

20111128er

1  
2 An act relating to public retirement plans; amending  
3 s. 112.63, F.S.; requiring plans to regularly disclose  
4 the plan's accrued benefits; amending s. 112.66, F.S.;  
5 providing for the calculation of local government  
6 retirement benefits after a certain date; providing a  
7 prohibition on the use of certain compensation for  
8 calculating retirement benefits; prohibiting the use  
9 of surpluses for expenses outside the plan;  
10 prohibiting a reduction in certain contributions to a  
11 plan; amending s. 112.665, F.S.; requiring the  
12 Department of Management Services to provide a fact  
13 sheet on each local plan; amending s. 175.032, F.S.;  
14 revising the definition of the term "compensation" or  
15 "salary" for purposes of firefighters' pensions;  
16 providing a prohibition on the use of certain  
17 compensation; amending s. 175.061, F.S.; authorizing a  
18 municipality to change the municipality's membership  
19 on the board of trustees operating its firefighters'  
20 pension plan under certain circumstances; amending s.  
21 175.091, F.S.; deleting a limitation on the  
22 justification for approving an increase in member  
23 contributions; amending s. 175.351, F.S.; revising a  
24 date relating to local law plans; conforming a cross-  
25 reference; amending s. 185.02, F.S.; revising the  
26 definition of the terms "compensation" and "salary"  
27 for purposes of police officers' pensions; providing a  
28 prohibition on the use of certain compensation for  
29 calculating retirement benefits; amending s. 185.05,

20111128er

30 F.S.; authorizing a municipality to change the  
31 municipality's membership on the board of trustees  
32 operating its police officers' pension plan under  
33 certain circumstances; amending s. 185.07, F.S.;  
34 deleting a limitation on the justification for  
35 approving an increase in member contributions;  
36 amending s. 185.35, F.S.; revising a date relating to  
37 local law plans; directing the Department of Financial  
38 Services to develop a plan for rating the financial  
39 strength of local government defined benefit plans;  
40 specifying factors for consideration; requiring  
41 certain entities to cooperate in providing data for  
42 the plan; requiring the department to submit the plan  
43 to the Governor, Chief Financial Officer, and  
44 Legislature by a certain date; creating the Task Force  
45 on Public Employee Disability Presumptions; providing  
46 for appointment and membership; specifying the issues  
47 for the task force to address; providing for a report  
48 to be submitted to the Governor, Chief Financial  
49 Officer, and Legislature by a certain date; providing  
50 for future dissolution; providing a declaration of  
51 important state interest; providing an effective date.

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

54  
55 Section 1. Present paragraph (f) of subsection (1) of  
56 section 112.63, Florida Statutes, is redesignated as paragraph  
57 (g), and a new paragraph (f) is added to that subsection, to  
58 read:

20111128er

59           112.63 Actuarial reports and statements of actuarial  
60 impact; review.—

61           (1) Each retirement system or plan subject to the  
62 provisions of this act shall have regularly scheduled actuarial  
63 reports prepared and certified by an enrolled actuary. The  
64 actuarial report shall consist of, but shall not be limited to,  
65 the following:

66           (f) A disclosure of the present value of the plan's accrued  
67 vested, nonvested, and total benefits, as adopted by the  
68 Financial Accounting Standards Board, using the Florida  
69 Retirement System's assumed rate of return, in order to promote  
70 the comparability of actuarial data between local plans.

71  
72 The actuarial cost methods utilized for establishing the amount  
73 of the annual actuarial normal cost to support the promised  
74 benefits shall only be those methods approved in the Employee  
75 Retirement Income Security Act of 1974 and as permitted under  
76 regulations prescribed by the Secretary of the Treasury.

77           Section 2. Subsections (11) through (13) are added to  
78 section 112.66, Florida Statutes, to read:

79           112.66 General provisions.—The following general provisions  
80 relating to the operation and administration of any retirement  
81 system or plan covered by this part shall be applicable:

82           (11) For noncollectively bargained service earned on or  
83 after July 1, 2011, or for service earned under collective  
84 bargaining agreements entered into on or after July 1, 2011,  
85 when calculating retirement benefits, a defined benefit pension  
86 system or plan sponsored by a local government may include up to  
87 300 hours per year of overtime compensation as specified in the

20111128er

88 plan or collective bargaining agreement, but may not include any  
89 payments for accrued unused sick leave or annual leave. For  
90 those members whose terms and conditions of employment are  
91 collectively bargained, this subsection is effective for the  
92 first agreement entered into on or after July 1, 2011. This  
93 subsection does not apply to state-administered retirement  
94 systems or plans.

