

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.

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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. In any conflict with the provisions of
12 other laws or portions of laws, the provisions of this act
13 shall control.

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

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