

By Senators Childers, Dudley, Dyer, Silver, Turner, Jones, Casas, Forman, Campbell, Holzendorf, Jenne, Thomas, Diaz-Balart, Gutman, Crist, Rossin, Brown-Waite, Bronson, Harris, Klein, Myers, Kurth, Meadows, McKay and Clary

1-145B-98

1                                   A bill to be entitled  
2           An act relating to municipal firefighters'  
3           pension trust funds and municipal police  
4           officers' retirement trust funds; amending and  
5           revising the provisions of chapters 175 and  
6           185, F.S.; defining "chapter plans" and "local  
7           law plans"; redefining "compensation" or  
8           "salary" for retirement purposes under these  
9           chapters; clarifying the applicability of  
10          minimum benefits for both chapter and local law  
11          plans; revising investment provisions to permit  
12          cities greater investment latitude to make  
13          foreign investments; eliminating discriminatory  
14          language in conformance with state and federal  
15          discrimination provisions; providing that  
16          certain benefits provided are a minimum and may  
17          not be diminished by any other state, local, or  
18          federal benefits; providing an exception;  
19          modifying the formula for calculating volunteer  
20          firefighter service retirement benefits;  
21          clarifying terminology relating to "sole and  
22          exclusive use of" premium tax funds and "extra  
23          benefits" by providing that moneys must be  
24          placed in a police-only or firefighter-only  
25          plan or a combined police and firefighter plan  
26          as opposed to placing moneys in any type of  
27          plan that includes general employees; providing  
28          for establishment of a new board and for  
29          transfer of assets in certain cases; creating  
30          s. 175.195, F.S.; prohibiting certain  
31          fraudulent practices; providing criminal and

1 administrative penalties; repealing s. 175.152,  
2 F.S., relating to contributions; repealing s.  
3 175.251, F.S., relating to employment records  
4 that are required to be kept by the secretary  
5 of the board of trustees; repealing s. 175.291,  
6 F.S., relating to the requirement that the  
7 attorney for the municipality or special fire  
8 control district represent the board of  
9 trustees upon request and the option to employ  
10 independent counsel and other persons;  
11 repealing s. 175.321, F.S., relating to the  
12 application of certain provisions to  
13 municipalities and fire control districts;  
14 repealing s. 175.331, F.S., relating to the  
15 rights of firefighters under former law;  
16 repealing s. 175.391, F.S., relating to payment  
17 of attorney's fees and costs; repealing s.  
18 185.14, F.S., relating to contributions;  
19 repealing s. 185.15, F.S., relating to  
20 contributions and new employees; creating s.  
21 185.185, F.S.; prohibiting certain fraudulent  
22 practices; providing criminal and  
23 administrative penalties; repealing s. 185.27,  
24 F.S., relating to the roster of retirees;  
25 repealing s. 185.29, F.S., relating to the city  
26 attorney representing the board of trustees;  
27 repealing s. 185.32, F.S., relating to  
28 exemptions from the chapter; repealing s.  
29 185.36, F.S., relating to the rights of police  
30 officers under former laws; repealing s.  
31

1           185.40, F.S., relating to costs and attorney's  
2           fees; providing an effective date.

3  
4 Be It Enacted by the Legislature of the State of Florida:

5  
6           Section 1. Section 175.021, Florida Statutes, is  
7 amended to read:

8           175.021 Legislative declaration.--

9           (1) It is hereby declared by the Legislature that  
10 firefighters, as hereinafter defined, perform state and  
11 municipal functions; that it is their duty to extinguish  
12 fires, to protect life, and to protect property at their own  
13 risk and peril; that it is their duty to prevent conflagration  
14 and to continuously instruct school personnel, public  
15 officials, and private citizens in the prevention of fires and  
16 firesafety; that they protect both life and property from  
17 local emergencies as defined in s. 252.34(3); and that their  
18 activities are vital to the public safety. It is further  
19 declared that firefighters employed by special fire control  
20 districts serve under the same circumstances and perform the  
21 same duties as firefighters employed by municipalities and  
22 should therefore be entitled to the benefits available under  
23 this chapter. Therefore, the Legislature declares that it is  
24 a proper and legitimate state purpose to provide a uniform  
25 retirement system for the benefit of firefighters as  
26 hereinafter defined and intends, in implementing the  
27 provisions of s. 14, Art. X of the State Constitution as they  
28 relate to municipal and special district firefighters' pension  
29 trust fund systems and plans, that such retirement systems or  
30 plans be managed, administered, operated, and funded in such  
31 manner as to maximize the protection of the firefighters'

1 pension trust funds. Pursuant to s. 18, Art. VII of the State  
2 Constitution, the Legislature hereby determines and declares  
3 that the provisions of this act fulfill an important state  
4 interest.

5 (2) This chapter hereby establishes, for all municipal  
6 and special district pension plans existing now or hereafter  
7 under this chapter, including chapter plans and local law  
8 plans, minimum benefits and minimum standards for the  
9 operation and funding of such ~~municipal and special district~~  
10 ~~firefighters' pension trust fund systems and plans,~~  
11 hereinafter referred to as firefighters' pension trust funds.  
12 The minimum benefits and minimum standards set forth in this  
13 chapter may not be diminished by local charter, ordinance, or  
14 resolution or by special act of the Legislature, nor may the  
15 minimum benefits or minimum standards be reduced or offset by  
16 any other local, state, or federal law that may include  
17 firefighters in its operation, except as provided under s.  
18 112.65.

19 Section 2. Section 175.032, Florida Statutes, is  
20 amended to read:

21 (Substantial rewording of section. See  
22 s. 175.032, F.S., for present text.)

23 175.032 Definitions.--For any municipality, special  
24 fire control district, chapter plan, local law municipality,  
25 local law special fire control district, or local law plan  
26 under this chapter, the following words and phrases have the  
27 following meanings:

28 (1)(a) "Average final compensation" for a full-time  
29 firefighter means one-twelfth of the average annual  
30 compensation of the 5 best years of the last 10 years of  
31 creditable service prior to retirement, termination, or death,

1 or the career average as a full-time firefighter since July 1,  
2 1953, whichever is greater. A year shall be 12 consecutive  
3 months or such other consecutive period of time as is used and  
4 consistently applied.

5 (b) "Average final compensation" for a volunteer  
6 firefighter means the average salary of the 5 best years of  
7 the last 10 best contributing years prior to change in status  
8 to a permanent full-time firefighter or retirement as a  
9 volunteer firefighter or the career average of a volunteer  
10 firefighter, since July 1, 1953, whichever is greater.

11 (2) "Chapter plan" means a separate defined benefit  
12 pension plan for firefighters which incorporates by reference  
13 the provisions of this chapter and has been adopted by the  
14 governing body of a municipality or special district. Except  
15 as may be specifically authorized in this chapter, provisions  
16 of a chapter plan may not differ from the plan provisions set  
17 forth in ss. 175.021-175.341 and 175.361-175.401. Actuarial  
18 valuations of chapter plans shall be conducted by the division  
19 as provided by s. 175.261(1).

20 (3) "Compensation" or "salary" means the fixed monthly  
21 remuneration paid a firefighter; where, as in the case of a  
22 volunteer firefighter, remuneration is based on actual  
23 services rendered, the term means the total cash remuneration  
24 received yearly for such services, prorated on a monthly  
25 basis.

26 (a) A retirement trust fund or plan may use a  
27 definition of salary other than the definition in this  
28 subsection but only if the monthly retirement income payable  
29 to each firefighter covered by the retirement trust fund or  
30 plan, as determined under s. 175.162(2)(a) and using such  
31 other definition, equals or exceeds the monthly retirement

1 income that would be payable to each firefighter if his  
2 monthly retirement income were determined under s.  
3 175.162(2)(a) and using the definition in this subsection.

4 (b) Any retirement trust fund or plan which now or  
5 hereafter meets the requirements of this chapter shall not,  
6 solely by virtue of this subsection, reduce or diminish the  
7 monthly retirement income otherwise payable to each  
8 firefighter covered by the retirement trust fund or plan.

9 (c) The member's compensation or salary contributed as  
10 employee-elective salary reductions or deferrals to any salary  
11 reduction, deferred compensation, or tax-sheltered annuity  
12 program authorized under the Internal Revenue Code shall be  
13 deemed to be the compensation or salary the member would  
14 receive if he or she were not participating in such program  
15 and shall be treated as compensation for retirement purposes  
16 under this chapter.

17 (d) For any person who first becomes a member in any  
18 plan year beginning on or after January 1, 1996, compensation  
19 for any plan year shall not include any amounts in excess of  
20 the Internal Revenue Code Section 401(a)(17) limitation [as  
21 amended by the Omnibus Budget Reconciliation Act of 1993],  
22 which limitation of \$150,000 shall be adjusted as required by  
23 federal law for qualified government plans and shall be  
24 further adjusted for changes in the cost of living in the  
25 manner provided by Internal Revenue Code Section  
26 401(a)(17)(B). For any person who first became a member prior  
27 to the first plan year beginning on or after January 1, 1996,  
28 the limitation on compensation shall be not less than the  
29 maximum compensation amount that was allowed to be taken into  
30 account under the plan as in effect on July 1, 1993, which  
31 limitation shall be adjusted for changes in the cost of living

1 since 1989 in the manner provided by Internal Revenue Code  
2 Section 401(a)(17)(1991).

3 (4) "Creditable service" or "credited service" means  
4 the aggregate number of years of service, and fractional parts  
5 of years of service, of any firefighter, omitting intervening  
6 years and fractional parts of years when such firefighter may  
7 not have been employed by the municipality or special fire  
8 control district, subject to the following conditions:

9 (a) No firefighter will receive credit for years or  
10 fractional parts of years of service if he or she has  
11 withdrawn his or her contributions to the fund for those years  
12 or fractional parts of years of service, unless the  
13 firefighter repays into the fund the amount he or she has  
14 withdrawn, plus interest determined by the board. The member  
15 shall have at least 90 days after his or her reemployment to  
16 make repayment.

17 (b) A firefighter may voluntarily leave his or her  
18 contributions in the fund for a period of 5 years after  
19 leaving the employ of the fire department, pending the  
20 possibility of being rehired by the same department, without  
21 losing credit for the time he or she has participated actively  
22 as a firefighter. If the firefighter is not reemployed as a  
23 firefighter, with the same department, within 5 years, his or  
24 her contributions shall be returned without interest.

25 (c) Credited service under this chapter shall be  
26 provided only for service as a firefighter, as defined in s.  
27 175.032(8), or for military service and shall not include  
28 credit for any other type of service. A municipality may, by  
29 local ordinance, or a special fire control district may, by  
30 resolution, provide for the purchase of credit for military  
31 service prior to employment as well as for prior service as a

1 firefighter for some other employer as long as a firefighter  
2 is not already receiving a benefit for such other prior  
3 service as a firefighter.

4 (d) In determining the creditable service of any  
5 firefighter, credit for up to 5 years of the time spent in the  
6 military service of the Armed Forces of the United States  
7 shall be added to the years of actual service if:

8 1. The firefighter is in the active employ of an  
9 employer immediately prior to such service and leaves a  
10 position, other than a temporary position, for the purpose of  
11 voluntary or involuntary service in the Armed Forces of the  
12 United States.

13 2. The firefighter is entitled to reemployment under  
14 the provisions of the Uniformed Services Employment and  
15 Reemployment Rights Act.

16 3. The firefighter returns to his or her employment as  
17 a firefighter of the municipality or special fire control  
18 district within 1 year from the date of release from such  
19 active service.

20 (5) "Deferred Retirement Option Plan" or "DROP" means  
21 a local law plan retirement option in which a firefighter may  
22 elect to participate. A firefighter may retire for all  
23 purposes of the plan and defer receipt of retirement benefits  
24 into a DROP account while continuing employment with his  
25 employer. However, a firefighter who enters the DROP and who  
26 is otherwise eligible to participate shall not thereby be  
27 precluded from participating, or continuing to participate, in  
28 a supplemental plan in existence on, or created after, the  
29 effective date of this act.

30 (6) "Division" means the Division of Retirement of the  
31 Department of Management Services.



1           (7) "Enrolled actuary" means an actuary who is  
2 enrolled under Subtitle C of Title III of the Employee  
3 Retirement Income Security Act of 1974 and who is a member of  
4 the Society of Actuaries or the American Academy of Actuaries.

5           (8)(a) "Firefighter" means any person employed solely  
6 by a constituted fire department of any municipality or  
7 special fire control district who is certified as a  
8 firefighter as a condition of employment in accordance with  
9 the provisions of s. 633.35 and whose duty it is to extinguish  
10 fires, to protect life, or to protect property. However, for  
11 purposes of this chapter only, "firefighter" also includes  
12 public safety officers who are responsible for performing both  
13 police and fire services, who are certified as police officers  
14 or firefighters, and who are certified by their employers to  
15 the Insurance Commissioner and Treasurer as participating in  
16 this chapter prior to October 1, 1979. Effective October 1,  
17 1979, public safety officers who have not been certified as  
18 participating in this chapter shall be considered police  
19 officers for retirement purposes and shall be eligible to  
20 participate in chapter 185. Any plan may provide that the fire  
21 chief shall have an option to participate, or not, in that  
22 plan.

23           (b) "Volunteer firefighter" means any person whose  
24 name is carried on the active membership roll of a constituted  
25 volunteer fire department or a combination of a paid and  
26 volunteer fire department of any municipality or special fire  
27 control district and whose duty it is to extinguish fires, to  
28 protect life, and to protect property. Compensation for  
29 services rendered by a volunteer firefighter shall not  
30 disqualify him or her as a volunteer. A person shall not be  
31 disqualified as a volunteer firefighter solely because he or

1 she has other gainful employment. Any person who volunteers  
2 assistance at a fire but is not an active member of a  
3 department described herein is not a volunteer firefighter  
4 within the meaning of this paragraph.

5 (9) "Firefighter's Pension Trust Fund" means a trust  
6 fund, by whatever name known, as provided under s. 175.041,  
7 for the purpose of assisting municipalities and special fire  
8 control districts in establishing and maintaining a retirement  
9 plan for firefighters.

10 (10) "Local law municipality" is any municipality in  
11 which there exists a local law plan.

12 (11) "Local law plan" means a defined benefit pension  
13 plan for firefighters, or for firefighters or police officers  
14 where included, as described in s. 175.351, established by  
15 municipal ordinance, special district resolution, or special  
16 act of the Legislature, which enactment sets forth all plan  
17 provisions. Local law plan provisions may vary from the  
18 provisions of this chapter, provided that required minimum  
19 benefits and standards are met. Any such variance shall  
20 provide a greater benefit for firefighters. Actuarial  
21 valuations of local law plans shall be conducted by an  
22 enrolled actuary as provided in s. 175.261(2).

23 (12) "Local law special fire control district" is any  
24 special fire control district in which there exists a local  
25 law plan.

26 (13) "Property insurance" means property insurance as  
27 defined in s. 624.604 and covers real and personal property  
28 within the corporate limits of any municipality, or within the  
29 boundaries of any special fire control district, within the  
30 state. "Multiple peril" means a combination or package policy  
31

1 that includes both property and casualty coverage for a single  
2 premium.

3 (14) "Retiree" or "retired firefighter" means a  
4 firefighter who has entered retirement status. For the  
5 purposes of a plan that includes a Deferred Retirement Option  
6 Plan (DROP), a firefighter who enters the DROP shall be  
7 considered a retiree for all purposes of the plan. However, a  
8 firefighter who enters the DROP and who is otherwise eligible  
9 to participate shall not thereby be precluded from  
10 participating, or continuing to participate, in a supplemental  
11 plan in existence on, or created after, the effective date of  
12 this act.

13 (15) "Retirement" means a firefighter's separation  
14 from city or fire district employment as a firefighter with  
15 immediate eligibility for receipt of benefits under the plan.  
16 For purposes of a plan that includes a Deferred Retirement  
17 Option Plan (DROP), "retirement" means the date a firefighter  
18 enters the DROP.

19 (16) "Special fire control district" means a special  
20 district, as defined in s. 189.403(1), established for the  
21 purposes of extinguishing fires, protecting life, and  
22 protecting property within the incorporated or unincorporated  
23 portions of any county or combination of counties, or within  
24 any combination of incorporated and unincorporated portions of  
25 any county or combination of counties. The term does not  
26 include any dependent or independent special district, as  
27 defined in s. 189.403(2) and (3), respectively, the employees  
28 of which are members of the Florida Retirement System pursuant  
29 to s. 121.051(1) or (2).

30 (17) "Supplemental plan" means a plan to which  
31 deposits are made to provide extra benefits for firefighters,

1 or for firefighters and police officers where included under  
2 this chapter. Such a plan is an element of a local law plan  
3 and exists in conjunction with a defined benefit plan that  
4 meets the minimum benefits and minimum standards of this  
5 chapter.