95 (12) An actuarial or cash surplus in any system or plan may  
96 not be used for any expenses outside the plan.

97 (13) A local government sponsor of a retirement system or  
98 plan may not reduce contributions required to fund the normal  
99 cost. This subsection does not apply to state-administered  
100 retirement systems or plans.

101 Section 3. Present paragraphs (e) and (f) of subsection (1)  
102 of section 112.665, Florida Statutes, are redesignated as  
103 paragraphs (f) and (g), respectively, and a new paragraph (e) is  
104 added to that subsection, to read:

105 112.665 Duties of Department of Management Services.—

106 (1) The Department of Management Services shall:

107 (e) Provide a fact sheet for each participating local  
108 government defined benefit pension plan summarizing the plan's  
109 actuarial status. The fact sheet should provide a summary of the  
110 plan's most current actuarial data, minimum funding requirements  
111 as a percentage of pay, and a 5-year history of funded ratios.  
112 The fact sheet must include a brief explanation of each element  
113 in order to maximize the transparency of the local government  
114 plans. These documents shall be posted on the department's  
115 website. Plan sponsors that have websites must provide a link to  
116 the department's website.

20111128er

117 Section 4. Subsection (3) of section 175.032, Florida  
118 Statutes, is amended to read:

119 175.032 Definitions.—For any municipality, special fire  
120 control district, chapter plan, local law municipality, local  
121 law special fire control district, or local law plan under this  
122 chapter, the following words and phrases have the following  
123 meanings:

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

140 ~~(a) A retirement trust fund or plan may use a definition of~~  
141 ~~salary other than the definition in this subsection but only if~~  
142 ~~the monthly retirement income payable to each firefighter~~  
143 ~~covered by the retirement trust fund or plan, as determined~~  
144 ~~under s. 175.162(2) (a) and using such other definition, equals~~  
145 ~~or exceeds the monthly retirement income that would be payable~~

20111128er

146 ~~to each firefighter if his or her monthly retirement income were~~  
147 ~~determined under s. 175.162(2)(a) and using the definition in~~  
148 ~~this subsection.~~

149 (a)~~(b)~~ Any retirement trust fund or plan that ~~which now or~~  
150 ~~hereafter~~ meets the requirements of this chapter does ~~shall~~ not,  
151 solely by virtue of this subsection, reduce or diminish the  
152 monthly retirement income otherwise payable to each firefighter  
153 covered by the retirement trust fund or plan.

154 (b)~~(e)~~ The member's compensation or salary contributed as  
155 employee-elective salary reductions or deferrals to any salary  
156 reduction, deferred compensation, or tax-sheltered annuity  
157 program authorized under the Internal Revenue Code shall be  
158 deemed to be the compensation or salary the member would receive  
159 if he or she were not participating in such program and shall be  
160 treated as compensation for retirement purposes under this  
161 chapter.

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

20111128er

175 under the plan ~~as~~ in effect on July 1, 1993, which limitation  
176 shall be adjusted for changes in the cost of living since 1989  
177 in the manner provided by Internal Revenue Code s.  
178 401(a)(17) (1991).

179 Section 5. Paragraph (b) of subsection (1) of section  
180 175.061, Florida Statutes, is amended to read:

181 175.061 Board of trustees; members; terms of office;  
182 meetings; legal entity; costs; attorney's fees.—For any  
183 municipality, special fire control district, chapter plan, local  
184 law municipality, local law special fire control district, or  
185 local law plan under this chapter:

186 (1) In each municipality and in each special fire control  
187 district there is hereby created a board of trustees of the  
188 firefighters' pension trust fund, which shall be solely  
189 responsible for administering the trust fund. Effective October  
190 1, 1986, and thereafter:

191 (b) The membership of boards of trustees for local law  
192 plans shall be as follows:

193 1. If a municipality or special fire control district has a  
194 pension plan for firefighters only, the provisions of paragraph  
195 (a) ~~shall~~ apply.

