

By Representatives Maygarden, Ritchie, Burroughs, Melvin  
and Peadar

1                                   A bill to be entitled  
2           An act relating to the General Pension and  
3           Retirement Fund of the City of Pensacola,  
4           Escambia County; amending chapter 61-2655, Laws  
5           of Florida, as amended; providing for  
6           membership requirements; repealing section  
7           3(b), (c), (d), (e), and (f), chapter 61-2655,  
8           Laws of Florida, as amended, relating to  
9           contributions to the fund by employees and the  
10          city; providing for a deferred retirement  
11          option plan; providing for buy back of prior  
12          service; providing for investment authority;  
13          permitting the board of trustees and City of  
14          Pensacola to contract with investment banks;  
15          providing for multiple plan participant;  
16          providing for exclusion of any officer or  
17          employee of the police department hired on or  
18          after October 1, 1979, who is eligible to  
19          participate in the Police Officer's Retirement  
20          Fund; providing for authority to allow  
21          additional members into the General Pension and  
22          Retirement Fund, credit for prior service, and  
23          allowing transfers to the General Pension and  
24          Retirement Fund from other qualified retirement  
25          plans; providing provisions for repeal of  
26          conflicting laws; providing an effective date.

27  
28   Be It Enacted by the Legislature of the State of Florida:

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30           Section 1.   Subsection (a) of section 3 of chapter  
31   61-2655, Laws of Florida, as amended, is amended to read:

1           Section 3. ~~(a)~~ All regular nonseasonal civil service  
2 employees of the City of Pensacola are and shall automatically  
3 become, upon employment, members of the general pension system  
4 of the City of Pensacola, except members of the fire  
5 department of the said city who are covered and included under  
6 the firemen's relief and pension fund and any officer or  
7 employee of the police department hired on or after October 1,  
8 1979, who is eligible to participate in the Police Officer's  
9 Retirement Fund of the City of Pensacola. ~~In addition thereto,~~  
10 ~~all employees of any board or commission established by the~~  
11 ~~city of Pensacola, and all regularly elected or appointed~~  
12 ~~officers of the city under the age of seventy (70) years upon~~  
13 ~~the effective date of this act, excluding only the employees~~  
14 ~~of persons contracting for the performance of services and the~~  
15 ~~conduct of the affairs of the city, and employees of boards or~~  
16 ~~organizations supported only in part by city funds, shall~~  
17 ~~become members of the pension system and shall be entitled to~~  
18 ~~a pension from the City of Pensacola and to retirement~~  
19 ~~compensation according to the schedules hereinafter set forth;~~  
20 ~~provided, however, that any person within the above classes~~  
21 ~~presently in the service of the city and who has not~~  
22 ~~heretofore participated in the general pension and retirement~~  
23 ~~fund, shall be eligible to the right and privilege thereof, by~~  
24 ~~so evidencing his desire and willingness in writing, directed~~  
25 ~~to both the City of Pensacola and the pension board, or such~~  
26 ~~board as may hereafter be designated, accepting the provisions~~  
27 ~~and terms of this act.~~

28           Section 2. Subsections (b), (c), (d), (e), and (f) of  
29 section 3 of chapter 61-2655, Laws of Florida, as amended, are  
30 hereby repealed.

31

1           Section 3. Section 4A of chapter 61-2655, Laws of  
2 Florida, as amended, is created to read:

3           Section 4A. Deferred retirement option plan.--The City  
4 of Pensacola, by ordinance, may permit members of the General  
5 Pension and Retirement Fund who are eligible to retire and to  
6 receive retirement benefits to remain in the active service of  
7 the city until a contractually fixed termination date and to  
8 have accumulated for the employee's account from the date the  
9 contract is made all benefits which the employee would be  
10 eligible to begin receiving on that date and to have those  
11 accumulated benefits held for the benefit of the employee  
12 until the employee separates from active service. Such  
13 ordinance may provide for forfeiture of the accumulated  
14 benefits or other penalty if the employee does not comply with  
15 the contract. However, if the employee complies in all  
16 respects with the terms of the contract, the employee shall  
17 receive all retirement benefits the employee would be entitled  
18 to under this act upon the employee's actual retirement from  
19 the active service of the city.