6 (18) "Supplemental plan municipality" means any local  
7 law municipality in which there existed a supplemental plan,  
8 of any type or nature, as of January 1, 1997.

9 Section 3. Section 175.041, Florida Statutes, is  
10 amended to read:

11 175.041 Firefighters' Pension Trust Fund created;  
12 applicability of provisions.--For any municipality, special  
13 fire control district, chapter plan, local law municipality,  
14 local law special fire control district, or local law plan  
15 under this chapter:

16 (1) There shall be established ~~is hereby created~~ a  
17 special fund exclusively for the purpose of this chapter,  
18 which in the case of chapter plans shall to be known as the  
19 "Firefighters' Pension Trust Fund," ~~exclusively for the~~  
20 ~~purpose of this chapter,~~ in each municipality and each special  
21 fire control district of this state heretofore or hereafter  
22 created which now has or which may hereafter have a  
23 constituted fire department or an authorized volunteer fire  
24 department, or any combination thereof, ~~and which municipality~~  
25 ~~or special fire control district does not presently have~~  
26 ~~established by law, special law, or local ordinance a similar~~  
27 ~~fund.~~

28 (2) To qualify as a fire department or volunteer fire  
29 department or combination thereof under the provisions of this  
30 chapter, the department shall own and use apparatus for the  
31 fighting of fires that is in compliance with National Fire

1 Protection Association Standards for Automotive Fire  
2 Apparatus.

3 (3) The provisions of this chapter shall apply only to  
4 municipalities organized and established pursuant to the laws  
5 of the state and to special fire control districts, and said  
6 provisions shall not apply to the unincorporated areas of any  
7 county or counties except with respect to special fire control  
8 districts that include unincorporated areas, nor shall the  
9 provisions hereof apply to any governmental entity whose  
10 firefighters are eligible to ~~employees~~ participate in the  
11 Florida Retirement System. Special fire control districts  
12 that include, or consist exclusively of, unincorporated areas  
13 of one or more counties may levy and impose the tax and  
14 participate in the retirement programs enabled by this  
15 chapter.

16 (4) No municipality shall establish more than one  
17 retirement plan for public safety officers which is supported  
18 in whole or in part by the distribution of premium tax funds  
19 as provided by this chapter or chapter 185, nor shall any  
20 municipality establish a retirement plan for public safety  
21 officers which receives premium tax funds from both this  
22 chapter and chapter 185.

23 (5) The plan provisions, participation, and benefits  
24 as set forth in this chapter must be provided on a  
25 nondiscriminatory basis.

26 Section 4. Section 175.051, Florida Statutes, is  
27 amended to read:

28 175.051 Actuarial deficits not state obligation.--For  
29 any municipality, special fire control district, chapter plan,  
30 local law municipality, local law special fire control  
31 district, or local law plan under this chapter, actuarial

1 deficits, if any, arising under this chapter act, shall not be  
2 the obligation of the state.

3 Section 5. Section 175.061, Florida Statutes, is  
4 amended to read:

5 175.061 Board of trustees; members, terms of office;  
6 meetings; legal entity; costs; attorney's fees.--For any  
7 municipality, special fire control district, chapter plan,  
8 local law municipality, local law special fire control  
9 district, or local law plan under this chapter:

10 (1) In each municipality and in each special fire  
11 control district there is hereby created a board of trustees  
12 of the firefighters' pension trust fund, which shall be solely  
13 responsible for administering the trust fund. Effective  
14 October 1, 1986, and thereafter:~

15 (a) The membership of the board of trustees for a  
16 chapter plan shall consist of five members, two of whom,  
17 unless otherwise prohibited by law, shall be legal residents  
18 of the municipality or special fire control district, who  
19 shall be appointed by the governing body of the municipality  
20 or special fire control district, and two of whom shall be  
21 full-time firefighters as defined in s. 175.032 who shall be  
22 elected by a majority of the active firefighters who are  
23 members of such plan. With respect to any chapter plan or  
24 local law plan that, on January 1, 1997, allowed retired  
25 firefighters to vote in such elections, retirees may continue  
26 to vote in such elections.The fifth member shall be chosen by  
27 a majority of the previous four members as provided for  
28 herein, and such person's name shall be submitted to the  
29 governing body of the municipality or special fire control  
30 district. Upon receipt of the fifth person's name, the  
31 governing body of the municipality or special fire control

1 district shall, as a ministerial duty, appoint such person to  
2 the board of trustees as its fifth member. The fifth member  
3 shall have the same rights as each of the other four members  
4 appointed or elected as herein provided, shall serve as  
5 trustee for a period of 2 years, and may succeed himself or  
6 herself in office. Each resident member shall serve as  
7 trustee for a period of 2 years, unless sooner replaced by the  
8 governing body at whose pleasure he or she shall serve, and  
9 may succeed himself or herself as a trustee. Each firefighter  
10 member shall serve as trustee for a period of 2 years, unless  
11 he or she sooner leaves the employment of the municipality or  
12 special fire control district as a firefighter, whereupon a  
13 successor shall be chosen in the same manner as an original  
14 appointment. Each firefighter may succeed himself or herself  
15 in office.

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

18 1. If a municipality or special fire control district  
19 has a pension plan for firefighters only, the provisions of  
20 paragraph (a) shall apply.

21 2. If a municipality has a pension plan for  
22 firefighters and police officers, the provisions of paragraph  
23 (a) shall apply, except that one member of the board shall be  
24 a firefighter as defined in s. 175.032 and one member of the  
25 board shall be a police officer as defined in s. 185.02,  
26 respectively elected by a majority of the active firefighters  
27 or police officers who are members of the plan.

28 3. Any board of trustees operating a local law plan on  
29 July 1, 1998, which is combined with a plan for general  
30 employees shall hold an election of the firefighters, or  
31 firefighters and police officers, if included, to determine

1 whether a plan is to be established for firefighters only, or  
2 for firefighters and police officers where included. Based on  
3 the election results, a new board shall be established as  
4 provided in subparagraph 1. or 2., as appropriate. The  
5 municipality or fire control district shall enact an ordinance  
6 or resolution to implement the new board by October 1, 1998.  
7 The newly established board shall take whatever action is  
8 necessary to determine the amount of assets which is  
9 attributable to firefighters, or firefighters and police  
10 officers where included. Such assets shall include all  
11 employer, employee, and state contributions made by or on  
12 behalf of firefighters, or firefighters and police officers  
13 where included, and any investment income derived from such  
14 contributions. All such moneys shall be transferred into the  
15 newly established retirement plan, as directed by the board.

16  
17 With respect to any board of trustees operating a local law  
18 plan on June 30, 1986, nothing in this paragraph shall permit  
19 the reduction of the membership percentage of firefighters, or  
20 of firefighters and police officers where a joint or mixed  
21 fund exists.~~The board of trustees shall meet at least~~  
22 ~~quarterly each year. Each board of trustees shall be a legal~~  
23 ~~entity with, in addition to other powers and responsibilities~~  
24 ~~contained herein, the power to bring and defend lawsuits of~~  
25 ~~every kind, nature, and description.~~

26 (2) The trustees shall by a majority vote elect from  
27 their number a chair and a secretary. The secretary of the  
28 board shall keep a complete minute book of the actions,  
29 proceedings, or hearings of the board. The trustees shall not  
30 receive any compensation as such, but may receive expenses and  
31 per diem as provided by Florida law.



1           (3) The board of trustees shall meet at least  
2 quarterly each year.

3           (4) Each board of trustees shall be a legal entity  
4 with, in addition to other powers and responsibilities  
5 contained herein, the power to bring and defend lawsuits of  
6 every kind, nature, and description.

7           (5) In any judicial proceeding or administrative  
8 proceeding under chapter 120 brought under or pursuant to the  
9 provisions of this chapter, the prevailing party shall be  
10 entitled to recover the costs thereof, together with  
11 reasonable attorney's fees.

12           (6) The provisions of this section may not be altered  
13 by a participating municipality or special fire control  
14 district operating a chapter plan or local law plan under this  
15 chapter.

16           Section 6. Section 175.071, Florida Statutes, is  
17 amended to read:

18           175.071 General powers and duties of board of  
19 trustees.--For any municipality, special fire control  
20 district, chapter plan, local law municipality, local law  
21 special fire control district, or local law plan under this  
22 chapter:

23           (1) The board of trustees may:

24           (a) Invest and reinvest the assets of the  
25 firefighters' pension trust fund in annuity and life insurance  
26 contracts of life insurance companies in amounts sufficient to  
27 provide, in whole or in part, the benefits to which all of the  
28 participants in the firefighters' pension trust fund shall be  
29 entitled under the provisions of this chapter and pay the  
30 initial and subsequent premiums thereon.

31

1 (b) Invest and reinvest the assets of the  
2 firefighters' pension trust fund in:

3 1. Time or savings accounts of a national bank, a  
4 state bank insured by the Bank Insurance Fund ~~Federal Deposit~~  
5 ~~Insurance Corporation~~, or a savings, building, and loan  
6 association insured by the Savings Association Insurance Fund  
7 which is administered by the Federal Deposit Insurance  
8 Corporation ~~Federal Savings and Loan Insurance Corporation~~.

9 2. Obligations of the United States or obligations  
10 guaranteed as to principal and interest by the Government of  
11 the United States.

12 3. Bonds issued by the State of Israel.

13 4. Bonds, stocks, or other evidences of indebtedness  
14 issued or guaranteed by a corporation organized under the laws  
15 of the United States, any state or organized territory of the  
16 United States, or the District of Columbia, provided:

17 a. The corporation is listed on any one or more of the  
18 recognized national stock exchanges and holds a rating in one  
19 of the three highest classifications by a major rating  
20 service; and

21 b. The board of trustees shall not invest more than 5  
22 percent of its assets in the common stock or capital stock of  
23 any one issuing company, nor shall the aggregate investment in  
24 any one issuing company exceed 5 percent of the outstanding  
25 capital stock of that company or the aggregate of its  
26 investments under this subparagraph at market cost exceed 50  
27 ~~30~~ percent of the assets of the fund. Investment experience  
28 producing a market value percent exceeding the stated limit  
29 does not arbitrarily mean assets are to be liquidated to  
30 satisfy the limit.

31

1 This paragraph shall apply to all boards of trustees and  
2 participants. However, in the event that a municipality or  
3 special fire control district has a duly enacted pension plan  
4 pursuant to, and in compliance with, s. 175.351, and the  
5 trustees thereof desire to vary the investment procedures  
6 herein, the trustees of such plan shall request a variance of  
7 the investment procedures as outlined herein only through a  
8 municipal ordinance, special act of the Legislature, or  
9 resolution by the governing body of the special fire control  
10 district; where a special act, or a municipality by ordinance  
11 adopted prior to the effective date of this act ~~October 1,~~  
12 ~~1986,~~ permits a greater than 50-percent ~~30-percent~~ equity  
13 investment, such municipality shall not be required to comply  
14 with the aggregate equity investment provisions of this  
15 paragraph. The board of trustees may invest up to 10 percent  
16 of plan assets in foreign securities. ~~Investments shall not be~~  
17 ~~made in any stocks, bonds, or other securities owned or~~  
18 ~~controlled by a government other than that of the United~~  
19 ~~States or the several states.~~

20 (c) Issue drafts upon the firefighters' pension trust  
21 fund pursuant to this act and rules and regulations prescribed  
22 by the board of trustees. All such drafts shall be  
23 consecutively numbered, be signed by the chair and secretary,  
24 and state upon their faces the purpose for which the drafts  
25 are drawn. The treasurer or depository of each municipality  
26 or special fire control district shall retain such drafts when  
27 paid, as permanent vouchers for disbursements made, and no  
28 money shall be otherwise drawn from the fund.

29 (d) Convert into cash any securities of the fund.

30 (e) Keep a complete record of all receipts and  
31 disbursements and of the board's acts and proceedings.

1           (2) Any and all acts and decisions shall be  
2 effectuated by vote of a majority of the ~~at least three~~  
3 members of the board; however, no trustee shall take part in  
4 any action in connection with the trustee's own participation  
5 in the fund, and no unfair discrimination shall be shown to  
6 any individual firefighter participating in the fund.

7           (3) The board's action on all claims for retirement  
8 under this act shall be final, provided, however, that the  
9 rules and regulations of the board have been complied with.

10           (4) The secretary of the board of trustees shall keep  
11 a record of all persons receiving retirement payments under  
12 the provisions of this chapter, in which shall be noted the  
13 time when the pension is allowed and when the pension shall  
14 cease to be paid. In this record, the secretary shall keep a  
15 list of all firefighters employed by the municipality or  
16 special fire control district. The record shall show the  
17 name, address, and time of employment of such firefighters and  
18 when they cease to be employed by the municipality or special  
19 fire control district.

20           ~~(5)~~(4) The sole and exclusive administration of, and  
21 the responsibilities for, the proper operation of the  
22 firefighters' pension trust fund and for making effective the  
23 provisions of this chapter are vested in the board of  
24 trustees; however, nothing herein shall empower a board of  
25 trustees to amend the provisions of a retirement plan without  
26 the approval of the municipality or special fire control  
27 district. The board of trustees shall keep in convenient form  
28 such data as shall be necessary for an actuarial valuation of  
29 the firefighters' pension trust fund and for checking the  
30 actual experience of the fund.

31

1           ~~(6)(a)(5)~~ At least once every 3 years, the board of  
2 trustees shall retain a professionally qualified an  
3 independent consultant who shall ~~professionally qualified to~~  
4 evaluate the performance of any existing professional money  
5 manager and managers. ~~The independent consultant shall make~~  
6 recommendations to the board of trustees regarding the  
7 selection of money managers for the next investment term.  
8 These recommendations shall be considered by the board of  
9 trustees at its next regularly scheduled meeting. The date,  
10 time, place, and subject of this meeting shall be advertised  
11 in the same manner as for any meeting of the board ~~a newspaper~~  
12 ~~of general circulation in the municipality or special fire~~  
13 ~~control district, as appropriate, at least 10 days prior to~~  
14 ~~the date of the hearing.~~

15           (b) For purposes of this subsection, a "professionally  
16 qualified independent consultant" means a consultant who,  
17 based on education and experience, is professionally qualified  
18 to evaluate the performance of professional money managers,  
19 and who, at a minimum:

20                 1. Provides his or her services on a flat-fee basis.

21                 2. Is not associated in any manner with the money  
22 manager for the pension fund.

23                 3. Makes calculations according to the American  
24 Banking Institute method of calculating time-weighted rates of  
25 return. All calculations must be made net of fees.

26                 4. Has 3 or more years of experience working in the  
27 public sector.

28           (7) To assist the board in meeting its  
29 responsibilities under this chapter, the board, if it so  
30 elects, may:

31

1           (a) Employ independent legal counsel at the pension  
2 fund's expense.

3           (b) Employ an independent actuary, as defined in s.  
4 175.032(6), at the pension fund's expense.

5           (c) Employ such independent professional, technical,  
6 or other advisers as it deems necessary at the pension fund's  
7 expense.

8  
9 If the board chooses to use the city's or special district's  
10 legal counsel or actuary, or chooses to use any of the city's  
11 or special district's other professional, technical, or other  
12 advisers, it shall do so only under terms and conditions  
13 acceptable to the board.

14           Section 7. Section 175.081, Florida Statutes, is  
15 amended to read:

16           175.081 Use of annuity or insurance policies.--When  
17 the board of trustees of any municipality, special fire  
18 control district, chapter plan, local law municipality, local  
19 law special fire control district, or local law plan purchases  
20 annuity or life insurance contracts to provide all or any part  
21 of the benefits as provided for by this chapter act, the  
22 following principles shall be observed:

23           (1) Only those firefighters who have been members of  
24 the firefighters' pension trust fund for 1 year or more may  
25 participate in the insured plan.

26           (2) Individual policies shall be purchased only when a  
27 group insurance plan is not feasible.

28           (3) Each application and policy shall designate the  
29 firefighters' pension trust fund as owner of the policy.

30           (4) Policies shall be written on an annual premium  
31 basis.

1           (5) The type of policy shall be one which for the  
2 premium paid provides each individual with the maximum  
3 retirement benefit at his or her earliest statutory normal  
4 retirement age.

5           (6) Death benefit, if any, should not exceed:

6           (a) One hundred times the estimated normal retirement  
7 income, based on the assumption that the present rate of  
8 compensation continues without change to normal retirement  
9 date, or

10          (b) Twice the annual rate of compensation as of the  
11 date of termination of service, or

12          (c) The single-sum value of the accrued deferred  
13 retirement income (beginning at normal retirement date) at  
14 date of termination of service, whichever is greatest.

15          (7) An insurance plan may provide that the assignment  
16 of insurance contract to separating firefighters shall be at  
17 least equivalent to the return of the firefighters'  
18 contributions used to purchase the contract. An assignment of  
19 contract discharges the municipality or special fire control  
20 district, as appropriate, from all further obligation to the  
21 participant under the plan even though the cash value of such  
22 contract may be less than the firefighters' contributions.