196 2. If a municipality has a pension plan for firefighters  
197 and police officers, the provisions of paragraph (a) ~~shall~~  
198 apply, except that one member of the board must ~~shall~~ be a  
199 firefighter ~~as defined in s. 175.032~~ and one member of the board  
200 must ~~shall~~ be a police officer as defined in s. 185.02,  
201 respectively elected by a majority of the active firefighters or  
202 police officers who are members of the plan.

203 3. A ~~Any~~ board of trustees operating a local law plan on

20111128er

204 July 1, 1999, which is combined with a plan for general  
205 employees shall hold an election of the firefighters, or  
206 firefighters and police officers, if included, to determine  
207 whether a plan is to be established for firefighters only, or  
208 for firefighters and police officers where included. Based on  
209 the election results, a new board shall be established as  
210 provided in subparagraph 1. or subparagraph 2., as appropriate.  
211 The municipality or fire control district shall enact an  
212 ordinance or resolution to implement the new board by October 1,  
213 1999. The newly established board shall take whatever action is  
214 necessary to determine the amount of assets ~~which is~~  
215 attributable to firefighters, or firefighters and police  
216 officers where included. Such assets ~~shall~~ include all employer,  
217 employee, and state contributions made by or on behalf of  
218 firefighters, or firefighters and police officers where  
219 included, and any investment income derived from such  
220 contributions. All such moneys shall be transferred into the  
221 newly established retirement plan, as directed by the board.

222  
223 With respect to a any board of trustees operating a local law  
224 plan on June 30, 1986, ~~nothing in this paragraph~~ does not shall  
225 permit the reduction of the membership percentage of  
226 firefighters, or of firefighters and police officers where a  
227 joint or mixed fund exists. However, for the sole purpose of  
228 changing municipal representation, a municipality may by  
229 ordinance change the municipal representation on the board of  
230 trustees operating a local law plan by ordinance, only if such  
231 change does not reduce the membership percentage of  
232 firefighters, or firefighters and police officers, or the

20111128er

233 membership percentage of the municipal representation.

234 Section 6. Paragraph (b) of subsection (2) of section  
235 175.091, Florida Statutes, is amended to read:

236 175.091 Creation and maintenance of fund.—For any  
237 municipality, special fire control district, chapter plan, local  
238 law municipality, local law special fire control district, or  
239 local law plan under this chapter:

240 (2) Member contribution rates may be adjusted as follows:

241 (b) Firefighter member contributions may be increased by  
242 consent of the members' collective bargaining representative or,  
243 if none, by majority consent of firefighter members of the fund  
244 ~~to provide greater benefits.~~

245  
246 Nothing in this section shall be construed to require adjustment  
247 of member contribution rates in effect on the date this act  
248 becomes a law, including rates that exceed 5 percent of salary,  
249 provided that such rates are at least one-half of 1 percent of  
250 salary.

251 Section 7. Section 175.351, Florida Statutes, is amended to  
252 read:

253 175.351 Municipalities and special fire control districts  
254 having their own pension plans for firefighters.—For any  
255 municipality, special fire control district, local law  
256 municipality, local law special fire control district, or local  
257 law plan under this chapter, in order for municipalities and  
258 special fire control districts with their own pension plans for  
259 firefighters, or for firefighters and police officers if, where  
260 included, to participate in the distribution of the tax fund  
261 established pursuant to s. 175.101, local law plans must meet

20111128er

262 the minimum benefits and minimum standards set forth in this  
263 chapter.

