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CS/CS/HB 901

2019 Legislature

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 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.

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 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

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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

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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:

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- 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:

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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.