23          (8) Provisions shall be made, either by issuance of  
24 separate policies or otherwise, that the separating  
25 firefighter does not receive cash value and other benefits  
26 under the policies assigned to him or her which exceed the  
27 present value of his or her vested interest under the  
28 firefighters' pension trust fund, inclusive of his or her  
29 contribution to the plan; the contributions by the state shall  
30 not be exhausted faster merely because the method of funding  
31 adopted was through insurance companies.

1           (9) The firefighter shall have the right at any time  
2 to give the board of trustees written instructions designating  
3 the primary and contingent beneficiaries to receive death  
4 benefits or proceeds and the method of settlement of the death  
5 benefit or proceeds, or requesting a change in the beneficiary  
6 designation or method of settlement previously made, subject  
7 to the terms of the policy or policies on his or her life.  
8 Upon receipt of such written instructions, the board of  
9 trustees shall take necessary steps to effectuate the  
10 designation or change of beneficiary or settlement option.

11           Section 8. Section 175.091, Florida Statutes, is  
12 amended to read:

13           175.091 Creation and maintenance of fund.--For any  
14 municipality, special fire control district, chapter plan,  
15 local law municipality, local law special fire control  
16 district, or local law plan under this chapter:

17           (1) The firefighters' pension trust fund in each  
18 municipality and in each special fire control district shall  
19 be created and maintained in the following manner:

20           (a) By payment to the fund of the net proceeds of the  
21 1.85-percent excise or other similar tax which may be imposed  
22 by the municipality or special fire control district upon fire  
23 insurance companies, fire insurance associations, or other  
24 property insurers on their gross receipts on premiums from  
25 holders of policies, which policies cover real or personal  
26 property within the corporate limits of such municipality, in  
27 the case of a municipal government, and within the legally  
28 defined jurisdiction of the district, in the case of a special  
29 fire control district. Whenever a municipality maintains a  
30 firefighters' pension trust fund under the provisions of this  
31 chapter but is partially contained within the boundaries of a



1 special fire control district, that portion of the  
2 1.85-percent excise, license, or other similar tax which is  
3 collected for insurance policies covering property within the  
4 jurisdiction of both the municipality and the special fire  
5 control district shall be given to the firefighters' pension  
6 trust fund of the fire service provider. Remaining revenues  
7 collected pursuant to this chapter shall be distributed to the  
8 municipality or special fire control district according to the  
9 location of the insured property.

10 (b) Except as reduced or increased contributions are  
11 authorized by subsection (2), by the payment to the fund of 5  
12 percent of the salary of each uniformed firefighter who is a  
13 member or duly enrolled in the fire department of any  
14 municipality or special fire control district, which 5 percent  
15 shall be deducted by the municipality or special fire control  
16 district from the compensation due to the firefighter and paid  
17 over to the board of trustees of the firefighters' pension  
18 trust fund wherein such firefighter is employed. ~~A~~  
19 ~~firefighter participating in the old age survivors insurance~~  
20 ~~of the federal Social Security Law may limit his or her~~  
21 ~~contribution to the firefighters' pension trust fund to 3~~  
22 ~~percent of his or her annual compensation and receive reduced~~  
23 ~~benefits as set forth in ss. 175.191(5) and 175.211. No~~  
24 firefighter shall have any right to the money so paid into the  
25 fund except as provided in this chapter.

26 (c) By all fines and forfeitures imposed and collected  
27 from any firefighter because of the violation of any rule and  
28 regulation promulgated by the board of trustees.

29 (d) By mandatory payment by the municipality or  
30 special fire control district of a sum equal to the normal  
31 cost of and the amount required to fund ~~over a period of 40~~

1 ~~years or on a 40-year basis, any actuarial deficiency shown by~~  
2 ~~an a quinquennial actuarial valuation as provided in part VII~~  
3 ~~of chapter 112. The first such actuarial valuation shall be~~  
4 ~~conducted for the calendar year ending December 31, 1967.~~

5 (e) By all gifts, bequests, and devises when donated  
6 to the fund.

7 (f) By all accretions to the fund by way of interest  
8 or dividends on bank deposits, or otherwise.

9 (g) By all other sources or income now or hereafter  
10 authorized by law for the augmentation of such firefighters'  
11 pension trust fund.

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

14 (a) The employing municipality or special fire control  
15 district, by local ordinance or resolution, may elect to make  
16 an employee's contributions. However, under no circumstances  
17 may a municipality or special fire control district reduce the  
18 member contribution to less than one-half of 1 percent of  
19 salary.

20 (b) Firefighter member contributions may be increased  
21 by consent of the members' collective bargaining  
22 representative or, if none, by majority consent of firefighter  
23 members of the fund to provide greater benefits.

24  
25 Nothing in this section shall be construed to require  
26 adjustment of member contribution rates in effect on the date  
27 this act becomes a law, including rates that exceed 5 percent  
28 of salary, provided that such rates are at least one-half of 1  
29 percent of salary.

30 Section 9. Section 175.101, Florida Statutes, is  
31 amended to read:

1           175.101 State excise tax on property insurance  
2 premiums authorized; procedure.--For any municipality, special  
3 fire control district, chapter plan, local law municipality,  
4 local law special fire control district, or local law plan  
5 under this chapter:

6           (1) Each municipality or special fire control district  
7 in this state described and classified in s. 175.041, having a  
8 lawfully established firefighters' pension trust fund or  
9 municipal fund or special fire control district fund, by  
10 whatever name known, providing pension benefits to  
11 firefighters as provided under this chapter ~~by whatever name~~  
12 ~~known~~, may assess and impose on every insurance company,  
13 corporation, or other insurer now engaged in or carrying on,  
14 or who shall hereinafter engage in or carry on, the business  
15 of property insurance as shown by the records of the  
16 Department of Insurance an excise tax in addition to any  
17 lawful license or excise tax now levied by each of the  
18 municipalities or special fire control districts,  
19 respectively, amounting to 1.85 percent of the gross amount of  
20 receipts of premiums from policyholders on all premiums  
21 collected on property insurance policies covering property  
22 within the corporate limits of such municipalities or within  
23 the legally defined boundaries of special fire control  
24 districts, respectively. This tax shall apply to all insurers,  
25 whether authorized or not, transacting business in this state.

26 Whenever the boundaries of a special fire control district  
27 that has lawfully established a firefighters' pension trust  
28 fund encompass a portion of the corporate territory of a  
29 municipality that has also lawfully established a  
30 firefighters' pension trust fund, that portion of the tax  
31 receipts attributable to insurance policies covering property

1 situated both within the municipality and the special fire  
2 control district shall be given to the fire service provider.  
3 The agent shall identify the fire service provider on the  
4 property owner's application for insurance. Remaining  
5 revenues collected pursuant to this chapter shall be  
6 distributed to the municipality or special fire control  
7 district according to the location of the insured property.

8       (2) In the case of multiple peril policies with a  
9 single premium for both the property and casualty coverages in  
10 such policies, 70 percent of such premium shall be used as the  
11 basis for the 1.85-percent tax.

12       (3) This excise tax shall be payable annually on March  
13 1 of each year after the passage of an ordinance, in the case  
14 of a municipality, or resolution, in the case of a special  
15 fire control district, assessing and imposing the tax  
16 authorized by this section. Installments of taxes shall be  
17 paid according to the provision of s. 624.5092(2)(a), (b), and  
18 (c).

19       Section 10. Section 175.111, Florida Statutes, is  
20 amended to read:

21       175.111 Certified copy of ordinance or resolution  
22 filed; insurance companies' annual report of premiums;  
23 duplicate files; book of accounts.--For any municipality,  
24 special fire control district, chapter plan, local law  
25 municipality, local law special fire control district, or  
26 local law plan under this chapter, whenever any municipality  
27 passes an ordinance, or whenever any special fire control  
28 district passes a resolution establishing a chapter plan or  
29 local law plan, assessing and imposing the taxes authorized in  
30 s. 175.101, a certified copy of such ordinance or resolution  
31 shall be deposited with the division. Thereafter every

1 insurance company, association, corporation, or other insurer  
2 carrying on the business of property insurance on real or  
3 personal property, on or before the succeeding March 1 after  
4 date of the passage of the ordinance or resolution, shall  
5 report fully in writing and under oath to the division and the  
6 Department of Revenue a just and true account of all premiums  
7 by such insurer received for property insurance policies  
8 covering or insuring any real or personal property located  
9 within the corporate limits of each such municipality or  
10 special fire control district during the period of time  
11 elapsing between the date of the passage of the ordinance or  
12 resolution and the end of the calendar year ~~succeeding March~~  
13 †. The report shall include the code designation as  
14 prescribed by the division for each piece of insured property,  
15 real or personal, located within the corporate limits of each  
16 municipality and within the legally defined boundaries of each  
17 special fire control district. The aforesaid insurer shall  
18 annually thereafter, on March 1, file with the division and  
19 the Department of Revenue a similar report covering the  
20 preceding year's premium receipts, and every such insurer at  
21 the same time of making such reports shall pay to the  
22 Department of Revenue the amount of the tax hereinbefore  
23 mentioned. Every insurer engaged in carrying on such  
24 insurance business in the state shall keep accurate books of  
25 accounts of all such business done by it within the corporate  
26 limits of each such municipality and within the legally  
27 defined boundaries of each such special fire control district,  
28 and in such manner as to be able to comply with the provisions  
29 of this chapter. Based on the insurers' reports of premium  
30 receipts, the division shall prepare a consolidated premium  
31 report and shall furnish to any municipality or special fire

1 control district requesting the same a copy of the relevant  
2 section of that report.

3 Section 11. Section 175.121, Florida Statutes, is  
4 amended to read:

5 175.121 Department of Revenue and Division of  
6 Retirement to keep accounts of deposits; disbursements.--For  
7 any municipality or special fire control district having a  
8 chapter or local law plan established pursuant to this  
9 chapter:

10 (1) The Department of Revenue shall keep a separate  
11 account of all moneys collected for each municipality and each  
12 special fire control district under the provisions of this  
13 chapter. All moneys so collected must be transferred to the  
14 Police and Firefighters' Premium Tax Trust Fund and shall be  
15 separately accounted for by the division. The moneys budgeted  
16 as necessary to pay the expenses of the division for the daily  
17 oversight and monitoring of the firefighters' pension plans  
18 under this chapter and for the oversight and actuarial reviews  
19 conducted under part VII of chapter 112 are annually  
20 appropriated from the interest and investment income earned on  
21 the moneys collected for each municipality or special fire  
22 control district and deposited in the Police and Firefighters'  
23 Premium Tax Trust Fund. Interest and investment income  
24 remaining thereafter in the trust fund which is unexpended and  
25 otherwise unallocated by law shall revert to the General  
26 Revenue Fund on June 30 of each year.

27 (2) The Comptroller shall, on or before July 1 ~~June 1~~  
28 of each year, and at such other times as authorized by the  
29 division, draw his or her warrants on the full net amount of  
30 money then on deposit in the Police and Firefighters' Premium  
31 Tax Trust Fund pursuant to this chapter, specifying the

1 municipalities and special fire control districts to which the  
2 moneys must be paid and the net amount collected for and to be  
3 paid to each municipality or special fire control district,  
4 respectively, subject to the limitation on disbursement under  
5 s. 175.122. The sum payable to each municipality or special  
6 fire control district is appropriated annually out of the  
7 Police and Firefighters' Premium Tax Trust Fund. The warrants  
8 of the Comptroller shall be payable to the respective  
9 municipalities and special fire control districts entitled to  
10 receive them and shall be remitted annually by the division to  
11 the respective municipalities and special fire control  
12 districts. In order for a municipality or special fire control  
13 district and its pension fund to participate in the  
14 distribution of premium tax moneys under this chapter, all the  
15 provisions shall be complied with annually, including state  
16 acceptance pursuant to part VII of chapter 112.

17 (3)(a) All moneys not distributed to municipalities  
18 and special fire control districts under this section as a  
19 result of the limitation on disbursement contained in s.  
20 175.122, or as a result of any municipality or special fire  
21 control district not having qualified in any given year, or  
22 portion thereof, shall be transferred to the Firefighters'  
23 Supplemental Compensation Trust Fund administered by the  
24 Department of Revenue, as provided in s. 633.382.

25 (b)1. Moneys transferred under paragraph (a) but not  
26 needed to support the supplemental compensation program in a  
27 given year shall be redistributed pro rata to those  
28 participating municipalities and special fire control  
29 districts that transfer any portion of their funds to support  
30 the supplemental compensation program in that year. Such  
31

1 additional moneys shall be used to cover or offset costs of  
2 the retirement plan.

3           2. To assist the Department of Revenue, the division  
4 shall identify those municipalities and special fire control  
5 districts that are eligible for redistribution as provided in  
6 s. 633.382(4)(c)2., by listing the municipalities and special  
7 fire control districts from which funds were transferred under  
8 paragraph (a) and specifying the amount transferred by each.

9           Section 12. Section 175.122, Florida Statutes, is  
10 amended to read:

11           175.122 Limitation of disbursement.--For any  
12 municipality, special fire control district, chapter plan,  
13 local law municipality, local law special fire control  
14 district, or local law plan under this chapter, any  
15 municipality or special fire control district participating in  
16 the firefighters' pension trust fund pursuant to the  
17 provisions of this chapter, whether under a chapter plan or  
18 local law plan, shall be limited to receiving any moneys from  
19 such fund in excess of that produced by one-half of the excise  
20 tax, as provided for in s. 175.101; however, any such  
21 municipality or special fire control district receiving less  
22 than 6 percent of its fire department payroll from such fund  
23 shall be entitled to receive from such fund the amount  
24 determined under s. 175.121, in excess of one-half of the  
25 excise tax, not to exceed 6 percent of its fire department  
26 payroll. Payroll amounts of members included in the Florida  
27 Retirement System shall not be included.

28           Section 13. Section 175.131, Florida Statutes, is  
29 amended to read:

30           175.131 Funds received by municipality or special fire  
31 control district; deposit in firefighters' pension trust



1 fund.--For any municipality, special fire control district,  
2 chapter plan, local law municipality, local law special fire  
3 control district, or local law plan under this chapter,all  
4 state and other funds received by any municipality or special  
5 fire control district under the provisions of this chapter  
6 shall be deposited by such municipality or special fire  
7 control district immediately, and under no circumstances more  
8 than 5 days after receipt, with the board of trustees.  
9 Employee contributions, however, which are withheld by the  
10 employer on behalf of an employee member shall be deposited  
11 immediately after each pay period with the board of trustees  
12 of the firefighters' pension trust fund ~~at least monthly~~.  
13 Employer contributions shall be deposited at least quarterly.

14 Section 14. Section 175.141, Florida Statutes, is  
15 amended to read:

16 175.141 Payment of excise tax credit on similar state  
17 excise or license tax.--The tax herein authorized to be  
18 imposed by each municipality and each special fire control  
19 district shall in nowise be in addition to any similar state  
20 excise or license tax imposed by part IV of chapter 624, but  
21 the payor of the tax hereby authorized shall receive credit  
22 therefor on his or her said state excise or license tax and  
23 the balance of said state excise or license tax shall be paid  
24 to the Department of Revenue ~~Insurance Commissioner and~~  
25 ~~Treasurer~~ as ~~is now~~ provided by law.

26 Section 15. Section 175.151, Florida Statutes, is  
27 amended to read:

28 175.151 Penalty for failure of insurers to comply with  
29 this act.--Should any insurance company, corporation or other  
30 insurer fail to comply with the provisions of this act, on or  
31 before March 1 of each year as herein provided, the

1 certificate of authority issued to said insurance company,  
2 corporation or other insurer to transact business in this  
3 state may be canceled and revoked by the Department of  
4 Insurance, and it is unlawful for any such insurance company,  
5 corporation, or other insurer to transact business thereafter  
6 in this state unless such insurance company, corporation, or  
7 other insurer shall be granted a new certificate of authority  
8 to transact any business in this state, in compliance with  
9 provisions of law authorizing such certificate of authority to  
10 be issued. The division is responsible for notifying the  
11 Department of Insurance regarding any such failure to comply.

12 Section 16. Section 175.152, Florida Statutes, is  
13 repealed.

14 Section 17. Section 175.162, Florida Statutes, is  
15 amended to read:

16 175.162 Requirements for retirement.--For any  
17 municipality, special fire control district, chapter plan,  
18 local law municipality, local law special fire control  
19 district, or local law plan under this chapter, any  
20 firefighter who completes 10 or more years of creditable  
21 service as a firefighter and attains age 55, or completes 25  
22 years of creditable service as a firefighter and attains age  
23 52, and who for such minimum period has been a member of the  
24 firefighters' pension trust fund operating under a chapter  
25 plan or local law plan, is eligible for normal retirement  
26 benefits. Normal retirement under the plan is retirement from  
27 the service of the municipality or special fire control  
28 district on or after the normal retirement date. In such  
29 event, payment of retirement income will be governed by the  
30 following provisions of this section:  
31

1           (1) The normal retirement date of each firefighter  
2 will be the first day of the month coincident with or next  
3 following the date on which he or she has completed 10 or more  
4 years of creditable service and attained age 55 or completed  
5 25 years of creditable service and attained age 52.