264 (1) ~~PREMIUM TAX INCOME.~~ If a municipality has a pension  
265 plan for firefighters, or a pension plan for firefighters and  
266 police officers if, ~~where~~ included, which in the opinion of the  
267 division meets the minimum benefits and minimum standards set  
268 forth in this chapter, the board of trustees of the pension  
269 plan, as approved by a majority of firefighters of the  
270 municipality, may:

271 (a) Place the income from the premium tax in s. 175.101 in  
272 such pension plan for the sole and exclusive use of its  
273 firefighters, or for firefighters and police officers if, ~~where~~  
274 included, where it shall become an integral part of that pension  
275 plan and shall be used to pay extra benefits to the firefighters  
276 included in that pension plan; or

277 (b) Place the income from the premium tax in s. 175.101 in  
278 a separate supplemental plan to pay extra benefits to  
279 firefighters, or to firefighters and police officers if ~~where~~  
280 included, participating in such separate supplemental plan.

281 (2) The premium tax provided by this chapter shall in all  
282 cases be used in its entirety to provide extra benefits to  
283 firefighters, or to firefighters and police officers if, ~~where~~  
284 included. However, local law plans in effect on October 1, 1998,  
285 must ~~shall be required to~~ comply with the minimum benefit  
286 provisions of this chapter only to the extent that additional  
287 premium tax revenues become available to incrementally fund the  
288 cost of such compliance as provided in s. 175.162(2)(a). If ~~When~~  
289 a plan is in compliance with such minimum benefit provisions, as  
290 subsequent additional premium tax revenues become available,

20111128er

291 they must ~~shall~~ be used to provide extra benefits. Local law  
292 plans created by special act before May 27, 1939, are deemed to  
293 comply with this chapter. For the purpose of this chapter, the  
294 term:

295 (a) "Additional premium tax revenues" means revenues  
296 received by a municipality or special fire control district  
297 pursuant to s. 175.121 which exceed that amount received for  
298 calendar year 1997., ~~and the term~~

299 (b) "Extra benefits" means benefits in addition to or  
300 greater than those provided to general employees of the  
301 municipality and in addition to those in existence for  
302 firefighters on March 12, 1999. ~~Local law plans created by~~  
303 ~~special act before May 23, 1939, shall be deemed to comply with~~  
304 ~~this chapter.~~

305 (3) ~~(2)~~ A ~~ADOPTION OR REVISION OF A LOCAL LAW PLAN.~~ ~~No~~  
306 retirement plan or amendment to a retirement plan may not ~~shall~~  
307 be proposed for adoption unless the proposed plan or amendment  
308 contains an actuarial estimate of the costs involved. ~~No~~ Such  
309 proposed plan or proposed plan change may not ~~shall~~ be adopted  
310 without the approval of the municipality, special fire control  
311 district, or, where permitted, the Legislature. Copies of the  
312 proposed plan or proposed plan change and the actuarial impact  
313 statement of the proposed plan or proposed plan change shall be  
314 furnished to the division before ~~prior to~~ the last public  
315 hearing thereon. Such statement must ~~shall~~ also indicate whether  
316 the proposed plan or proposed plan change is in compliance with  
317 s. 14, Art. X of the State Constitution and those provisions of  
318 part VII of chapter 112 which are not expressly provided in this  
319 chapter. Notwithstanding any other provision, only those local

20111128er

320 law plans created by special act of legislation before ~~prior to~~  
321 May 27 ~~23~~, 1939, are ~~shall be~~ deemed to meet the minimum  
322 benefits and minimum standards only in this chapter.

323 (4) ~~(3)~~ Notwithstanding any other provision, with respect to  
324 any supplemental plan municipality:

325 (a) ~~Section 175.032(3)(a) shall not apply,~~ and A local law  
326 plan and a supplemental plan may continue to use their  
327 definition of compensation or salary in existence on March 12,  
328 1999 ~~the effective date of this act.~~

329 (b) Section 175.061(1)(b) does ~~shall~~ not apply, and a local  
330 law plan and a supplemental plan shall continue to be  
331 administered by a board or boards of trustees numbered,  
332 constituted, and selected as the board or boards were numbered,  
333 constituted, and selected on December 1, 2000.

334 (c) The election set forth in paragraph (1)(b) is ~~shall be~~  
335 deemed to have been made.

336 (5) ~~(4)~~ The retirement plan setting forth the benefits and  
337 the trust agreement, if any, covering the duties and  
338 responsibilities of the trustees and the regulations of the  
339 investment of funds must be in writing, and copies ~~thereof must~~  
340 ~~be~~ made available to the participants and to the general public.

