

1                                   A bill to be entitled  
 2           An act relating to the City of West Palm Beach, Palm  
 3           Beach County; amending ch. 24981 (1947), Laws of  
 4           Florida, as amended; increasing the amount of credited  
 5           service a member is entitled to each year; revising  
 6           the review procedures at a hearing for denial of  
 7           request for pension benefits; revising the assumed  
 8           investment rate of return percentage to conform to the  
 9           increase in the amount of credited service a member is  
 10          entitled to each year; providing an effective date.

11  
 12 Be It Enacted by the Legislature of the State of Florida:

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 14           Section 1. Paragraph (a) of subsection (5), paragraphs (c)  
 15           and (d) of subsection (15), and subsection (22) of section 17 of  
 16           chapter 24981 (1947), Laws of Florida, as amended by chapters  
 17           2015-195, 2014-238, and 2012-260, Laws of Florida, are amended  
 18           to read:

19           Section 17. West Palm Beach Firefighters Pension Fund.—

20           (5) Service pension.—

21           (a) Normal retirement.—

22           1. Any member who is actively employed on and after  
 23           October 1, 2003, excluding members in the DROP, who has attained  
 24           age 50 years and who has acquired 15 or more years of service  
 25           credit; who has attained age 55 years and who has acquired 10 or

26 | more years of service credit; or who has acquired 26 years of  
27 | service credit without regard to age shall, upon application  
28 | filed with the Board, be retired and shall be entitled to a  
29 | monthly pension for the remainder of his or her life.

30 |         2. The normal retirement benefit is calculated based upon  
31 | the sum of sub-subparagraphs a. and b. to a maximum of 92  
32 | percent of salary. However, in all cases, a member is entitled  
33 | to at least 2.75 ~~2~~ percent per year of credited service.

34 |             a. Effective on and after May 13, 2012, for all active  
35 | members who retire on or after May 13, 2012, and who are not  
36 | eligible for normal retirement as of May 13, 2012, the benefit  
37 | is equal to 3 percent of final average earnings times credited  
38 | service earned on and after May 13, 2012; and

39 |             b. Effective for service earned before May 13, 2012, for  
40 | retirements before May 13, 2012, or for members who are eligible  
41 | for normal retirement as of May 13, 2012, the benefit is equal  
42 | to 4 percent of final average salary times credited service.

43 |         3. The 3-percent benefit accrual factor in subparagraph 2.  
44 | is contingent on and subject to the adoption and maintenance of  
45 | the assumptions set forth in subsection (22). If such  
46 | assumptions are modified by legislative, judicial, or  
47 | administrative agency action, and the modification results in  
48 | increased City contributions to the Pension Fund, the 3-percent  
49 | accrual factor in subparagraph 2. shall be automatically  
50 | decreased prospectively, from the date of the action, to

51 completely offset the increase in City contributions. However,  
52 in no event shall the benefit accrual factor in subparagraph 2.  
53 be adjusted below 2.5 percent. To the extent that the benefit  
54 accrual factor is less than 3 percent, the supplemental pension  
55 distribution calculation under paragraph (d) shall be adjusted  
56 for employees who retire on or after October 1, 1998, and those  
57 employees who were members of the DROP on October 1, 1998. The  
58 adjustment shall be to decrease the minimum return of 8.25  
59 percent needed to afford the supplemental pension distribution,  
60 when the amount of the reduction is zero if an employee has been  
61 credited with 16 or more years with the 3-percent benefit  
62 accrual factor or 1.25 percent if an employee has been credited  
63 with no more than a 2.5-percent benefit accrual factor. If an  
64 employee has been credited with less than 16 years at the 3-  
65 percent benefit accrual factor, then the accumulated amount over  
66 2.5 percent for each year of service divided by .5 percent  
67 divided by 16 subtracted from 1 multiplied by 1.25 percent is  
68 the reduction from 8.25 percent. An example of the calculation  
69 of the minimum return for supplemental pension distribution as  
70 described above is set forth in Appendix B to the collective  
71 bargaining agreement between the City of West Palm Beach and the  
72 West Palm Beach Association of Firefighters, Local 727-IAFF,  
73 October 1, 2003-September 30, 2006.

74 (15) Review procedures.—

75 (c) The procedures at the hearing shall be as follows:

76 1. All parties shall have an opportunity to respond, to  
77 present physical and testimonial evidence and argument on all  
78 issues involved, to conduct cross-examination, to submit  
79 rebuttal evidence, and to be represented by counsel. Medical  
80 reports and depositions may be accepted in lieu of live  
81 testimony at the Board's discretion.

82 2. All witnesses shall be sworn.

83 3. The applicant and the Board shall have an opportunity  
84 to question all witnesses.

85 4. Formal rules of evidence and formal rules of civil  
86 procedure shall not apply. The proceedings shall comply with the  
87 essential requirements of due process and law.

88 5. The record in a case governed by this subsection shall  
89 consist only of:

90 a. A tape recording of the hearing, to be taped and  
91 maintained as part of the official files of the Board of  
92 Trustees by the pension's secretary or plan's administrator.

93 b. Evidence received or considered.

94 c. All notices, pleadings, motions, and intermediate  
95 rulings.

96 d. Any decisions, opinions, proposed or recommended  
97 orders, or reports by the Board of Trustees.

98 (d) Within a reasonable period ~~5 days~~ after the ~~first~~  
99 hearing, the Board shall take one of the following actions:

100           1. Grant the pension benefits by overturning the proposed  
101 order by a majority vote.

102           2. Deny the benefits and approve the proposed order as a  
103 final order after making any changes in the order the Board  
104 feels is necessary.

105           (22) Actuarial assumptions.—The following actuarial  
106 assumptions shall be used for all purposes in connection with  
107 this Fund, effective October 1, 1998: the assumed investment  
108 rate of return shall be 8.25 percent. Effective retroactively to  
109 October 1, 2018 ~~October 1, 2014~~, the assumed investment rate of  
110 return shall be 7.5 percent ~~8 percent~~. Due to the other  
111 assumption changes that were made at the same time as this  
112 reduction in the assumed rate of return, the City did not have  
113 an increase in City contributions as a result of the change of  
114 the assumed investment rate of return. Therefore, there was no  
115 change necessary to the 3-percent accrual factor in subsection  
116 (5) (a)2.

117           Section 2. This act shall take effect upon becoming a law.