6           (2)(a) The amount of monthly retirement income payable  
7 to a full-time firefighter who retires on or after his or her  
8 normal retirement date shall be an amount equal to the number  
9 of his or her years of credited service multiplied by 2  
10 percent of his or her average final compensation as a  
11 full-time firefighter. If the plan has a cap on benefit  
12 accrual which was in existence on January 1, 1997, the cap may  
13 continue if and only if there is consent of the members'  
14 collective bargaining representative or, if none, by majority  
15 consent of the firefighter members of the fund to retain the  
16 cap. The vote to retain the cap must be held within 6 months  
17 after the effective date of this act.~~The retirement income~~  
18 ~~shall be reduced for moneys received under the disability~~  
19 ~~provisions of this chapter.~~However, if current state  
20 contributions pursuant to this chapter are not adequate to  
21 fund the additional benefits to meet the minimum requirements  
22 in this chapter, only such incremental increases shall be  
23 required as state moneys are adequate to provide. Such  
24 increments shall be provided as state moneys become available.

25           (b) The amount of monthly retirement income payable to  
26 a volunteer firefighter who retires on or after his or her  
27 normal retirement date shall firefighter who retires on or  
28 after his or her normal retirement date shall equal the  
29 greater of:

30  
31

1           ~~1. be an amount equal to~~ The number of his or her  
2 years of credited service multiplied by 2 percent of his or  
3 her average final compensation as a volunteer firefighter; or  
4           2. The sum of \$20 for each of the first 20 years of  
5 credited service and \$5 for each additional year of credited  
6 service. ~~If the firefighter has been contributing only 3~~  
7 ~~percent of his or her salary, the firefighter's monthly~~  
8 ~~retirement income shall be an amount equal to the number of~~  
9 ~~his or her years of credited service multiplied by 1.2 percent~~  
10 ~~of his or her average final compensation.~~  
11           (3) The monthly retirement income payable in the event  
12 of normal retirement will be payable on the first day of each  
13 month. The first payment will be made on the firefighter's  
14 normal retirement date, or on the first day of the month  
15 coincident with or next following his or her actual  
16 retirement, if later, and the last payment will be the payment  
17 due next preceding the firefighter's death; except that, in  
18 the event the firefighter dies after retirement but before he  
19 or she has received retirement benefits for a period of 10  
20 years, the same monthly benefit will be paid to the  
21 beneficiary (or beneficiaries) as designated by the  
22 firefighter for the balance of such 10-year period. If a  
23 firefighter continues in the service of the municipality or  
24 special fire control district beyond his or her normal  
25 retirement date and dies prior to his or her date of actual  
26 retirement, without an option made pursuant to s. 175.171  
27 being in effect, monthly retirement income payments will be  
28 made for a period of 10 years to a beneficiary (or  
29 beneficiaries) designated by the firefighter as if the  
30 firefighter had retired on the date on which his or her death  
31 occurred.

1           (4) Early retirement under the plan is retirement from  
2 the service of the municipality or special fire control  
3 district, with the consent of the municipality or special fire  
4 control district, as of the first day of any calendar month  
5 which is prior to the firefighter's normal retirement date but  
6 subsequent to the date as of which he or she has both attained  
7 the age of 50 years and has been a member of this fund for 10  
8 continuous years. In the event of early retirement, payment  
9 of retirement income shall be governed as follows: The  
10 monthly amount of retirement income payable to a firefighter  
11 who retires prior to his or her normal retirement date shall  
12 be in the amount computed as described in subsection (2),  
13 taking into account the firefighter's credited service to his  
14 or her date of actual retirement and final monthly  
15 compensation as of such date, such amount of retirement income  
16 to be actuarially reduced to take into account the  
17 firefighter's younger age and the earlier commencement of  
18 retirement income benefits. The amount of monthly income  
19 payable in the event of early retirement will be paid in the  
20 same manner as in subsection (3). In no event shall the early  
21 retirement reduction exceed 3 percent for each year by which  
22 the member's age at retirement preceded the member's normal  
23 retirement age, as provided in subsection (1).

24           Section 18. Section 175.171, Florida Statutes, is  
25 amended to read:

26           175.171 Optional forms of retirement income.--For any  
27 municipality, special fire control district, chapter plan,  
28 local law municipality, local law special fire control  
29 district, or local law plan under this chapter:

30           (1) In lieu of the amount and form of retirement  
31 income payable in the event of normal or early retirement as

1 specified in s. 175.162, a firefighter, upon written request  
2 to the board of trustees ~~and submission of evidence of good~~  
3 ~~health (except that such evidence will not be required if such~~  
4 ~~request is made at least 3 years prior to the date of~~  
5 ~~commencement of retirement income or if such request is made~~  
6 ~~within 6 months following the effective date of the plan, if~~  
7 ~~later),~~ and subject to the approval of the board of trustees,  
8 may elect to receive a retirement income or benefit of  
9 equivalent actuarial value payable in accordance with one of  
10 the following options:

11 (a) A retirement income of larger monthly amount,  
12 payable to the firefighter for his or her lifetime only.

13 (b) A retirement income of a modified monthly amount,  
14 payable to the firefighter during the joint lifetime of the  
15 firefighter and a ~~dependent~~ joint pensioner designated by the  
16 firefighter, and following the death of either of them, 100  
17 percent, 75 percent, 66 2/3 percent, or 50 percent of such  
18 monthly amounts payable to the survivor for the lifetime of  
19 the survivor.

20 (c) Such other amount and form of retirement payments  
21 or benefits as, in the opinion of the board of trustees, will  
22 best meet the circumstances of the retiring firefighter.

23 1. The firefighter upon electing any option of this  
24 section will designate the joint pensioner or beneficiary (or  
25 beneficiaries) to receive the benefit, if any, payable under  
26 the plan in the event of his or her death, and will have the  
27 power to change such designation from time to time, but any  
28 such change shall be deemed a new election and will be subject  
29 to approval by the board of trustees. Such designation will  
30 name a joint pensioner or one or more primary beneficiaries  
31 where applicable. If a firefighter has elected an option with

1 a joint pensioner or beneficiary and his or her retirement  
2 income benefits have commenced, the firefighter may thereafter  
3 change the designated joint pensioner or beneficiary, but only  
4 if the board of trustees consents to such change and if the  
5 joint pensioner last previously designated by the firefighter  
6 is alive when the firefighter files with the board of trustees  
7 a request for such change.

8           2. The consent of a firefighter's joint pensioner or  
9 beneficiary to any such change shall not be required.

10           3. The board of trustees may request such evidence of  
11 the good health of the joint pensioner that is being removed  
12 as it may require and the amount of the retirement income  
13 payable to the firefighter upon designation of a new joint  
14 pensioner shall be actuarially redetermined taking into  
15 account the age and sex of the former joint pensioner, the new  
16 joint pensioner, and the firefighter. Each such designation  
17 will be made in writing on a form prepared by the board of  
18 trustees and on completion will be filed with the board of  
19 trustees. In the event that no designated beneficiary  
20 survives the firefighter, such benefits as are payable in the  
21 event of the death of the firefighter subsequent to his or her  
22 retirement shall be paid as provided in s. 175.181.

23           (2) Retirement income payments shall be made under the  
24 option elected in accordance with the provisions of this  
25 section and shall be subject to the following limitations:

26           (a) If a firefighter dies prior to his or her normal  
27 retirement date or early retirement date, whichever first  
28 occurs, no retirement benefit will be payable under the option  
29 to any person, but the benefits, if any, will be determined  
30 under s. 175.201.

31

1           (b) If the designated beneficiary (or beneficiaries)  
2 or joint pensioner dies before the firefighter's retirement  
3 under the plan, the option elected will be canceled  
4 automatically and a retirement income of the normal form and  
5 amount will be payable to the firefighter upon retirement as  
6 if the election had not been made, unless a new election is  
7 made in accordance with the provisions of this section or a  
8 new beneficiary is designated by the firefighter prior to  
9 retirement and within 90 days after the death of the  
10 beneficiary.

11           (c) If both the retired firefighter and the  
12 beneficiary (or beneficiaries) designated by him or her die  
13 before the full payment has been effected under any option  
14 providing for payments for a period certain and life  
15 thereafter, made pursuant to the provisions of paragraph  
16 (1)(c), the board of trustees may, in its discretion, direct  
17 that the commuted value of the remaining payments be paid in a  
18 lump sum and in accordance with s. 175.181.

19           (d) If a firefighter continues beyond his or her  
20 normal retirement date pursuant to the provisions of s.  
21 175.162(1) and dies prior to actual retirement and while an  
22 option made pursuant to the provisions of this section is in  
23 effect, monthly retirement income payments will be made, or a  
24 retirement benefit will be paid, under the option to a  
25 beneficiary (or beneficiaries) designated by the firefighter  
26 in the amount or amounts computed as if the firefighter had  
27 retired under the option on the date on which death occurred.

28           (3) No firefighter may make any change in his or her  
29 retirement option after the date of cashing or depositing the  
30 first retirement check.

31



1           Section 19. Section 175.181, Florida Statutes, is  
2 amended to read:

3           175.181 Beneficiaries.--For any municipality, special  
4 fire control district, chapter plan, local law municipality,  
5 local law special fire control district, or local law plan  
6 under this chapter:

7           (1) Each firefighter may, on a form provided for that  
8 purpose, signed and filed with the board of trustees,  
9 designate a choice of one or more persons, named sequentially  
10 or jointly, as his or her beneficiary (or beneficiaries) to  
11 receive the benefit, if any, which may be payable in the event  
12 of his or her death; and each designation may be revoked by  
13 such firefighter by signing and filing with the board of  
14 trustees a new designation-of-beneficiary form.

15           (2) If no beneficiary is named in the manner provided  
16 by subsection (1), or if no beneficiary designated by the  
17 member survives him,~~a deceased firefighter fails to name a~~  
18 ~~beneficiary in the manner prescribed in subsection (1), or if~~  
19 ~~the beneficiary (or beneficiaries) named by a deceased~~  
20 ~~firefighter predecease the firefighter,~~the death benefit, if  
21 any, which may be payable under the plan with respect to such  
22 deceased firefighter shall ~~may~~ be paid by, ~~in the discretion~~  
23 ~~of the board of trustees, either~~ to the estate of such  
24 deceased firefighter, provided that the board of trustees, in  
25 its discretion, may direct that the commuted value of the  
26 remaining monthly income payments be paid in a lump sum.†

27  
28 Any payment made to any person pursuant to this subsection  
29 shall operate as a complete discharge of all obligations under  
30 the plan with regard to the deceased firefighter and any other  
31 persons with rights under the plan and shall not be subject to

1 review by anyone but shall be final, binding, and conclusive  
2 on all persons ever interested hereunder.

3 ~~(a) The spouse or dependent children of the~~  
4 ~~firefighter; or~~

5 ~~(b) The dependent living parents of the firefighter.~~

6 (3) Notwithstanding any other provision of law to the  
7 contrary, the surviving spouse of any pension participant  
8 member killed in the line of duty shall not lose survivor  
9 retirement benefits if the spouse remarries. The surviving  
10 spouse of such deceased member whose benefit terminated  
11 because of remarriage shall have the benefit reinstated as of  
12 July 1, 1994, at an amount that would have been payable had  
13 such benefit not been terminated. ~~This paragraph shall apply~~  
14 ~~to all municipalities which receive state excise tax moneys as~~  
15 ~~provided in s. 175.101.~~

16 Section 20. Section 175.191, Florida Statutes, is  
17 amended to read:

18 175.191 Disability retirement.--For any municipality,  
19 special fire control district, chapter plan, local law  
20 municipality, local law special fire control district, or  
21 local law plan under this chapter:

22 (1) A firefighter having 10 or more ~~continuous~~ years  
23 of credited service or a firefighter who becomes totally and  
24 permanently disabled in the line of duty, regardless of length  
25 of service, and having contributed to the firefighters'  
26 ~~pension trust fund for 10 years or more~~ may retire from the  
27 service of the municipality or special fire control district  
28 under the plan if, ~~prior to his or her normal retirement date,~~  
29 the firefighter becomes totally and permanently disabled as  
30 defined in subsection (2) by reason of any cause other than a  
31 cause set out in subsection (3) on or after the effective date

1 of the plan. Such retirement shall herein be referred to as  
2 "disability retirement." ~~The provisions for disability other~~  
3 ~~than line-of-duty disability shall not apply to a member who~~  
4 ~~has reached early or normal retirement age.~~

5 (2) A firefighter will be considered totally disabled  
6 if, in the opinion of the board of trustees, he or she is  
7 wholly prevented from rendering useful and efficient service  
8 as a firefighter; and a firefighter will be considered  
9 permanently disabled if, in the opinion of the board of  
10 trustees, he or she is likely to remain so disabled  
11 continuously and permanently from a cause other than is  
12 specified in subsection (3).

13 (3) A firefighter will not be entitled to receive any  
14 disability retirement income if the disability is a result of:

15 (a) Excessive and habitual use by the firefighter of  
16 drugs, intoxicants, or narcotics;

17 (b) Injury or disease sustained by the firefighter  
18 while willfully and illegally participating in fights, riots,  
19 or civil insurrections or while committing a crime;

20 (c) Injury or disease sustained by the firefighter  
21 while serving in any armed forces; or

22 (d) Injury or disease sustained by the firefighter  
23 after his or her employment has terminated.

24 (4) No firefighter shall be permitted to retire under  
25 the provisions of this section until he or she is examined by  
26 a duly qualified physician or surgeon, to be selected by the  
27 board of trustees for that purpose, and is found to be  
28 disabled in the degree and in the manner specified in this  
29 section. Any firefighter retiring under this section may  
30 ~~shall~~ be examined periodically by a duly qualified physician  
31 or surgeon or board of physicians and surgeons, to be selected

1 by the board of trustees for that purpose, to determine if  
2 such disability has ceased to exist.

3         (5) The benefit ~~benefits~~ payable to a firefighter who  
4 retires from the service of a municipality or special fire  
5 control district due to total and permanent disability as a  
6 direct result of a disability ~~commencing prior to his or her~~  
7 ~~normal retirement date~~ is the monthly income payable for 10  
8 years certain and life for which, if the firefighter's  
9 disability occurred in the line of duty, his or her monthly  
10 benefit shall be the accrued retirement benefit, but shall not  
11 be less than 42 percent of his or her average monthly salary  
12 at the time of disability. If after 10 years of service the  
13 disability is other than in the line of duty, the  
14 firefighter's monthly benefit shall be the accrued normal  
15 retirement benefit, but shall not be less than 25 percent of  
16 his or her average monthly salary at the time of disability.

17         (6) The monthly retirement income to which a  
18 firefighter is entitled in the event of his or her disability  
19 retirement shall be payable on the first day of the first  
20 month after the board of trustees determines such entitlement.  
21 However, the monthly retirement income shall be payable as of  
22 the date the board determines such entitlement, and any  
23 portion due for a partial month shall be paid together with  
24 the first payment. The last payment will be, if the  
25 firefighter recovers from the disability ~~prior to his or her~~  
26 ~~normal retirement date~~, the payment due next preceding the  
27 date of such recovery or, if the firefighter dies without  
28 recovering from the disability, the payment due next preceding  
29 his or her death or the 120th monthly payment, whichever is  
30 later. In lieu of the benefit payment as provided in this  
31 paragraph, a firefighter may select an optional form as

1 provided in s. 175.171. Any monthly retirement income payments  
2 due after the death of a disabled firefighter shall be paid to  
3 the firefighter's designated beneficiary (or beneficiaries) as  
4 provided in ss. 175.181 and 175.201.

5 (7) If the board of trustees finds that a firefighter  
6 who is receiving a disability retirement income is, ~~at any~~  
7 ~~time prior to his or her normal retirement date,~~ no longer  
8 disabled, as provided herein, the board of trustees shall  
9 direct that the disability retirement income be discontinued.

10 "Recovery from disability" as used herein means the ability of  
11 the firefighter to render useful and efficient service as a  
12 firefighter.

13 (8) If the firefighter recovers from disability and  
14 reenters the service as a firefighter, service will be deemed  
15 to have been continuous, but the period beginning with the  
16 first month for which he or she received a disability  
17 retirement income payment and ending with the date he or she  
18 reentered the service may ~~will~~ not be considered as credited  
19 service for the purpose of this plan.