341 Section 8. Subsection (4) of section 185.02, Florida  
342 Statutes, is amended to read:

343 185.02 Definitions.—For any municipality, chapter plan,  
344 local law municipality, or local law plan under this chapter,  
345 the following words and phrases as used in this chapter shall  
346 have the following meanings, unless a different meaning is  
347 plainly required by the context:

348 (4) "Compensation" or "salary" means, for noncollectively

20111128er

349 bargained service earned before July 1, 2011, or for service  
350 earned under collective bargaining agreements in place before  
351 July 1, 2011, the total cash remuneration including "overtime"  
352 paid by the primary employer to a police officer for services  
353 rendered, but not including any payments for extra duty or a  
354 special detail work performed on behalf of a second party  
355 employer. ~~However,~~ A local law plan may limit the amount of  
356 overtime payments which can be used for retirement benefit  
357 calculation purposes; however, ~~but in no event shall~~ such  
358 overtime limit may not be less than 300 hours per officer per  
359 calendar year. For noncollectively bargained service earned on  
360 or after July 1, 2011, or for service earned under collective  
361 bargaining agreements entered into on or after July 1, 2011, the  
362 term has the same meaning except that when calculating  
363 retirement benefits, up to 300 hours per year in overtime  
364 compensation may be included as specified in the plan or  
365 collective bargaining agreement, but payments for accrued unused  
366 sick or annual leave may not be included.

367 (a) Any retirement trust fund or plan that ~~which now or~~  
368 ~~hereafter~~ meets the requirements of this chapter does ~~shall~~ not,  
369 solely by virtue of this subsection, reduce or diminish the  
370 monthly retirement income otherwise payable to each police  
371 officer covered by the retirement trust fund or plan.

372 (b) The member's compensation or salary contributed as  
373 employee-elective salary reductions or deferrals to any salary  
374 reduction, deferred compensation, or tax-sheltered annuity  
375 program authorized under the Internal Revenue Code shall be  
376 deemed to be the compensation or salary the member would receive  
377 if he or she were not participating in such program and shall be

20111128er

378 treated as compensation for retirement purposes under this  
379 chapter.

380 (c) For any person who first becomes a member in any plan  
381 year beginning on or after January 1, 1996, compensation for  
382 that any plan year may ~~shall~~ not include any amounts in excess  
383 of the Internal Revenue Code s. 401(a)(17) limitation, ~~(as~~  
384 ~~amended by the Omnibus Budget Reconciliation Act of 1993),~~ which  
385 limitation of \$150,000 shall be adjusted as required by federal  
386 law for qualified government plans and shall be further adjusted  
387 for changes in the cost of living in the manner provided by  
388 Internal Revenue Code s. 401(a)(17)(B). For any person who first  
389 became a member before ~~prior to~~ the first plan year beginning on  
390 or after January 1, 1996, the limitation on compensation may  
391 ~~shall be~~ not be less than the maximum compensation amount that  
392 was allowed to be taken into account under the plan as in effect  
393 on July 1, 1993, which limitation shall be adjusted for changes  
394 in the cost of living since 1989 in the manner provided by  
395 Internal Revenue Code s. 401(a)(17)(1991).

396 Section 9. Paragraph (b) of subsection (1) of section  
397 185.05, Florida Statutes, is amended to read:

398 185.05 Board of trustees; members; terms of office;  
399 meetings; legal entity; costs; attorney's fees.—For any  
400 municipality, chapter plan, local law municipality, or local law  
401 plan under this chapter:

402 (1) In each municipality described in s. 185.03 there is  
403 hereby created a board of trustees of the municipal police  
404 officers' retirement trust fund, which shall be solely  
405 responsible for administering the trust fund. Effective October  
406 1, 1986, and thereafter:

20111128er

407 (b) The membership of boards of trustees for local law  
408 plans is ~~shall be~~ as follows:

409 1. If a municipality has a pension plan for police officers  
410 only, the provisions of paragraph (a) shall apply.