20           Section 4. Subsection (a) of section 5 of chapter  
21 61-2655, Laws of Florida, as amended, is amended to read:

22           Section 5. (a) Any employee, subject to the  
23 jurisdiction of the civil service board of the City of  
24 Pensacola, and any employee or appointee not subject to the  
25 jurisdiction of the civil service board, now or hereafter  
26 employed who upon the effective date of this act or  
27 thereafter, shall have attained the age of fifty-five (55)  
28 years, and shall have served as a duly appointed and enrolled  
29 employee or appointee for a period of at least twenty (20)  
30 years, in any capacity or rank whatsoever, preceding the date  
31 of his application for retirement, may apply for and be

1 entitled to benefits under the provisions of this act.  
2 Provided that any period of military or naval service,  
3 voluntary or compulsory or other compulsory national service  
4 in time of war or was or within one year after cessation of  
5 hostilities by armistice or otherwise, shall as to any person  
6 who left service of the city engaged therein, be deemed  
7 equivalent to a like period of actual service in the  
8 employment of the city for the purpose of securing such  
9 benefits, provided further that no person not at the effective  
10 date of this act employed, shall become entitled to such  
11 benefits because of previous employment either alone or in  
12 conjunction with subsequent employment. Provided, further,  
13 that any employee who shall be laid off because of reduction  
14 of force or other cause not of his own doing or who has been  
15 separated from employment, hereinafter referred to as  
16 nonemployment, with the city for any reason, except for  
17 retirement,and who shall elect not to withdraw his  
18 contribution to the said fund or to return it if theretofore  
19 withdrawn, shall be entitled to have the period of his service  
20 prior to such event layoff added to his subsequent service for  
21 the purpose of computing the period of service required by  
22 this act, but he shall not be entitled in such computation to  
23 the benefits of such period of layoff or period of  
24 nonemployment. ~~Provided further that~~ If such laid off or  
25 nonemployment employee withdraws his contributions to the said  
26 fund and elects to return the funds at the beginning of  
27 subsequent service, he shall have six (6) months from the  
28 effective date of this amendment to this act or from the  
29 beginning date of subsequent service, whichever is later,to  
30 repay the funds at eight (8) percent interest compounded  
31 annually from the date of withdrawal. Provided further, that

1 any employee who is reemployed and who has never been a member  
2 of the General Pension and Retirement Fund, except a retiree  
3 of the City of Pensacola, may elect to have the period of the  
4 employee's prior service added to the employee's subsequent  
5 service for the purpose of computing the period of service  
6 under this act, but the employee shall not be entitled in such  
7 computation to the benefits of such period of layoff or period  
8 of nonemployment. The employee shall have 6 months from the  
9 date of an enabling ordinance by the City of Pensacola to pay  
10 an amount determined by the plan administrator to be  
11 sufficient to cover such period of prior service at 8 percent  
12 interest compounded annually. Provided further that in the  
13 event such layoff period or period of nonemployment shall  
14 extend for more than ten (10) years, then such laid off  
15 employee or nonemployment employee shall be entitled only to a  
16 refund of his own contributions, and not to any pension or  
17 benefits hereunder. And provided further, if any employee  
18 shall after serving for a period of ten (10) years, cease to  
19 be such employee for any cause, except discharge for cause by  
20 the civil service board, and shall not make withdrawal of  
21 funds from the General Pension and Retirement Fund, he shall  
22 be eligible to receive a pension after attaining the age of  
23 sixty (60) years, or shall become disabled, in the amount set  
24 forth in this act, based upon his years of actual service. It  
25 is the intention herein that said employee or appointee shall  
26 have a vested interest and vested right to said pension except  
27 upon discharge for cause by the civil service board of said  
28 city. It is the further intention herein that an employee  
29 voluntarily leaving the service of the city as hereinabove  
30 provided must have served a period of not less than ten (10)  
31 calendar years in order to obtain a vested interest and vested

1 right to pension benefits. A major fraction of a year shall  
2 not be computed as a whole year for the purpose of vesting  
3 rights.

4 Section 5. Section 17 of chapter 61-2655, Laws of  
5 Florida, as amended, is amended to read:

6 Section 17. (a) The pension board shall have the  
7 power and authority to invest and reinvest the assets of the  
8 General Pension and Retirement Fund in:

9 (1) Time or savings accounts of a national bank, a  
10 state bank insured by the Federal Deposit Insurance  
11 Corporation, or a savings and loan association insured by the  
12 Federal Savings and Loan Insurance Corporation.