20 Section 21. Section 175.195, Florida Statutes, is  
21 created to read:

22 175.195 False, misleading, or fraudulent statements  
23 made to obtain public retirement benefits prohibited;  
24 penalty.--

25 (1) It is unlawful for a person to willfully and  
26 knowingly make, or cause to be made, or to assist, conspire  
27 with, or urge another to make, or cause to be made, any false,  
28 fraudulent, or misleading oral or written statement to obtain  
29 any benefit available under a retirement plan receiving  
30 funding under this chapter.

31

1           (2)(a) A person who violates subsection (1) commits a  
2 misdemeanor of the first degree, punishable as provided in s.  
3 775.082 or s. 775.083.

4           (b) In addition to any applicable criminal penalty,  
5 upon conviction for a violation described in subsection (1), a  
6 participant or beneficiary of a pension plan receiving funding  
7 under this chapter may, in the discretion of the board of  
8 trustees, be required to forfeit the right to receive any or  
9 all benefits to which the person would otherwise be entitled  
10 under this chapter. For purposes of this paragraph,  
11 "conviction" means a determination of guilt that is the result  
12 of a plea or trial, regardless of whether adjudication is  
13 withheld.

14           Section 22. Section 175.201, Florida Statutes, is  
15 amended to read:

16           175.201 Death prior to retirement; refunds of  
17 contributions; death benefits.--For any municipality, special  
18 fire control district, chapter plan, local law municipality,  
19 local law special fire control district, or local law plan  
20 under this chapter:

21           (1) If a firefighter dies before being eligible to  
22 retire under the provisions of this act, the heirs, legatees,  
23 beneficiaries, or personal representatives of such deceased  
24 firefighter shall be entitled to a refund of 100 percent,  
25 without interest, of the contributions made to the  
26 firefighters' pension trust fund by such deceased firefighter  
27 or, in the event an annuity or life insurance contract has  
28 been purchased by the board of trustees on such firefighter,  
29 then to the death benefits available under such life insurance  
30 or annuity contract subject to the limitations on such death  
31 benefits set forth in s. 175.081, whichever amount is greater.

1           (2) If a firefighter having at least 10 years of  
2 credited service dies prior to retirement ~~but has at least 10~~  
3 ~~years of contributing service~~, his or her beneficiary is  
4 entitled to the benefits otherwise payable to the firefighter  
5 at early or normal retirement age.

6  
7 In the event that the death benefit paid by a life insurance  
8 company exceeds the limit set forth in s. 175.081, the excess  
9 of the death benefit over the limit shall be paid to the  
10 firefighters' pension trust fund. However, death ~~the~~ benefits  
11 ~~as~~ provided pursuant to in s. 112.191 or any other state or  
12 federal law shall not be included in the calculation of as  
13 death or retirement benefits provided under this the  
14 ~~provisions of chapter 86-41, Laws of Florida.~~

15           Section 23. Section 175.211, Florida Statutes, is  
16 amended to read:

17           175.211 Separation from service; refunds.--For any  
18 municipality, special fire control district, chapter plan,  
19 local law municipality, local law special fire control  
20 district, or local law plan under this chapter:

21           (1) If a firefighter leaves the service of the  
22 municipality or special fire control district before  
23 accumulating aggregate time of 10 years toward retirement and  
24 before being eligible to retire under the provisions of this  
25 chapter, the firefighter shall be entitled to a refund of all  
26 of his or her contributions made to the firefighters' pension  
27 trust fund after July 1, 1963, without interest, less any  
28 disability benefits paid to him or her after July 1, 1963.

29           (2) If a firefighter who has been in the service of  
30 the municipality or special fire control district for at least  
31 10 years and has contributed to the firefighters' pension

1 ~~trust fund for at least 10 years~~ elects to leave his or her  
2 accrued contributions, if contributions are required, in the  
3 firefighters' pension trust fund, such firefighter upon  
4 attaining the age of 50 years may retire at the actuarial  
5 equivalent of the amount of such retirement income otherwise  
6 payable to him or her, as provided in s. 175.162(4), or upon  
7 attaining age 55 years may retire as provided in s.  
8 175.162(1).

9 Section 24. Section 175.221, Florida Statutes, is  
10 amended to read:

11 175.221 Lump-sum payment of small retirement  
12 income.--For any municipality, special fire control district,  
13 chapter plan, local law municipality, local law special fire  
14 control district, or local law plan under this chapter,  
15 notwithstanding any provisions of the plan to the contrary, if  
16 the monthly retirement income payable to any person entitled  
17 to benefits hereunder is less than ~~\$100~~<sup>\$30</sup>, or if the  
18 single-sum value of the accrued retirement income is less than  
19 ~~\$5,000~~<sup>\$750</sup>, as of the date of retirement or termination of  
20 service, whichever is applicable, the board of trustees, in  
21 the exercise of its discretion, may specify that the actuarial  
22 equivalent of such retirement income be paid in a lump sum.

23 Section 25. Section 175.231, Florida Statutes, is  
24 amended to read:

25 175.231 Diseases of firefighters suffered in line of  
26 duty; presumption.--For any municipality, special fire control  
27 district, chapter plan, local law municipality, local law  
28 special fire control district, or local law plan under this  
29 chapter, any condition or impairment of health of a  
30 firefighter caused by tuberculosis, hypertension, or heart  
31 disease resulting in total or partial disability or death



1 shall be presumed to have been accidental and suffered in the  
2 line of duty unless the contrary is shown by competent  
3 evidence, provided that, such firefighter shall have  
4 successfully passed a physical examination before entering  
5 into such service, which examination failed to reveal any  
6 evidence of such condition. This section shall be applicable  
7 to all firefighters ~~employed in Florida~~ only with reference to  
8 pension and retirement benefits under this chapter.

9 Section 26. Section 175.241, Florida Statutes, is  
10 amended to read:

11 175.241 Exemption from execution.--For any  
12 municipality, special fire control district, chapter plan,  
13 local law municipality, local law special fire control  
14 district, or local law plan under this chapter, the pensions,  
15 annuities, or other benefits accrued or accruing to any person  
16 under any chapter plan or local law plan under the provisions  
17 of this chapter act and the accumulated contributions and the  
18 cash securities in the funds created under this chapter act  
19 are hereby exempted from any state, county, or municipal tax  
20 and shall not be subject to execution or attachment or to any  
21 legal process whatsoever, and shall be unassignable.

22 Section 27. Section 175.251, Florida Statutes, is  
23 repealed.

24 Section 28. Section 175.261, Florida Statutes, is  
25 amended to read:

26 175.261 Annual report to Division of Retirement;  
27 actuarial valuations reports.--For any municipality, special  
28 fire control district, chapter plan, local law municipality,  
29 local law special fire control district, or local law plan  
30 under this chapter, the board of trustees for every chapter  
31

1 plan and local law plan shall submit the following reports to  
2 the division:

3 (1) With respect to chapter plans:

4 (a) Each year, by February 1, the chair or secretary  
5 of the board of trustees of each firefighters' pension trust  
6 fund operating under a chapter plan shall file a report with  
7 the division which contains:

8 1.(a) A statement of whether in fact the municipality  
9 or special fire control district is within the provisions of  
10 s. 175.041.

11 2.(b) An independent audit by a certified public  
12 accountant if the fund has \$250,000 ~~\$100,000~~ or more in  
13 assets, or a certified statement of accounting if the fund has  
14 less than \$250,000 ~~\$100,000~~ or more in assets, for the most  
15 recent plan fiscal ~~year of the municipality or special fire~~  
16 ~~control district~~, showing a detailed listing of assets and  
17 methods used to value them and a statement of all income and  
18 disbursements during the year. Such income and disbursements  
19 shall be reconciled with the assets at the beginning ~~of~~ and  
20 end of the year.

21 3.(c) A statistical exhibit showing the total number  
22 of firefighters on the force, the number included in the  
23 retirement plan and the number ineligible, classified  
24 according to the reason for their being ineligible, and the  
25 number of disabled firefighters and retired firefighters and  
26 their beneficiaries receiving pension payments and the amounts  
27 of annual retirement income or pension payments being received  
28 by them.

29 4.(d) A statement of the amount the municipality or  
30 special fire control district, or other income source, has  
31 contributed to the retirement fund for the most recent plan

1 ~~fiscal~~ year and the amount the municipality or special fire  
2 control district will contribute to the retirement fund during  
3 its current plan ~~fiscal~~ year.

4 5.(e) If any benefits are insured with a commercial  
5 insurance company, the report should include a statement of  
6 the relationship of the insured benefits to the benefits  
7 provided by this chapter as well as the name of the insurer  
8 and information about the basis of premium rates, mortality  
9 table, interest rates, and method used in valuing retirement  
10 benefits.

11 (b)(2) In addition to annual reports provided under  
12 paragraph (a), by February 1 of each triennial year, an  
13 actuarial valuation of the chapter plan must be made by the  
14 division at least once every 3 years, as provided in s.  
15 112.63, commencing 3 years from the last actuarial valuation  
16 of the plan or system for existing plans, or commencing 3  
17 years from issuance of the initial actuarial impact statement  
18 submitted under s. 112.63 for newly created plans.~~beginning~~  
19 ~~with February 1, 1986, and at least every 3 years commencing~~  
20 ~~from the last actuarial report of the plan or system or from~~  
21 ~~February 1, 1987, if no actuarial report has been issued~~  
22 ~~within the 3-year period prior to February 1, 1986,~~To that  
23 end, the chair of the board of trustees for each firefighters'  
24 pension trust fund operating under a chapter plan shall report  
25 to the division such data as ~~that~~ it needs to complete an  
26 actuarial valuation of each fund. The forms for each  
27 municipality and special fire control district shall be  
28 supplied by the division. The expense of this actuarial  
29 valuation shall be borne by the firefighters' pension trust  
30 fund established by ss. 175.041 and 175.121. The requirements  
31

1 of this section are supplemental to the actuarial valuations  
2 necessary to comply with ss. 11.45 and 218.32.

3 (2) With respect to local law plans:

4 (a) Each year, on or before March 15, the trustees of  
5 the retirement plan shall submit the following information to  
6 the division in order for the retirement plan of such  
7 municipality or special fire control district to receive a  
8 share of the state funds for the then-current calendar year:

9 1. A certified copy of each and every instrument  
10 constituting or evidencing the plan. This includes the formal  
11 plan, including all amendments, the trust agreement, copies of  
12 all insurance contracts, and formal announcement material.

13 2. An independent audit by a certified public  
14 accountant if the fund has \$250,000 or more in assets, or a  
15 certified statement of accounting if the fund has less than  
16 \$250,000 in assets, for the most recent plan year, showing a  
17 detailed listing of assets and a statement of all income and  
18 disbursements during the year. Such income and disbursements  
19 must be reconciled with the assets at the beginning and end of  
20 the year.

21 3. A certified statement listing the investments of  
22 the plan and a description of the methods used in valuing the  
23 investments.

24 4. A statistical exhibit showing the total number of  
25 firefighters, the number included in the plan, and the number  
26 ineligible classified according to the reasons for their being  
27 ineligible, and the number of disabled and retired  
28 firefighters and their beneficiaries receiving pension  
29 payments and the amounts of annual retirement income or  
30 pension payments being received by them.

31

1           5. A certified statement describing the methods,  
2 factors, and actuarial assumptions used in determining the  
3 cost.

4           6. A certified statement by an enrolled actuary  
5 showing the results of the latest actuarial valuation of the  
6 plan and a copy of the detailed worksheets showing the  
7 computations used in arriving at the results.

8           7. A statement of the amount the municipality or  
9 special fire control district, or other income source, has  
10 contributed toward the plan for the most recent plan year and  
11 will contribute toward the plan for the current plan year.

12  
13 When any of the items required hereunder is identical to the  
14 corresponding item submitted for a previous year, it is not  
15 necessary for the trustees to submit duplicate information if  
16 they make reference to the item in the previous year's report.

17           (b) In addition to annual reports provided under  
18 paragraph (a), an actuarial valuation of the retirement plan  
19 must be made at least once every 3 years, as provided in s.  
20 112.63, commencing 3 years from the last actuarial valuation  
21 of the plan or system for existing plans, or commencing 3  
22 years from issuance of the initial actuarial impact statement  
23 submitted under s. 112.63 for newly created plans. Such  
24 valuation shall be prepared by an enrolled actuary, subject to  
25 the following conditions:

26           1. The assets shall be valued as provided in s.  
27 112.625(7).

28           2. The cost of the actuarial valuation must be paid by  
29 the individual firefighters' retirement fund or by the  
30 sponsoring municipality or special fire control district.

31

1           3. A report of the valuation, including actuarial  
2 assumptions and type and basis of funding, shall be made to  
3 the division within 3 months after the date of valuation. If  
4 any benefits are insured with a commercial insurance company,  
5 the report must include a statement of the relationship of the  
6 retirement plan benefits to the insured benefits, the name of  
7 the insurer, the basis of premium rates, and the mortality  
8 table, interest rate, and method used in valuing the  
9 retirement benefits.

10           Section 29. Section 175.291, Florida Statutes, is  
11 repealed.

12           Section 30. Section 175.301, Florida Statutes, is  
13 amended to read:

14           175.301 Depository for pension funds.--For any  
15 municipality, special fire control district, chapter plan,  
16 local law municipality, local law special fire control  
17 district, or local law plan under this chapter, all funds and  
18 ~~securities~~ of the firefighters' pension trust fund of any  
19 chapter plan or local law plan under this chapter may be  
20 deposited by the board of trustees with the treasurer of the  
21 municipality or special fire control district, acting in a  
22 ministerial capacity only, who shall be liable in the same  
23 manner and to the same extent as he or she is liable for the  
24 safekeeping of funds for the municipality or special fire  
25 control district. However, any funds ~~and securities~~ so  
26 deposited with the treasurer of the municipality or special  
27 fire control district shall be kept in a separate fund by the  
28 treasurer or clearly identified as such funds ~~and securities~~  
29 of the firefighters' pension trust fund. In lieu thereof, the  
30 board of trustees shall deposit the funds ~~and securities~~ of  
31 the firefighters' pension trust fund in a qualified public

1 depository as defined in s. 280.02, which depository with  
2 regard to such funds ~~and securities~~ shall conform to and be  
3 bound by all of the provisions of chapter 280.

4 Section 31. Section 175.311, Florida Statutes, is  
5 amended to read:

6 175.311 Municipalities, special fire control  
7 districts, and boards independent of each other.--In the  
8 enforcement and ~~in the~~ interpretation of the provisions of  
9 this chapter for any municipality, special fire control  
10 district, chapter plan, local law municipality, local law  
11 special fire control district, or local law plan under this  
12 chapter, each municipality and each special fire control  
13 district shall be independent of any other municipality or  
14 special fire control district, and the board of trustees of  
15 the firefighters' pension trust fund of each municipality and  
16 each special fire control district shall function for the  
17 municipality or special fire control district that ~~which~~ it  
18 serves as trustee. Each board of trustees shall be  
19 independent of the municipality or special fire control  
20 district for which it serves as board of trustees to the  
21 extent required to accomplish the intent, requirements, and  
22 responsibilities provided for in this chapter.

23 Section 32. Section 175.321, Florida Statutes, is  
24 repealed.

25 Section 33. Section 175.331, Florida Statutes, is  
26 repealed.

27 Section 34. Section 175.333, Florida Statutes, is  
28 amended to read:

29 175.333 Discrimination in benefit formula prohibited;  
30 restrictions regarding designation of joint annuitants.--For  
31 any municipality, special fire control district, chapter plan,

1 local law municipality, local law special fire control  
2 district, or local law plan under this chapter:

3 (1) No plan ~~established under the provisions of this~~  
4 ~~chapter and participating in the distribution of premium tax~~  
5 ~~moneys as provided in this chapter~~ shall discriminate in its  
6 benefit formula based on color, national origin, sex, or  
7 marital status. ~~; however,~~

8 (2)(a) If a plan offers a joint annuitant option and  
9 the member selects such option, or if a ~~the~~ plan specifies  
10 that the member's spouse is to receive the benefits that ~~which~~  
11 continue to be payable upon the death of the member, then, in  
12 both of these cases, after retirement ~~the~~ benefits have  
13 commenced, a retired member may change his or her designation  
14 of joint annuitant or beneficiary only twice.

15 (b) ~~Any~~ if ~~said~~ retired member who desires to change  
16 his or her joint annuitant or beneficiary, ~~the member~~ shall  
17 file with the board of trustees of his or her plan a notarized  
18 notice of such change either by registered letter or on such ~~a~~  
19 form as is provided by the administrator of the plan. Upon  
20 receipt of a completed change of joint annuitant form or such  
21 other notice, the board of trustees shall adjust the member's  
22 monthly benefit by the application of actuarial tables and  
23 calculations developed to ensure that the benefit paid is the  
24 actuarial equivalent of the present value of the member's  
25 current benefit.