411 2. If a municipality has a pension plan for police officers  
412 and firefighters, the provisions of paragraph (a) ~~shall~~ apply,  
413 except that one member of the board shall be a police officer ~~as~~  
414 ~~defined in s. 185.02~~ and one member shall be a firefighter as  
415 defined in s. 175.032, respectively, elected by a majority of  
416 the active firefighters and police officers who are members of  
417 the plan.

418 3. Any board of trustees operating a local law plan on July  
419 1, 1999, which is combined with a plan for general employees  
420 shall hold an election of the police officers, or police  
421 officers and firefighters if included, to determine whether a  
422 plan is to be established for police officers only, or for  
423 police officers and firefighters where included. Based on the  
424 election results, a new board shall be established as provided  
425 in subparagraph 1. or subparagraph 2., as appropriate. The  
426 municipality shall enact an ordinance to implement the new board  
427 by October 1, 1999. The newly established board shall take  
428 whatever action is necessary to determine the amount of assets  
429 which is attributable to police officers, or police officers and  
430 firefighters where included. Such assets shall include all  
431 employer, employee, and state contributions made by or on behalf  
432 of police officers, or police officers and firefighters where  
433 included, and any investment income derived from such  
434 contributions. All such moneys shall be transferred into the  
435 newly established retirement plan, as directed by the board.

20111128er

436  
437 With respect to any board of trustees operating a local law plan  
438 on June 30, 1986, ~~nothing in this paragraph~~ does not shall  
439 permit the reduction of the membership percentage of police  
440 officers or police officers and firefighters. However, for the  
441 sole purpose of changing municipal representation, a  
442 municipality may by ordinance change the municipal  
443 representation on the board of trustees operating a local law  
444 plan by ordinance, only if such change does not reduce the  
445 membership percentage of police officers, or police officers and  
446 firefighters, or the membership percentage of the municipal  
447 representation.

448 Section 10. Paragraph (b) of subsection (2) of section  
449 185.07, Florida Statutes, is amended to read:

450 185.07 Creation and maintenance of fund.—For any  
451 municipality, chapter plan, local law municipality, or local law  
452 plan under this chapter:

453 (2) Member contribution rates may be adjusted as follows:

454 (b) Police officer member contributions may be increased by  
455 consent of the members' collective bargaining representative or,  
456 if none, by majority consent of police officer members of the  
457 fund ~~to provide greater benefits.~~

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

464 Section 11. Section 185.35, Florida Statutes, is amended to

20111128er

465 read:

466 185.35 Municipalities having their own pension plans for  
467 police officers.—For any municipality, chapter plan, local law  
468 municipality, or local law plan under this chapter, in order for  
469 municipalities with their own pension plans for police officers,  
470 or for police officers and firefighters if ~~where~~ included, to  
471 participate in the distribution of the tax fund established  
472 pursuant to s. 185.08, local law plans must meet the minimum  
473 benefits and minimum standards set forth in this chapter:

474 (1) ~~PREMIUM TAX INCOME.~~—If a municipality has a pension  
475 plan for police officers, or for police officers and  
476 firefighters if ~~where~~ included, which, in the opinion of the  
477 division, meets the minimum benefits and minimum standards set  
478 forth in this chapter, the board of trustees of the pension  
479 plan, as approved by a majority of police officers of the  
480 municipality, may:

481 (a) Place the income from the premium tax in s. 185.08 in  
482 such pension plan for the sole and exclusive use of its police  
483 officers, or its police officers and firefighters if ~~where~~  
484 included, where it shall become an integral part of that pension  
485 plan and shall be used to pay extra benefits to the police  
486 officers included in that pension plan; or

487 (b) May place the income from the premium tax in s. 185.08  
488 in a separate supplemental plan to pay extra benefits to the  
489 police officers, or police officers and firefighters if ~~where~~  
490 included, participating in such separate supplemental plan.

