police officer members of the fund, and by consent of the
1156 municipality, provided that the plan continues to meet minimum
1157 benefits and minimum standards; however, a plan that operates
1158 pursuant to this paragraph and does not meet the minimum
1159 benefits as of October 1, 2012, may continue to provide the
1160 benefits that do not meet the minimum benefits at the same level

2015172e1

1161 as was provided as of October 1, 2012, and all other benefit
1162 levels must continue to meet the minimum benefits. Such mutually
1163 agreed deviation must continue until modified or revoked by
1164 subsequent mutual consent of the members' collective bargaining
1165 representative or, if none, by a majority of the police officer
1166 members of the fund, and the municipality. An existing
1167 arrangement for the use of premium tax revenues contained within
1168 a special act plan or a plan within a supplemental plan
1169 municipality is considered, as of July 1, 2015, to be a
1170 deviation for which mutual consent has been granted.

1171 (2) The premium tax provided by this chapter must ~~shall in~~
1172 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
1173 benefits to police officers, or to police officers and
1174 firefighters if both are included. ~~However, local law plans in~~
1175 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1176 ~~provisions of this chapter only to the extent that additional~~
1177 ~~premium tax revenues become available to incrementally fund the~~
1178 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
1179 ~~is in compliance with such minimum benefit provisions, as~~
1180 ~~subsequent additional tax revenues become available, they shall~~
1181 ~~be used to provide extra benefits.~~ Local law plans created by
1182 special act before May 27, 1939, shall be deemed to comply with
1183 this chapter. ~~For the purpose of this chapter, the term:~~

1184 (a) ~~"Additional premium tax revenues" means revenues~~
1185 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1186 ~~the amount received for calendar year 1997.~~

1187 (b) ~~"Extra benefits" means benefits in addition to or~~
1188 ~~greater than those provided to general employees of the~~
1189 ~~municipality and in addition to those in existence for police~~

2015172e1

1190 ~~officers on March 12, 1999.~~

1191 (3) A retirement plan or amendment to a retirement plan may
1192 not be proposed for adoption unless the proposed plan or
1193 amendment contains an actuarial estimate of the costs involved.
1194 Such proposed plan or proposed plan change may not be adopted
1195 without the approval of the municipality or, where required
1196 ~~permitted~~, the Legislature. Copies of the proposed plan or
1197 proposed plan change and the actuarial impact statement of the
1198 proposed plan or proposed plan change shall be furnished to the
1199 division before the last public hearing on the proposal is held
1200 ~~thereon~~. Such statement must also indicate whether the proposed
1201 plan or proposed plan change is in compliance with s. 14, Art. X
1202 of the State Constitution and those provisions of part VII of
1203 chapter 112 which are not expressly provided in this chapter.
1204 Notwithstanding any other provision, only those local law plans
1205 created by special act of legislation before May 27, 1939, are
1206 deemed to meet the minimum benefits and minimum standards only
1207 in this chapter.

1208 (4) Notwithstanding any other provision, with respect to
1209 any supplemental plan municipality:

1210 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and a
1211 local law plan and a supplemental plan may continue to use their
1212 definition of compensation or salary in existence on March 12,
1213 1999.

1214 (b) A local law plan and a supplemental plan must continue
1215 to be administered by a board or boards of trustees numbered,
1216 constituted, and selected as the board or boards were numbered,
1217 constituted, and selected on December 1, 2000.

1218 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~

2015172e1

1219 ~~have been made.~~

1220 (5) The retirement plan setting forth the benefits and the
1221 trust agreement, if any, covering the duties and
1222 responsibilities of the trustees and the regulations of the
1223 investment of funds must be in writing and copies made available
1224 to the participants and to the general public.

1225 (6) In addition to the defined benefit component of the
1226 local law plan, each plan sponsor must have a defined
1227 contribution plan component within the local law plan by October
1228 1, 2015, for noncollectively bargained service, upon entering
1229 into a collective bargaining agreement on or after July 1, 2015,
1230 or upon the creation date of a new participating plan. Depending
1231 upon the application of subsection (1), a defined contribution
1232 component may or may not receive any funding.

1233 (7) Notwithstanding any other provision of this chapter, a
1234 municipality that has implemented or proposed changes to a local
1235 law plan based on the municipality's reliance on an
1236 interpretation of this chapter by the Department of Management
1237 Services on or after August 14, 2012, and before March 3, 2015,
1238 may continue the implemented changes or continue to implement
1239 proposed changes. Such reliance must be evidenced by a written
1240 collective bargaining proposal or agreement, or formal
1241 correspondence between the municipality and the Department of
1242 Management Services which describes the specific changes to the
1243 local law plan, with the initial proposal, agreement, or
1244 correspondence from the municipality dated before March 3, 2015.
1245 Changes to the local law plan which are otherwise contrary to
1246 minimum benefits and minimum standards may continue in effect
1247 until the earlier of October 1, 2018, or the effective date of a

2015172e1

1248 collective bargaining agreement that is contrary to the changes
1249 to the local law plan.

1250 Section 15. The Legislature finds that a proper and
1251 legitimate state purpose is served when employees and retirees
1252 of this state and its political subdivisions, and the
1253 dependents, survivors, and beneficiaries of such employees and
1254 retirees, are extended the basic protections afforded by
1255 governmental retirement systems that provide fair and adequate
1256 benefits and that are managed, administered, and funded in an
1257 actuarially sound manner as required under s. 14, Article X of
1258 the State Constitution and part VII of chapter 112, Florida
1259 Statutes. Therefore, the Legislature determines and declares
1260 that this act fulfills an important state interest.

1261 Section 16. This act shall take effect July 1, 2015.