26  
27 Nothing herein shall preclude a plan from actuarially  
28 adjusting benefits or offering options based upon sex, age,  
29 early retirement, or disability.

30 Section 35. Section 175.341, Florida Statutes, is  
31 amended to read:



1           175.341 Duties of Division of Retirement; rulemaking  
2 authority; investments by the State Board of Administration.--

3           (1) The division shall be responsible for the daily  
4 oversight and monitoring for actuarial soundness of the  
5 firefighters' pension plans, whether chapter or local law  
6 plans, established under this chapter, for receiving and  
7 holding the premium tax moneys collected under this chapter,  
8 and, upon determining compliance with the provisions of this  
9 chapter, for disbursing those moneys to the firefighters'  
10 pension plans. The funds necessary to pay expenses for such  
11 administration shall be annually appropriated from the  
12 interest and investment income earned on moneys deposited in  
13 the trust fund.

14           (2) The division shall adopt rules necessary for the  
15 administration of this chapter.

16           (3) The State Board of Administration shall invest and  
17 reinvest the moneys in the trust fund collected under this  
18 chapter in accordance with ss. 215.44-215.53. Costs incurred  
19 by the board in carrying out the provisions of this subsection  
20 shall be deducted from the interest and investment income  
21 accruing to the trust fund.

22           Section 36. Section 175.351, Florida Statutes, is  
23 amended to read:

24           (Substantial rewording of section. See  
25           s. 175.351, F.S., for present text.)

26           175.351 Municipalities and special fire control  
27 districts having their own pension plans for  
28 firefighters.--For any municipality, special fire control  
29 district, local law municipality, local law special fire  
30 control district, or local law plan under this chapter, in  
31 order for municipalities and special fire control districts

1 with their own pension plans for firefighters, or for  
2 firefighters and police officers, where included, to  
3 participate in the distribution of the tax fund established  
4 pursuant to s. 175.101, local law plans must meet the minimum  
5 benefits and minimum standards set forth in this chapter.

6 (1) PREMIUM TAX INCOME.--If a municipality has a  
7 pension plan for firefighters, or a pension plan for  
8 firefighters and police officers, where included, which in the  
9 opinion of the division meets the minimum benefits and minimum  
10 standards set forth in this chapter, the board of trustees of  
11 the pension plan, as approved by a majority of firefighters of  
12 the municipality, may:

13 (a) Place the income from the premium tax in s.  
14 175.101 in such pension plan for the sole and exclusive use of  
15 its firefighters, or for firefighters and police officers,  
16 where included, where it shall become an integral part of that  
17 pension plan and shall be used to pay extra benefits to the  
18 firefighters included in that pension plan; or

19 (b) Place the income from the premium tax in s.  
20 175.101 in a separate supplemental pension plan to pay extra  
21 benefits to firefighters, or to firefighters and police  
22 officers where included, participating in such separate  
23 supplemental pension plan.

24  
25 Anything to the contrary notwithstanding, the premium tax  
26 provided by this chapter shall in all cases be used in its  
27 entirety to provide extra benefits to firefighters, or to  
28 firefighters and police officers where included. For purposes  
29 of this chapter, the term "extra benefits" means benefits in  
30 addition to or greater than those provided to general  
31 employees of the municipality.

1           (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No  
2 retirement plan or amendment to a retirement plan shall be  
3 proposed for adoption unless the proposed plan or amendment  
4 contains an actuarial estimate of the costs involved. No such  
5 proposed plan or proposed plan change shall be adopted without  
6 the approval of the municipality, special fire control  
7 district, or, where permitted, the Legislature. Copies of the  
8 proposed plan or proposed plan change and the actuarial impact  
9 statement of the proposed plan or proposed plan change shall  
10 be furnished to the division prior to the last public hearing  
11 thereon. Such statement shall also indicate whether the  
12 proposed plan or proposed plan change is in compliance with s.  
13 14, Art. X of the State Constitution and those provisions of  
14 part VII of chapter 112 which are not expressly provided in  
15 this chapter.

16           (3) Notwithstanding any other provision, with respect  
17 to any supplemental plan municipality:

18           (a) Section 175.032(3)(a) shall not apply, and a local  
19 law plan and a supplemental plan may continue to use their  
20 definition of compensation or salary in existence on the  
21 effective date of this act.

22           (b) Section 175.061(1)(b) shall not apply, and a local  
23 law plan and a supplemental plan shall continue to be  
24 administered by a board or boards of trustees numbered,  
25 constituted, and selected as the board or boards were  
26 numbered, constituted, and selected on January 1, 1997.

27           (c) Paragraphs (1)(a) and (b) shall not apply.

28           (4) The retirement plan setting forth the benefits and  
29 the trust agreement, if any, covering the duties and  
30 responsibilities of the trustees and the regulations of the  
31 investment of funds must be in writing, and copies thereof

1 must be made available to the participants and to the general  
2 public.

3 Section 37. Section 175.361, Florida Statutes, is  
4 amended to read:

5 175.361 Termination of plan and distribution of  
6 fund.--For any municipality, special fire control district,  
7 chapter plan, local law municipality, local law special fire  
8 control district, or local law plan under this chapter, the  
9 plan may be terminated by the municipality or special fire  
10 control district. Upon termination of the plan by the  
11 municipality or special fire control district for any reason  
12 or because of a transfer, merger, or consolidation of  
13 governmental units, services, or functions as provided in  
14 chapter 121, or upon written notice by the municipality or  
15 special fire control district to the board of trustees that  
16 contributions under the plan are being permanently  
17 discontinued, the rights of all employees to benefits accrued  
18 to the date of such termination and the amounts credited to  
19 the employees' accounts are nonforfeitable.The fund shall be  
20 apportioned and distributed in accordance with the following  
21 procedures:

22 (1) The board of trustees shall determine the date of  
23 distribution and the asset value to be distributed, after  
24 taking into account the expenses of such distribution.

25 (2) The board of trustees shall determine the method  
26 of distribution of the asset value, that is, whether  
27 distribution shall be by payment in cash, by the maintenance  
28 of another or substituted trust fund, by the purchase of  
29 insured annuities, or otherwise, for each firefighter entitled  
30 to benefits under the plan as specified in subsection (3).

31

1           (3) The board of trustees shall apportion the asset  
2 value as of the date of termination in the manner set forth in  
3 this subsection, on the basis that the amount required to  
4 provide any given retirement income shall mean the actuarially  
5 computed single-sum value of such retirement income, except  
6 that if the method of distribution determined under subsection  
7 (2) involves the purchase of an insured annuity, the amount  
8 required to provide the given retirement income shall mean the  
9 single premium payable for such annuity.

10           (a) Apportionment shall first be made in respect of  
11 each retired firefighter receiving a retirement income  
12 hereunder on such date, each person receiving a retirement  
13 income on such date on account of a retired (but since  
14 deceased) firefighter, and each firefighter who has, by such  
15 date, become eligible for normal retirement but has not yet  
16 retired, in the amount required to provide such retirement  
17 income, provided that, if such asset value is less than the  
18 aggregate of such amounts, such amounts shall be  
19 proportionately reduced so that the aggregate of such reduced  
20 amounts will be equal to such asset value.

21           (b) If there is any asset value remaining after the  
22 apportionment under paragraph (a), apportionment shall next be  
23 made in respect of each firefighter in the service of the  
24 municipality or special fire control district on such date who  
25 has completed at least 10 years of credited service, in who  
26 ~~has contributed to the firefighters' pension trust fund for at~~  
27 least 10 years, and who is not entitled to an apportionment  
28 under paragraph (a), in the amount required to provide the  
29 actuarial equivalent of the accrued normal retirement income,  
30 based on the firefighter's credited service and earnings to  
31 such date, and each former participant then entitled to a

1 benefit under the provisions of s. 175.211 who has not by such  
2 date reached his or her normal retirement date, in the amount  
3 required to provide the actuarial equivalent of the accrued  
4 normal retirement income to which he or she is entitled under  
5 s. 175.211; provided that, if such remaining asset value is  
6 less than the aggregate of the amounts apportioned hereunder,  
7 such latter amounts shall be proportionately reduced so that  
8 the aggregate of such reduced amounts will be equal to such  
9 remaining asset value.

10 (c) If there is any asset value after the  
11 apportionments under paragraphs (a) and (b), apportionment  
12 shall lastly be made in respect of each firefighter in the  
13 service of the municipality or special fire control district  
14 on such date who is not entitled to an apportionment under  
15 paragraphs (a) and (b) in the amount equal to the  
16 firefighter's total contributions to the plan to date of  
17 termination; provided that, if such remaining asset value is  
18 less than the aggregate of the amounts apportioned hereunder,  
19 such latter amounts shall be proportionately reduced so that  
20 the aggregate of such reduced amounts will be equal to such  
21 remaining asset value.

22 (d) In the event that there is asset value remaining  
23 after the full apportionment specified in paragraphs (a), (b),  
24 and (c), such excess shall be returned to the municipality or  
25 special fire control district, less return to the state of the  
26 state's contributions, provided that, if the excess is less  
27 than the total contributions made by the municipality or  
28 special fire control district and the state to date of  
29 termination of the plan, such excess shall be divided  
30 proportionately to the total contributions made by the  
31 municipality or special fire control district and the state.

1           (4) The board of trustees shall distribute, in  
2 accordance with the manner of distribution determined under  
3 subsection (2), the amounts apportioned under subsection (3).  
4

5 If, after a period of 24 months after the date on which the  
6 plan terminated or the date on which the board received  
7 written notice that the contributions thereunder were being  
8 permanently discontinued, the municipality or special fire  
9 control district or the board of trustees of the firefighters'  
10 pension trust fund affected has not complied with all the  
11 provisions in this section, the division shall effect the  
12 termination of the fund in accordance with this section.

13           Section 38. Section 175.371, Florida Statutes, is  
14 amended to read:

15           175.371 Transfer to another state retirement system;  
16 benefits payable.--For any municipality, special fire control  
17 district, chapter plan, local law municipality, local law  
18 special fire control district, or local law plan under this  
19 chapter:

20           (1) Any firefighter who has a vested right to benefits  
21 under a pension plan created pursuant to the provisions of  
22 this chapter and who elects to participate in another state  
23 retirement system may not receive a benefit under the  
24 provisions of the latter retirement system for any year's  
25 service for which benefits are paid under the provisions of  
26 the pension plan created pursuant to this chapter.

27           (2) When every active participant in any pension plan  
28 created pursuant to this chapter elects to transfer to another  
29 state retirement system, the pension plan created pursuant to  
30 this chapter shall be terminated and the assets distributed in  
31 accordance with s. 175.361. If some participants in a pension

1 plan created pursuant to this chapter elect to transfer to  
2 another state retirement system and other participants elect  
3 to remain in the existing plan created pursuant to this  
4 chapter, the plan created pursuant to this chapter shall  
5 remain in effect until fully funded and shall then be  
6 terminated in accordance with s. 175.361.

7 Section 39. Section 175.381, Florida Statutes, is  
8 amended to read:

9 (Substantial rewording of section. See  
10 s. 175.381, F.S., for present text.)

11 175.381 Applicability.--This act shall apply to all  
12 municipalities, special fire control districts, chapter plans,  
13 local law municipalities, local law special fire control  
14 districts, or local law plans presently existing or to be  
15 created pursuant to this chapter. Those plans presently  
16 existing pursuant to s. 175.351 and not in compliance with the  
17 provisions of this act must comply no later than December 31,  
18 1998. However, the plan sponsor of any plan established by  
19 special act of the Legislature shall have until July 1, 1999,  
20 to comply with the provisions of this act, except as otherwise  
21 provided in this act with regard to establishment and election  
22 of board members. The provisions of this act shall be  
23 construed to establish minimum standards and minimum benefit  
24 levels, and nothing contained in this act or in chapter 175  
25 shall operate to reduce presently existing rights or benefits  
26 of any firefighter, directly, indirectly, or otherwise.

27 Section 40. Section 175.391, Florida Statutes, is  
28 repealed.

29 Section 41. Section 175.401, Florida Statutes, is  
30 amended to read:

31



1           175.401 Retiree health insurance subsidy.--For any  
2 municipality, special fire control district, chapter plan,  
3 local law municipality, local law special fire control  
4 district, or local law plan under this chapter,under the  
5 broad grant of home rule powers under the Florida Constitution  
6 and chapter 166, municipalities have the authority to  
7 establish and administer locally funded health insurance  
8 subsidy programs. In addition, special fire control districts  
9 may, by resolution, establish and administer locally funded  
10 health insurance subsidy programs. Pursuant thereto:

11           (1) PURPOSE.--The purpose of this section is to allow  
12 municipalities and special fire control districts the option  
13 to use premium tax moneys, as provided for under this chapter,  
14 to establish and administer health insurance subsidy programs  
15 which will provide a monthly subsidy payment to retired  
16 members of any firefighters' pension trust fund system or plan  
17 as provided under this chapter, or to beneficiaries who are  
18 spouses or financial dependents entitled to receive benefits  
19 under such a plan, in order to assist such retired members or  
20 beneficiaries in paying the costs of health insurance.

21           (2) RETIREE HEALTH INSURANCE SUBSIDY TRUST FUNDS;  
22 ESTABLISHMENT AND TERMINATION.--

23           (a) Any municipality or special fire control district  
24 having a firefighters' pension trust fund system or plan as  
25 provided under this chapter may, in its discretion, establish  
26 by ordinance or resolution, as appropriate, a trust fund to be  
27 known as the firefighters' retiree health insurance subsidy  
28 trust fund. This fund may be a separate account established  
29 for such purpose in the existing firefighters' pension fund,  
30 provided that all funds deposited in such account are  
31 segregated from, and not commingled with, pension funds or

1 other public moneys and that the account otherwise conforms to  
2 the requirements of subsection (8). The trust fund shall be  
3 used to account for all moneys received and disbursed pursuant  
4 to this section.

5 (b) Prior to the second reading of the ordinance  
6 before the municipal legislative body, or of the resolution  
7 before the governing body of the special fire control  
8 district, an actuarial valuation must be performed by an  
9 enrolled actuary as provided in s. 112.63, and copies of the  
10 valuation and the proposed implementing ordinance or  
11 resolution shall be furnished to the division.

12 (c) The subsidy program may, at the discretion of the  
13 municipal governing body, be permanently discontinued by  
14 municipal ordinance, and at the discretion of the governing  
15 body of a special fire control district may be permanently  
16 discontinued by resolution, at any time, subject to the  
17 requirements of any applicable collective bargaining  
18 agreement, in the same manner and subject to the same  
19 conditions established for plan termination and fund  
20 distribution under s. 175.361.

21 (3) FUNDING.--Trust funds established pursuant to this  
22 section shall be funded in the following manner:

23 (a) By payment to the fund of an amount equivalent to  
24 one-half of the net increase over the previous tax year in the  
25 premium tax funds provided for in this chapter, said amount to  
26 be established in the implementing ordinance or resolution.

27 (b) By no less than one-half of 1 percent of the base  
28 salary of each firefighter, for so long as the firefighter is  
29 employed and covered by a pension plan established pursuant to  
30 this chapter. The municipality or special fire control  
31 district, with approval of the board of trustees, may increase

1 member contributions if needed to fund benefits greater than  
2 the minimums established in this section.

3 (c) By payment by the municipality or special fire  
4 control district, on at least a quarterly basis, of whatever  
5 sum is determined necessary to maintain the actuarial  
6 soundness of the fund in accordance with s. 112.64.

7  
8 Such contributions and payments shall be submitted to the  
9 board of trustees of the firefighters' pension trust fund, or  
10 the plan trustees in the case of local law plans established  
11 under s. 175.351, and deposited in the firefighters' retiree  
12 health insurance subsidy trust fund, in the same manner and  
13 subject to the same time constraints as provided under s.  
14 175.131.

15 (4) ELIGIBILITY FOR RETIREE HEALTH INSURANCE  
16 SUBSIDY.--A person who has contributed to the retiree health  
17 insurance subsidy trust fund and retires under a firefighters'  
18 pension trust fund system or plan as provided under this  
19 chapter, including any local law plan as provided under s.  
20 175.351, or a beneficiary who is a spouse or financial  
21 dependent entitled to receive benefits under such a plan, is  
22 eligible for health insurance subsidy payments provided under  
23 this section. However, the fund, with approval of the board  
24 of trustees and approval of the municipality or special fire  
25 control district, may provide coverage to retirees and  
26 beneficiaries when the retirees have not contributed to the  
27 fund as provided in subsection (3). Payment of the retiree  
28 health insurance subsidy shall be made only after coverage for  
29 health insurance for the retiree or beneficiary has been  
30 certified in writing to the board of trustees of the  
31 firefighters' pension trust fund.