491 (2) The premium tax provided by this chapter shall in all  
492 cases be used in its entirety to provide extra benefits to  
493 police officers, or to police officers and firefighters if,

20111128er

494 ~~where~~ included. However, local law plans in effect on October 1,  
495 1998, must ~~shall be required to~~ comply with the minimum benefit  
496 provisions of this chapter only to the extent that additional  
497 premium tax revenues become available to incrementally fund the  
498 cost of such compliance as provided in s. 185.16(2). ~~If~~ When a  
499 plan is in compliance with such minimum benefit provisions, as  
500 subsequent additional tax revenues become available, they shall  
501 be used to provide extra benefits. Local law plans created by  
502 special act before May 27, 1939, shall be deemed to comply with  
503 this chapter. For the purpose of this chapter, the term:

504 (a) "Additional premium tax revenues" means revenues  
505 received by a municipality pursuant to s. 185.10 which exceed  
506 the amount received for calendar year 1997., ~~and the term~~

507 (b) "Extra benefits" means benefits in addition to or  
508 greater than those provided to general employees of the  
509 municipality and in addition to those in existence for police  
510 officers on March 12, 1999. ~~Local law plans created by special~~  
511 ~~act before May 23, 1939, shall be deemed to comply with this~~  
512 ~~chapter.~~

513 ~~(3)-(2) A ADOPTION OR REVISION OF A LOCAL LAW PLAN. No~~  
514 retirement plan or amendment to a retirement plan may not ~~shall~~  
515 be proposed for adoption unless the proposed plan or amendment  
516 contains an actuarial estimate of the costs involved. ~~No~~ Such  
517 proposed plan or proposed plan change may not ~~shall~~ be adopted  
518 without the approval of the municipality or, where permitted,  
519 the Legislature. Copies of the proposed plan or proposed plan  
520 change and the actuarial impact statement of the proposed plan  
521 or proposed plan change shall be furnished to the division  
522 before ~~prior to~~ the last public hearing thereon. Such statement

20111128er

523 must ~~shall~~ also indicate whether the proposed plan or proposed  
524 plan change is in compliance with s. 14, Art. X of the State  
525 Constitution and those provisions of part VII of chapter 112  
526 which are not expressly provided in this chapter.  
527 Notwithstanding any other provision, only those local law plans  
528 created by special act of legislation before ~~prior to~~ May 27 ~~23~~,  
529 1939, are ~~shall be~~ deemed to meet the minimum benefits and  
530 minimum standards only in this chapter.

531 (4) ~~(3)~~ Notwithstanding any other provision, with respect to  
532 any supplemental plan municipality:

533 (a) Section 185.02(4)(a) does ~~shall~~ not apply, and a local  
534 law plan and a supplemental plan may continue to use their  
535 definition of compensation or salary in existence on March 12,  
536 1999 ~~the effective date of this act.~~

537 ~~(b) Section 185.05(1)(b) shall not apply, and~~ A local law  
538 plan and a supplemental plan must ~~shall~~ continue to be  
539 administered by a board or boards of trustees numbered,  
540 constituted, and selected as the board or boards were numbered,  
541 constituted, and selected on December 1, 2000.

542 (c) The election set forth in paragraph (1)(b) is ~~shall be~~  
543 deemed to have been made.

544 (5) ~~(4)~~ The retirement plan setting forth the benefits and  
545 the trust agreement, if any, covering the duties and  
546 responsibilities of the trustees and the regulations of the  
547 investment of funds must be in writing and copies made available  
548 to the participants and to the general public.

549 Section 12. Financial rating of local pension plans.—The  
550 Department of Management Services shall develop a plan for  
551 creating standardized ratings for classifying the financial

20111128er

552 strength of all local government defined benefit pension plans.

553 (1) In developing the plan, the department shall consider,  
554 without limitation:

555 (a) The plan's current and future unfunded liabilities.

556 (b) The plan's net asset value, managed returns, and funded  
557 ratio.

558 (c) Metrics related to the sustainability of the plan,  
559 including, but not limited to, the percentage that the annual  
560 contribution is of the participating employee payroll.

561 (d) Municipal bond ratings for the local government, if  
562 applicable.

563 (e) Whether the local government has reduced contribution  
564 rates to the plan when the plan has an actuarial surplus.

565 (f) Whether the local government uses any actuarial surplus  
566 in the plan for obligations outside the plan.

567 (2) The department may obtain data, information, and  
568 assistance from state agencies, local governments, or political  
569 subdivisions thereof, which shall provide the department with  
570 all relevant information and assistance on any matter within  
571 their knowledge or control.