13 (2) Obligations of the United States or in obligations  
14 guaranteed as to principal and interest by the United States.

15 (3) Obligations of municipal authority issued pursuant  
16 to the laws of this state; however, for each of the 5 years  
17 next preceding the date of investment, the income of such  
18 authority available for fixed charges shall have been not less  
19 than one and one-half times its average annual fixed-charges  
20 requirement over the life of its obligations.

21 (4) Bonds, stocks, or other evidences of indebtedness  
22 issued or guaranteed by a corporation organized under the laws  
23 of the United States, and state, or organized territory of the  
24 United States or the District of Columbia; provided, the board  
25 of trustees shall not invest more than 5 percent of its assets  
26 in the common stock or capital stock of any one issuing  
27 company, nor shall the aggregate investment in any one issuing  
28 company exceed 5 percent of the outstanding capital stock of  
29 the company, nor shall the aggregate of the market value of  
30 its investments in common stocks exceed 75 percent of the  
31 assets of the fund, nor shall the aggregate market value of

1 its investments in all corporate securities exceed 80 percent  
2 of the assets of the fund.

3 (5) Commingled bank and insurance company temporary  
4 investment, stock, and bond funds without regard to the  
5 quality restrictions for individual securities contained in  
6 paragraph (4).

7 (6) Commingled bank and insurance company real estate  
8 funds up to the maximum of 15 percent of assets at market  
9 value. Direct ownership and operation of real estate  
10 properties is prohibited.

11 (7) Guaranteed insurance contracts.

12 (8) Foreign securities, provided that the aggregate  
13 market value of such investments does not exceed 25 percent of  
14 the assets of the fund.

15 (b) To the extent of any conflict, the investment  
16 authority granted in subsection (a) supersedes the investment  
17 authority as provided for in chapter 69-1469, Laws of Florida,  
18 as amended.

19 ~~(a) Obligations of the United States or in obligations~~  
20 ~~guaranteed as to principal and interest by the United States.~~

21 ~~(b) Shares of any Florida building and loan~~  
22 ~~association which is a member of the Federal Home Loan Bank~~  
23 ~~system.~~

24 ~~(c) Time accounts of a national bank, a state bank~~  
25 ~~insured by the Federal Deposit Insurance Corporation, or a~~  
26 ~~savings and loan association insured by the Federal Savings~~  
27 ~~and Loan Insurance Corporation.~~

28 ~~(d) Special assessments of the City of Pensacola when~~  
29 ~~made available by proper authority, and further provided the~~  
30 ~~city council of the city will repurchase said special~~  
31 ~~assessment certificates for the balance of principal due~~

1 ~~thereon plus accrued interest at the discretion of the pension~~  
2 ~~board.~~

3 ~~(e) Annuity and life insurance contracts of life~~  
4 ~~insurance companies in amounts sufficient to provide, in whole~~  
5 ~~or in part, the benefits to which all the participants in the~~  
6 ~~general pension and retirement fund shall be entitled under~~  
7 ~~the provisions herein stated and pay the initial and~~  
8 ~~subsequent premiums thereon.~~

9 ~~(f) Industrial bonds specified in chapter 158, Florida~~  
10 ~~Statutes; provided that no more than forty per cent (40%) of~~  
11 ~~the then book value of the fund may be so invested. The city~~  
12 ~~clerk shall be the custodian of such securities and the~~  
13 ~~accretion therefrom shall become a part of the general pension~~  
14 ~~and retirement fund. All funds and securities of the general~~  
15 ~~pension and retirement fund shall be deposited with the city~~  
16 ~~clerk who shall keep the separate fund and he shall be liable~~  
17 ~~for the safekeeping of the same under the bond given by him to~~  
18 ~~the city, and he shall be liable in the same manner and to the~~  
19 ~~same extent as he is liable for the safekeeping of the funds~~  
20 ~~of the city as now provided by law.~~

21 Section 6. Section 17A of chapter 61-2655, Laws of  
22 Florida, as amended, is created to read:

23 Section 17A. Contracts with investment banks.--

24 (a) The pension board and the City of Pensacola are  
25 hereby authorized to contract with one or more investment  
26 banks of national repute to act as agents and corporate  
27 trustees of said pension funds. The investment bank or banks  
28 shall have full investment powers with respect to the funds  
29 subject to the provisions of section 17 which limit the types  
30 of investments which may be made. It is understood that the  
31 provision in section 17 which authorizes the pension board to



1 invest the funds is not a mandatory requirement and that the  
2 investment banks are fully authorized to perform that function  
3 at the discretion of the pension board and the City of  
4 Pensacola.