1           (5) RETIREE HEALTH INSURANCE SUBSIDY  
2 AMOUNT.--Beginning on the effective date established in the  
3 implementing ordinance or resolution, each eligible retiree,  
4 or beneficiary who is a spouse or financial dependent thereof,  
5 shall receive a monthly retiree health insurance subsidy  
6 payment equal to the aggregate number of years of service, as  
7 defined in s. 175.032, completed at the time of retirement  
8 multiplied by an amount determined in the implementing  
9 ordinance or resolution, but no less than \$3 for each year of  
10 service. Nothing herein shall be construed to restrict the  
11 plan sponsor from establishing, in the implementing ordinance  
12 or resolution, a cap of no less than 30 years upon the number  
13 of years' service for which credit will be given toward a  
14 health insurance subsidy or a maximum monthly subsidy amount.

15           (6) PAYMENT OF RETIREE HEALTH INSURANCE  
16 SUBSIDY.--Beginning on the effective date established in the  
17 implementing ordinance or resolution, any monthly retiree  
18 health insurance subsidy amount due and payable under this  
19 section shall be paid to retired members, or their eligible  
20 beneficiaries, by the board of trustees of the firefighters'  
21 pension trust fund, or the plan trustees in the case of local  
22 law plans established under s. 175.351, in the same manner as  
23 provided by s. 175.071(1)(c) for drafts upon the pension fund.

24           (7) INVESTMENT OF THE TRUST FUND.--The trustees of the  
25 firefighters' pension trust fund, or the plan trustees in the  
26 case of local law plans established under s. 175.351, are  
27 hereby authorized to invest and reinvest the funds of the  
28 firefighters' retiree health insurance subsidy trust fund in  
29 the same manner and subject to the same conditions as apply  
30 hereunder to the investment of firefighters' pension funds  
31 under s. 175.071.

1           (8) DEPOSIT OF HEALTH INSURANCE SUBSIDY FUNDS.--All  
2 funds ~~and securities~~ of the health insurance subsidy fund may  
3 be deposited by the board of trustees with the treasurer of  
4 the municipality or special fire control district, acting in a  
5 ministerial capacity only, who shall be liable in the same  
6 manner and to the same extent as he or she is liable for the  
7 safekeeping of funds for the municipality or special fire  
8 control district. Any funds so deposited shall be segregated  
9 by the treasurer in a separate fund, clearly identified as  
10 funds ~~and securities~~ of the health insurance subsidy fund. In  
11 lieu thereof, the board of trustees shall deposit the funds  
12 ~~and securities~~ of the health insurance subsidy fund in a  
13 qualified public depository as defined in s. 280.02, which  
14 shall conform to and be bound by the provisions of chapter 280  
15 with regard to such funds. In no case shall the funds of the  
16 health insurance subsidy fund be deposited in any financial  
17 institution, brokerage house trust company, or other entity  
18 that is not a public depository as provided by s. 280.02.

19           (9) SEPARATION FROM SERVICE; REFUNDS.--Any firefighter  
20 who terminates employment with a municipality or special fire  
21 control district having a retiree health insurance subsidy  
22 trust fund system or plan as provided under this section shall  
23 be entitled to a refund of all employee contributions he or  
24 she made to that trust fund, without interest, regardless of  
25 whether the firefighter has vested for purposes of retirement.  
26 Any firefighter who has vested for purposes of retirement in  
27 the service of the municipality or special fire control  
28 district, and has contributed to the firefighters' retiree  
29 health insurance subsidy trust fund for so long as he or she  
30 was eligible to make such contributions, may, in his or her  
31 discretion, elect to leave his or her accrued contributions in

1 the fund, whereupon, such firefighter shall, upon retiring and  
2 commencing to draw retirement benefits, receive a health  
3 insurance subsidy based upon his or her aggregate number of  
4 years of service, as defined in s. 175.032.

5 (10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS;  
6 AUDITS; RULES; ADMINISTRATIVE COSTS.--The board of trustees of  
7 the firefighters' pension trust fund, or the plan trustees in  
8 the case of local law plans established under s. 175.351,  
9 shall be solely responsible for administering the health  
10 insurance subsidy trust fund. Pursuant thereto:

11 (a) As part of its administrative duties, no less  
12 frequently than every 3 years, the board shall have an  
13 actuarial valuation of the firefighters' retiree health  
14 insurance subsidy trust fund prepared as provided in s. 112.63  
15 by an enrolled actuary, covering the same reporting period or  
16 plan year used for the firefighters' pension plan, and shall  
17 submit a report of the valuation, including actuarial  
18 assumptions and type and basis of funding, to the division.

19 (b) By February 1 of each year, the trustees shall  
20 file a report with the division, containing an independent  
21 audit by a certified public accountant if the fund has  
22 \$250,000~~\$100,000~~ or more in assets, or a certified statement  
23 of accounting if the fund has less than \$250,000~~\$100,000~~ in  
24 assets, for the most recent plan ~~fiscal~~ year of the  
25 ~~municipality or special fire control district~~, showing a  
26 detailed listing of assets and methods used to value them and  
27 a statement of all income and disbursements during the year.  
28 Such income and disbursements shall be reconciled with the  
29 assets at the beginning of and end of the year.

30  
31

1           (c) The trustees may adopt such rules and regulations  
2 as are necessary for the effective and efficient  
3 administration of this section.

4           (d) At the discretion of the plan sponsor, the cost of  
5 administration may be appropriated from the trust fund or paid  
6 directly by the plan sponsor.

7           (11) BENEFITS.--Subsidy payments shall be payable  
8 under the firefighters' retiree health insurance subsidy  
9 program only to participants in the program or their  
10 beneficiaries. Such subsidy payments shall not be subject to  
11 assignment, execution, or attachment or to any legal process  
12 whatsoever, and shall be in addition to any other benefits to  
13 which eligible recipients are entitled under any workers'  
14 compensation law, pension law, collective bargaining  
15 agreement, municipal or county ordinance, or any other state  
16 or federal statute.

17           (12) DISTRIBUTION OF PREMIUM TAXES; COMPLIANCE  
18 REQUIRED.--Premium tax dollars for which spending authority is  
19 granted under this section shall be distributed from the  
20 Police and Firefighters' Premium Tax Trust Fund and remitted  
21 annually to municipalities and special fire control districts  
22 in the same manner as provided under this chapter for  
23 firefighters' pension funds. Once a health insurance subsidy  
24 plan has been implemented by a municipality or special fire  
25 control district under this section, in order for the  
26 municipality or special fire control district to participate  
27 in the distribution of premium tax dollars authorized under  
28 this section, all provisions of this section, including state  
29 acceptance pursuant to part VII of chapter 112, shall be  
30 complied with, and said premium tax dollars may be withheld  
31 for noncompliance.

1           Section 42. Section 185.01, Florida Statutes, is  
2 amended to read:

3           185.01 Legislative declaration.--

4           (1) It is hereby found and declared by the Legislature  
5 that police officers as hereinafter defined perform both state  
6 and municipal functions; that they make arrests for violations  
7 of state traffic laws on public highways; that they keep the  
8 public peace; that they conserve both life and property; and  
9 that their activities are vital to public welfare of this  
10 state. Therefore the Legislature declares that it is a proper  
11 and legitimate state purpose to provide a uniform retirement  
12 system for the benefit of police officers as hereinafter  
13 defined and intends, in implementing the provisions of s. 14,  
14 Art. X of the State Constitution as they relate to municipal  
15 police officers' retirement trust fund systems and plans, that  
16 such retirement systems or plans be managed, administered,  
17 operated, and funded in such manner as to maximize the  
18 protection of police officers' retirement trust funds.  
19 Therefore, the Legislature hereby determines and declares that  
20 the provisions of this act fulfill an important state  
21 interest.

22           (2) This chapter hereby establishes, for all municipal  
23 pension plans now or hereinafter provided for under this  
24 chapter, including chapter plans and local law plans, minimum  
25 benefits and minimum standards for the operation and funding  
26 of such ~~municipal police officers' retirement trust fund~~  
27 ~~systems and plans, hereinafter referred to as municipal police~~  
28 officers' retirement trust funds. The minimum benefits and  
29 minimum standards set forth in this chapter may not be  
30 diminished by local ordinance or by special act of the  
31 Legislature, nor may the minimum benefits or minimum standards



1 be reduced or offset by any other local, state, or federal  
2 plan that may include police officers in its operation, except  
3 as provided under s. 112.65.

4 Section 43. Section 185.02, Florida Statutes, is  
5 amended to read:

6 (Substantial rewording of section. See  
7 s. 185.02, F.S., for present text.)

8 185.02 Definitions.--For any municipality, chapter  
9 plan, local law municipality, or local law plan under this  
10 chapter, the following words and phrases as used in this  
11 chapter shall have the following meanings, unless a different  
12 meaning is plainly required by the context:

13 (1) "Average final compensation" means one-twelfth of  
14 the average annual compensation of the 5 best years of the  
15 last 10 years of creditable service prior to retirement,  
16 termination, or death.

17 (2) "Casualty insurance" means automobile public  
18 liability and property damage insurance to be applied at the  
19 place of residence of the owner, or if the subject is a  
20 commercial vehicle, to be applied at the place of business of  
21 the owner; automobile collision insurance; fidelity bonds;  
22 burglary and theft insurance; and plate glass insurance.

23 "Multiple peril" means a combination or package policy that  
24 includes both property coverage and casualty coverage for a  
25 single premium.

26 (3) "Chapter plan" means a separate defined benefit  
27 pension plan for police officers which incorporates by  
28 reference the provisions of this chapter and has been adopted  
29 by the governing body of a municipality as provided in s.  
30 185.08. Except as may be specifically authorized in this  
31 chapter, provisions of a chapter plan may not differ from the

1 plan provisions set forth in ss. 185.01-185.341 and  
2 185.36-185.42. Actuarial valuations of chapter plans shall be  
3 conducted by the division as provided by s. 185.221(1)(b).

4 (4) "Compensation" or "salary" means the total cash  
5 remuneration paid to a police officer for services rendered,  
6 except as otherwise provided in paragraph (a). Pursuant  
7 thereto:

8 (a) A retirement trust fund or plan may use a  
9 definition of salary other than the definition in this  
10 subsection but only if the monthly retirement income payable  
11 to each police officer covered by the retirement trust fund or  
12 plan, as determined under s. 185.16(2) and using such other  
13 definition, equals or exceeds the monthly retirement income  
14 that would be payable to each police officer if his monthly  
15 retirement income were determined under s. 185.16(2) and using  
16 the definition in this subsection.

17 (b) Any retirement trust fund or plan which now or  
18 hereafter meets the requirements of this chapter shall not,  
19 solely by virtue of this subsection, reduce or diminish the  
20 monthly retirement income otherwise payable to each police  
21 officer covered by the retirement trust fund or plan.

22 (c) The member's compensation or salary contributed as  
23 employee-elective salary reductions or deferrals to any salary  
24 reduction, deferred compensation, or tax-sheltered annuity  
25 program authorized under the Internal Revenue Code shall be  
26 deemed to be the compensation or salary the member would  
27 receive if he or she were not participating in such program  
28 and shall be treated as compensation for retirement purposes  
29 under this chapter.

30 (d) For any person who first becomes a member in any  
31 plan year beginning on or after January 1, 1996, compensation

1 for any plan year shall not include any amounts in excess of  
2 the Internal Revenue Code Section 401(a)(17) limitation [as  
3 amended by the Omnibus Budget Reconciliation Act of 1993],  
4 which limitation of \$150,000 shall be adjusted as required by  
5 federal law for qualified government plans and shall be  
6 further adjusted for changes in the cost of living in the  
7 manner provided by Internal Revenue Code Section  
8 401(a)(17)(B). For any person who first became a member prior  
9 to the first plan year beginning on or after January 1, 1996,  
10 the limitation on compensation shall be not less than the  
11 maximum compensation amount that was allowed to be taken into  
12 account under the plan as in effect on July 1, 1993, which  
13 limitation shall be adjusted for changes in the cost of living  
14 since 1989 in the manner provided by Internal Revenue Code  
15 Section 401(a)(17)(1991).

16 (5) "Creditable service" or "credited service" means  
17 the aggregate number of years of service and fractional parts  
18 of years of service of any police officer, omitting  
19 intervening years and fractional parts of years when such  
20 police officer may not have been employed by the municipality  
21 subject to the following conditions:

22 (a) No police officer will receive credit for years or  
23 fractional parts of years of service if he or she has  
24 withdrawn his or her contributions to the fund for those years  
25 or fractional parts of years of service, unless the police  
26 officer repays into the fund the amount he or she has  
27 withdrawn, plus interest as determined by the board. The  
28 member shall have at least 90 days after his or her  
29 reemployment to make repayment.

30 (b) A police officer may voluntarily leave his or her  
31 contributions in the fund for a period of 5 years after

1 leaving the employ of the police department, pending the  
2 possibility of his or her being rehired by the same  
3 department, without losing credit for the time he or she has  
4 participated actively as a police officer. If he or she is  
5 not reemployed as a police officer with the same department  
6 within 5 years, his or her contributions shall be returned to  
7 him or her without interest.

8 (c) Credited service under this chapter shall be  
9 provided only for service as a police officer, as defined in  
10 s. 185.02(7), or for military service and shall not include  
11 credit for any other type of service. A municipality may, by  
12 local ordinance, provide for the purchase of credit for  
13 military service occurring prior to employment as well as  
14 prior service as a police officer for some other employer as  
15 long as the police officer is not already receiving a benefit  
16 for such other prior service as a police officer.

17 (d) In determining the creditable service of any  
18 police officer, credit for up to 5 years of the time spent in  
19 the military service of the Armed Forces of the United States  
20 shall be added to the years of actual service, if:

21 1. The police officer is in the active employ of the  
22 municipality prior to such service and leaves a position,  
23 other than a temporary position, for the purpose of voluntary  
24 or involuntary service in the Armed Forces of the United  
25 States.

26 2. The police officer is entitled to reemployment  
27 under the provisions of the Uniformed Services Employment and  
28 Reemployment Rights Act.

29 3. The police officer returns to his or her employment  
30 as a police officer of the municipality within 1 year from the  
31 date of his or her release from such active service.

1           (6) "Deferred Retirement Option Plan" or "DROP" means  
2 a local law plan retirement option in which a police officer  
3 may elect to participate. A police officer may retire for all  
4 purposes of the plan and defer receipt of retirement benefits  
5 into a DROP account while continuing employment with his  
6 employer. However, a police officer who enters the DROP and  
7 who is otherwise eligible to participate shall not thereby be  
8 precluded from participating, or continuing to participate, in  
9 a supplemental plan in existence on, or created after, the  
10 effective date of this act.

11           (7) "Division" means the Division of Retirement of the  
12 Department of Management Services.

13           (8) "Enrolled actuary" means an actuary who is  
14 enrolled under Subtitle C of Title III of the Employee  
15 Retirement Income Security Act of 1974 and who is a member of  
16 the Society of Actuaries or the American Academy of Actuaries.

17           (9) "Local law municipality" is any municipality in  
18 which there exists a local law plan.

19           (10) "Local law plan" means a defined benefit pension  
20 plan for police officers or for police officers and  
21 firefighters, where included, as described in s. 185.35,  
22 established by municipal ordinance or special act of the  
23 Legislature, which enactment sets forth all plan provisions.  
24 Local law plan provisions may vary from the provisions of this  
25 chapter, provided that required minimum benefits and standards  
26 are met. Any such variance shall provide a greater benefit  
27 for police officers. Actuarial valuations of local law plans  
28 shall be conducted by an enrolled actuary as provided in s.  
29 185.221(2)(b).

30           (11) "Police officer" means any person who is elected,  
31 appointed, or employed full time by any municipality, who is

1 certified or required to be certified as a law enforcement  
2 officer in compliance with s. 943.1395, who is vested with  
3 authority to bear arms and make arrests, and whose primary  
4 responsibility is the prevention and detection of crime or the  
5 enforcement of the penal, criminal, traffic, or highway laws  
6 of the state. This definition includes all certified  
7 supervisory and command personnel whose duties include, in  
8 whole or in part, the supervision, training, guidance, and  
9 management responsibilities of full-time law enforcement  
10 officers, part-time law enforcement officers, or auxiliary law  
11 enforcement officers, but does not include part-time law  
12 enforcement officers or auxiliary law enforcement officers as  
13 the same are defined in s. 943.10(6) and (8), respectively.  
14 For the purposes of this chapter only, "police officer" also  
15 shall include a public safety officer who is responsible for  
16 performing both police and fire services. Any plan may provide  
17 that the police chief shall have an option to participate, or  
18 not, in that plan.

19 (12) "Police Officers' Retirement Trust Fund" means a  
20 trust fund, by whatever name known, as provided under s.  
21 185.03 for the purpose of assisting municipalities in  
22 establishing and maintaining a retirement plan for police  
23 officers.