572 (3) The department shall submit the plan, plus any related  
573 findings and recommendations, to the Governor, the Chief  
574 Financial Officer, the President of the Senate, and the Speaker  
575 of the House of Representatives by January 1, 2012. The report  
576 must also include specific recommendations for legislative  
577 action during the 2012 Regular Session of the Legislature.

578 Section 13. Task Force on Public Employee Disability  
579 Presumptions.-

580 (1) The Task Force on Public Employee Disability

20111128er

581 Presumptions is created for the purpose of developing findings  
582 and issuing recommendations on the disability presumptions in  
583 ss. 112.18, 175.231, and 185.34, Florida Statutes.

584 (2) All members of the task force shall be appointed on or  
585 before July 15, 2011, and the task force shall hold its first  
586 meeting on or before August 15, 2011. The task force shall be  
587 composed of eight members as follows:

588 (a) Three members appointed by the President of the Senate,  
589 one of whom must be an attorney who primarily represents  
590 plaintiffs and has experience in the relevant laws, one of whom  
591 must be a representative of organized labor and a member of a  
592 pension plan under chapter 175, Florida Statutes, and one of  
593 whom must be from the Florida Association of Counties.

594 (b) Three members appointed by the Speaker of the House of  
595 Representatives, one of whom must be an attorney who primarily  
596 represents defendants and has experience in the relevant laws,  
597 one of whom must be a representative of organized labor and a  
598 member of a pension plan under chapter 185, Florida Statutes,  
599 and one of whom must be from the Florida League of Cities.

600 (c) A member employed by the Division of Retirement of the  
601 Department of Management Services who has experience in local  
602 government pension plans, appointed by the Governor.

603 (d) A member employed by the Department of Financial  
604 Services who has relevant expertise in state risk management,  
605 appointed by the Chief Financial Officer.

606 (3) The task force shall address issues, including, but not  
607 limited to:

608 (a) Data related to the operation of the statutory  
609 disability presumptions, and the fiscal impact on public

20111128er

610 employers in the areas of pensions and workers' compensation.

611 (b) The manner in which other states handle disability  
612 presumptions, and the fiscal impact on public employers.

613 (c) Proposals for changes to the existing disability  
614 presumptions.

615 (d) Evidentiary standards and burdens of proof for  
616 overcoming statutory disability presumptions, and whether  
617 consideration of risk factors and epidemiological data relating  
618 to nonwork-related conditions unique to an individual employee,  
619 such as blood cholesterol, body mass index, history of tobacco  
620 and alcohol use, and other medical conditions or behaviors that  
621 are associated with the diseases or conditions listed in  
622 disability presumptions, are appropriate for consideration.

623 (4) The Department of Financial Services shall provide  
624 administrative support to the task force.

625 (5) Members of the task force shall serve without  
626 compensation while in the performance of their duties, but are  
627 entitled to reimbursement for per diem and travel expenses in  
628 accordance with s. 112.061, Florida Statutes.

629 (6) The task force may obtain data, information, and  
630 assistance from any state agency, local government, or any  
631 political subdivision thereof, which shall provide the task  
632 force with all relevant information and assistance on any matter  
633 within their knowledge or control.

634 (7) The task force shall submit a report, including  
635 findings and recommendations, to the Governor, the Chief  
636 Financial Officer, the President of the Senate, and the Speaker  
637 of the House of Representatives by January 1, 2012. The report  
638 must include specific recommendations for legislative action

20111128er

639 during the 2012 Regular Session of the Legislature.

640 (8) The task force is dissolved upon submission of its  
641 report.

642 Section 14. The Legislature finds that a proper and  
643 legitimate state purpose is served when employees and retirees  
644 of the state and of its political subdivisions, and the  
645 dependents, survivors, and beneficiaries of those employees and  
646 retirees, are extended the basic protections afforded by  
647 governmental retirement systems that provide fair and adequate  
648 benefits and that are managed, administered, and funded in an  
649 actuarially sound manner as required by s. 14, Article X of the  
650 State Constitution and part VII of chapter 112, Florida  
651 Statutes. Therefore, the Legislature determines and declares  
652 that this act fulfills an important state interest.

653 Section 15. This act shall take effect July 1, 2011.