5 (b) In order to accomplish the purpose outlined in  
6 subsection (a), the pension board may direct the city manager  
7 of the City of Pensacola to act as the board's agent in  
8 handling the administrative details concerning contracting  
9 with the investment bank; however, the city manager shall  
10 report to the pension board on a quarterly basis relating to  
11 the status of the pension funds, and the pension board shall  
12 review same and give directions to the city manager with  
13 respect to the continued contract status of the investment  
14 bank.

15 (c) To the extent of any conflict, the authority  
16 granted in this section supersedes the investment authority as  
17 provided for in chapter 69-1469, Laws of Florida, as amended.

18 Section 7. Section 18A of chapter 61-2655, Laws of  
19 Florida, as amended, is amended to read:

20 Section 18A. If an employee is or has been a  
21 participant in one or more defined benefit plans and/or one or  
22 more defined contribution plans maintained by the city and  
23 such employee's (hereinafter referred to as the "multiple plan  
24 participant") participation in such multiple plans will cause,  
25 in a particular limitation year, the limitations of Section  
26 415 of the Internal Revenue Code of 1986, as amended (the  
27 "Code"), to be violated, then the benefit payable under this  
28 act shall be reduced so that the benefit payable under this  
29 act will be the maximum benefit which may be paid to the  
30 multiple plan participant without causing a violation of  
31 Section 415 of the Code after considering the benefits and

1 contributions for the multiple plan participant under all  
2 other plans which must be considered in determining benefits  
3 and contributions for purposes of the limitations of Section  
4 415 of the Code. Regardless of whether caused by multiple plan  
5 participation, the maximum annual benefit payable to a  
6 participant under this plan shall not exceed the amount  
7 allowable under Section 415 of the Code as applied to  
8 governmental plans described in Section 414(d) of the Code.  
9 The effect of this section shall be to limit the benefits  
10 payable under this act to an amount which will not cause a  
11 violation of Section 415 of the Code.

12 Section 8. Section 19 of chapter 61-2655, Laws of  
13 Florida, as amended, is amended to read:

14 Section 19. (a) This act shall not apply to any  
15 officer or employee of the fire department of the City of  
16 Pensacola who is covered and included under the firemen's  
17 relief and pension fund of the city.

18 (b) This act shall not apply to any officer or  
19 employee of the police department hired by the City of  
20 Pensacola on or after October 1, 1979, and who is eligible to  
21 participate in the Police Officer's Retirement Fund.

22 Section 9. Section 20A of chapter 61-2655, Laws of  
23 Florida, as amended, is created to read:

24 Section 20A. Authority to allow additional members  
25 into plan; prior service credit; transfers.--Notwithstanding  
26 any other provision of this act, the City of Pensacola, by  
27 ordinance, may require or permit participation in the General  
28 Pension and Retirement Fund of the City of Pensacola by both  
29 civil service employees and appointed employees who have not  
30 become members of the plan. As a condition of eligibility of  
31 such employees to credit toward future retirement benefits

1 based upon prior years of service as an employee of the city,  
2 there shall be paid to the fund or transferred from qualified  
3 plans maintained by the City of Pensacola or other qualified  
4 retirement plans, an amount determined by the plan  
5 administrator to be sufficient to cover such prior years of  
6 service at 8 percent interest compounded annually. However,  
7 the plan from which such funds are transferred must permit the  
8 transfer to be made and the transfer must not jeopardize the  
9 tax-exempt status of this plan or create adverse tax  
10 consequences for the City of Pensacola.

11           Section 10. All other laws or parts of laws in  
12 conflict herewith are hereby repealed.

13           Section 11. This act shall take effect upon becoming a  
14 law.

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