24 (13) "Retiree" or "retired police officer" means a  
25 police officer who has entered retirement status. For the  
26 purposes of a plan that includes a Deferred Retirement Option  
27 Plan (DROP), a police officer who enters the DROP shall be  
28 considered a retiree for all purposes of the plan. However, a  
29 police officer who enters the DROP and who is otherwise  
30 eligible to participate shall not thereby be precluded from  
31 participating, or continuing to participate, in a supplemental

1 plan in existence on, or created after, the effective date of  
2 this act.

3 (14) "Retirement" means a police officer's separation  
4 from city employment as a police officer with immediate  
5 eligibility for receipt of benefits under the plan. For  
6 purposes of a plan that includes a Deferred Retirement Option  
7 Plan (DROP), "retirement" means the date a police officer  
8 enters the DROP.

9 (15) "Supplemental plan" means a plan to which  
10 deposits are made to provide extra benefits to police  
11 officers, or police officers and firefighters where included,  
12 under this chapter. Such a plan is an element of a local law  
13 plan and exists in conjunction with a defined benefit plan  
14 that meets the minimum benefits and minimum standards of this  
15 chapter.

16 (16) "Supplemental plan municipality" means any local  
17 law municipality in which there existed a supplemental plan,  
18 of any type or nature, as of January 1, 1997.

19 Section 44. Section 185.03, Florida Statutes, is  
20 amended to read:

21 185.03 Municipal police officers' retirement trust  
22 funds; creation; applicability of provisions; participation by  
23 public safety officers.--For any municipality, chapter plan,  
24 local law municipality, or local law plan under this chapter:

25 (1) There shall be established ~~may be hereby created~~ a  
26 special fund exclusively for the purpose of this chapter,  
27 which in the case of chapter plans shall to be known as the  
28 "Municipal Police Officers' Retirement Trust Fund,"  
29 ~~exclusively for the purposes provided in this chapter,~~ in each  
30 municipality of this state, heretofore or hereafter created,  
31 which now has or which may hereafter have a regularly

1 organized police department, and which now owns and uses or  
2 which may hereafter own and use equipment and apparatus of a  
3 value exceeding \$500 in serviceable condition for the  
4 prevention of crime and for the preservation of life and  
5 property, ~~and which does not presently have established by law~~  
6 ~~a similar fund.~~

7 (2) The provisions of this chapter act shall apply  
8 only to municipalities organized and established pursuant to  
9 the laws of the state, and said provisions shall not apply to  
10 the unincorporated areas of any county or counties nor shall  
11 the provisions hereof apply to any governmental entity whose  
12 police officers employees are eligible to participate for  
13 membership in the Florida Retirement System ~~a state or state~~  
14 ~~and county retirement system.~~

15 (3) No municipality shall establish more than one  
16 retirement plan for public safety officers which is supported  
17 in whole or in part by the distribution of premium tax funds  
18 as provided by this chapter or chapter 175, nor shall any  
19 municipality establish a retirement plan for public safety  
20 officers which receives premium tax funds from both this  
21 chapter and chapter 175.

22 (4) The plan provisions, participation, and benefits  
23 as set forth in this chapter must be provided on a  
24 nondiscriminatory basis.

25 Section 45. Section 185.04, Florida Statutes, is  
26 amended to read:

27 185.04 Actuarial deficits not state obligations.--For  
28 any municipality, chapter plan, local law municipality, or  
29 local law plan under this chapter, actuarial deficits, if any,  
30 arising under this chapter are ~~shall not be~~ the obligation of  
31 the state.



1           Section 46. Section 185.05, Florida Statutes, is  
2 amended to read:

3           185.05 Board of trustees; members, terms of office;  
4 meetings; legal entity; costs; attorney's fees.--For any  
5 municipality, chapter plan, local law municipality, or local  
6 law plan under this chapter:

7           (1) In each municipality described in s. 185.03 there  
8 is hereby created a board of trustees of the municipal police  
9 officers' retirement trust fund, which shall be solely  
10 responsible for administering the trust fund. Effective  
11 October 1, 1986, and thereafter:~

12           (a) The membership of the board of trustees for  
13 chapter plans shall consist of five members, two of whom,  
14 unless otherwise prohibited by law, shall be legal residents  
15 of the municipality, who shall be appointed by the legislative  
16 body of the municipality, and two of whom shall be police  
17 officers as defined in s. 185.02 who shall be elected by a  
18 majority of the active police officers who are members of such  
19 plan. With respect to any chapter plan or local law plan that,  
20 on January 1, 1997, allowed retired police officers to vote in  
21 such elections, retirees may continue to vote in such  
22 elections.The fifth member shall be chosen by a majority of  
23 the previous four members, and such person's name shall be  
24 submitted to the legislative body of the municipality. Upon  
25 receipt of the fifth person's name, the legislative body of  
26 the municipality shall, as a ministerial duty, appoint such  
27 person to the board of trustees as its fifth member. The  
28 fifth member shall have the same rights as each of the other  
29 four members appointed or elected as herein provided, shall  
30 serve as trustee for a period of 2 years,and may succeed  
31 himself or herself in office. Each resident member shall serve

1 as trustee for a period of 2 years, unless sooner replaced by  
2 the legislative body at whose pleasure the member shall serve,  
3 and may succeed himself or herself as a trustee. ~~However, the~~  
4 ~~terms of the mayor, or corresponding chief executive officer~~  
5 ~~of the municipality, and the chief of the police department as~~  
6 ~~members of the board of trustees as provided in chapter 28230,~~  
7 ~~Laws of Florida, 1953, as amended, together with any city~~  
8 ~~manager and member of the legislative body of the municipality~~  
9 ~~as members of the board of trustees shall terminate on~~  
10 ~~September 30, 1986.~~ Each police officer member shall serve as  
11 trustee for a period of 2 years, unless he or she sooner  
12 leaves the employment of the municipality as a police officer,  
13 whereupon the legislative body of the municipality shall  
14 choose a successor in the same manner as an original  
15 appointment. Each police officer may succeed himself or  
16 herself in office. ~~The board of trustees shall meet at least~~  
17 ~~quarterly each year. Each board of trustees shall be a legal~~  
18 ~~entity with, in addition to other powers and responsibilities~~  
19 ~~contained herein, the power to bring and defend lawsuits of~~  
20 ~~every kind, nature, and description.~~

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

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

25 2. If a municipality has a pension plan for police  
26 officers and firefighters, the provisions of paragraph (a)  
27 shall apply, except that one member of the board shall be a  
28 police officer as defined in s. 185.02 and one member shall be  
29 a firefighter as defined in s. 175.032, respectively, elected  
30 by a majority of the active firefighters and police officers  
31 who are members of the plan.

1           3. Any board of trustees operating a local law plan on  
2 July 1, 1998, which is combined with a plan for general  
3 employees shall hold an election of the police officers, or  
4 police officers and firefighters if included, to determine  
5 whether a plan is to be established for police officers only,  
6 or for police officers and firefighters where included. Based  
7 on the election results, a new board shall be established as  
8 provided in subparagraph 1. or 2., as appropriate. The  
9 municipality shall enact an ordinance to implement the new  
10 board by October 1, 1998. The newly established board shall  
11 take whatever action is necessary to determine the amount of  
12 assets which is attributable to police officers, or police  
13 officers and firefighters where included. Such assets shall  
14 include all employer, employee, and state contributions made  
15 by or on behalf of police officers, or police officers and  
16 firefighters where included, and any investment income derived  
17 from such contributions. All such moneys shall be transferred  
18 into the newly established retirement plan, as directed by the  
19 board.

20  
21 With respect to any board of trustees operating a local law  
22 plan on June 30, 1986, nothing in this paragraph shall permit  
23 the reduction of the membership percentage of police officers  
24 or police officers and firefighters.

25           (2) The trustees shall by majority vote elect from its  
26 members a chair and a secretary. The secretary of the board  
27 shall keep a complete minute book of the actions, proceedings,  
28 or hearings of the board. The trustees shall not receive any  
29 compensation as such, but may receive expenses and per diem as  
30 provided by Florida law.

31

1           (3) The board of trustees shall meet at least  
2 quarterly each year.

3           (4) Each board of trustees shall be a legal entity  
4 that shall have, in addition to other powers and  
5 responsibilities contained herein, the power to bring and  
6 defend lawsuits of every kind, nature, and description.

7           (5) In any judicial proceeding or administrative  
8 proceeding under chapter 120 brought under or pursuant to the  
9 provisions of this chapter, the prevailing party shall be  
10 entitled to recover the costs thereof, together with  
11 reasonable attorney's fees.

12           (6) The provisions of this section may not be altered  
13 by a participating municipality operating a chapter or local  
14 law plan under this chapter.

15           Section 47. Section 185.06, Florida Statutes, is  
16 amended to read:

17           185.06 General powers and duties of board of  
18 trustees.--For any municipality, chapter plan, local law  
19 municipality, or local law plan under this chapter:

20           (1) The board of trustees may:

21           (a) Invest and reinvest the assets of the retirement  
22 trust fund in annuity and life insurance contracts of life  
23 insurance companies in amounts sufficient to provide, in whole  
24 or in part, the benefits to which all of the participants in  
25 the municipal police officers' retirement trust fund shall be  
26 entitled under the provisions of this chapter, and pay the  
27 initial and subsequent premiums thereon.

28           (b) Invest and reinvest the assets of the retirement  
29 trust fund in:

30           1. Time or savings accounts of a national bank, a  
31 state bank insured by the Bank Insurance Fund ~~Federal Deposit~~

1 ~~Insurance Corporation~~, or a savings and loan association  
2 insured by the Savings Association Insurance Fund which are  
3 administered by the Federal Deposit Insurance Corporation  
4 ~~Federal Savings and Loan Insurance Corporation.~~

5 2. Obligations of the United States or obligations  
6 guaranteed as to principal and interest by the United States.

7 3. Bonds issued by the State of Israel.

8 4. Bonds, stocks, or other evidences of indebtedness  
9 issued or guaranteed by a corporation organized under the laws  
10 of the United States, any state or organized territory of the  
11 United States, or the District of Columbia, provided:

12 a. The corporation is listed on any one or more of the  
13 recognized national stock exchanges and holds a rating in one  
14 of the three highest classifications by a major rating  
15 service; and

16 b. The board of trustees shall not invest more than 5  
17 percent of its assets in the common stock or capital stock of  
18 any one issuing company, nor shall the aggregate investment in  
19 any one issuing company exceed 5 percent of the outstanding  
20 capital stock of the company or the aggregate of its  
21 investments under this subparagraph at market cost exceed 50  
22 ~~30~~ percent of the fund's assets. Investment experience  
23 producing a market value percent exceeding the stated limit  
24 does not arbitrarily mean assets are to be liquidated to  
25 satisfy the limit.

26  
27 This paragraph shall apply to all boards of trustees and  
28 participants. However, in the event that a municipality has a  
29 duly enacted pension plan pursuant to, and in compliance with,  
30 s. 185.35 and the trustees thereof desire to vary the  
31 investment procedures herein, the trustees of such plan shall

1 request a variance of the investment procedures as outlined  
2 herein only through a municipal ordinance or special act of  
3 the Legislature; where a special act, or a municipality by  
4 ordinance adopted prior to the effective date of this act  
5 ~~October 1, 1986~~, permits a greater than 50-percent ~~30-percent~~  
6 equity investment, such municipality shall not be required to  
7 comply with the aggregate equity investment provisions of this  
8 paragraph. The board of trustees may invest up to 10 percent  
9 of plan assets in foreign securities. ~~Investments shall not be~~  
10 ~~made in any stocks, bonds, or other securities owned or~~  
11 ~~controlled by a government other than that of the United~~  
12 ~~States or of the several states.~~

13 (c) Issue drafts upon the municipal police officers'  
14 retirement trust fund pursuant to this act and rules and  
15 regulations prescribed by the board of trustees. All such  
16 drafts shall be consecutively numbered, be signed by the chair  
17 and secretary, and state upon their faces the purposes for  
18 which the drafts are drawn. The city treasurer or other  
19 depository shall retain such drafts when paid, as permanent  
20 vouchers for disbursements made, and no money shall otherwise  
21 be drawn from the fund.

22 (d) Finally decide all claims to relief under the  
23 board's rules and regulations and pursuant to the provisions  
24 of this act.

25 (e) Convert into cash any securities of the fund.

26 (f) Keep a complete record of all receipts and  
27 disbursements and of the board's acts and proceedings.

28 (2) Any and all acts and decisions shall be  
29 effectuated by vote of a majority of the ~~at least three~~  
30 members of the board; however, no trustee shall take part in  
31 any action in connection with his or her own participation in

1 the fund, and no unfair discrimination shall be shown to any  
2 individual employee participating in the fund.

3 (3) The secretary of the board of trustees shall keep  
4 a record of all persons receiving retirement payments under  
5 the provisions of this chapter, in which shall be noted the  
6 time when the pension is allowed and when the pension shall  
7 cease to be paid. In this record, the secretary shall keep a  
8 list of all police officers employed by the municipality. The  
9 record shall show the name, address, and time of employment of  
10 such police officer and when he or she ceases to be employed  
11 by the municipality.

12 (4)(3) The sole and exclusive administration of, and  
13 the responsibilities for, the proper operation of the  
14 retirement trust fund and for making effective the provisions  
15 of this chapter are vested in the board of trustees; however,  
16 nothing herein shall empower a board of trustees to amend the  
17 provisions of a retirement plan without the approval of the  
18 municipality. The board of trustees shall keep in convenient  
19 form such data as shall be necessary for an actuarial  
20 valuation of the retirement trust fund and for checking the  
21 actual experience of the fund.

22 (5)(a)(4) At least once every 3 years, the board of  
23 trustees shall retain a professionally qualified an  
24 independent consultant who shall ~~professionally qualified to~~  
25 evaluate the performance of any existing professional money  
26 manager and managers. ~~The independent consultant shall make~~  
27 ~~recommendations to the board of trustees regarding the~~  
28 ~~selection of money managers for the next investment term.~~  
29 ~~These recommendations shall be considered by the board of~~  
30 ~~trustees at its next regularly scheduled meeting. The date,~~  
31 ~~time, place, and subject of this meeting shall be advertised~~

1 in the same manner as for any meeting of the board ~~a newspaper~~  
2 ~~of general circulation in the municipality at least 10 days~~  
3 ~~prior to the date of the hearing.~~

4 (b) For the purpose of this subsection, a  
5 "professionally qualified independent consultant" means a  
6 consultant who, based on education and experience, is  
7 professionally qualified to evaluate the performance of  
8 professional money managers, and who, at a minimum:

- 9 1. Provides his or her services on a flat-fee basis.  
10 2. Is not associated in any manner with the money  
11 manager for the pension fund.  
12 3. Makes calculations according to the American  
13 Banking Institute method of calculating time-weighted rates of  
14 return. All calculations must be made net of fees.  
15 4. Has 3 or more years of experience working in the  
16 public sector.

17 (6) To assist the board in meeting its  
18 responsibilities under this chapter, the board, if it so  
19 elects, may:

- 20 (a) Employ independent legal counsel at the pension  
21 fund's expense.  
22 (b) Employ an independent actuary, as defined in s.  
23 185.02(7), at the pension fund's expense.  
24 (c) Employ such independent professional, technical,  
25 or other advisers as it deems necessary at the pension fund's  
26 expense.

27  
28 If the board chooses to use the city's or special district's  
29 legal counsel or actuary, or chooses to use any of the city's  
30 other professional, technical, or other advisers, it shall do  
31 so only under terms and conditions acceptable to the board.



1           Section 48. Section 185.061, Florida Statutes, is  
2 amended to read:

3           185.061 Use of annuity or insurance policies.--When  
4 the board of trustees of any municipality, chapter plan, local  
5 law municipality, or local law plan purchases annuity or life  
6 insurance contracts to provide all or part of the benefits  
7 promised by this chapter, the following principles shall be  
8 observed:

9           (1) Only those officers who have been members of the  
10 retirement trust fund for 1 year or longer may be included in  
11 the insured plan.

12           (2) Individual policies shall be purchased only when a  
13 group insurance plan is not feasible.

14           (3) Each application and policy shall designate the  
15 pension fund as owner of the policy.

16           (4) Policies shall be written on an annual premium  
17 basis.

18           (5) The type of policy shall be one which for the  
19 premium paid provides each individual with the maximum  
20 retirement benefit at his or her earliest statutory normal  
21 retirement age.

22           (6) Death benefit, if any, should not exceed:

23           (a) One hundred times the estimated normal monthly  
24 retirement income, based on the assumption that the present  
25 rate of compensation continues without change to normal  
26 retirement date, or

27           (b) Twice the annual rate of compensation as of the  
28 date of termination of service, or

29           (c) The single-sum value of the accrued deferred  
30 retirement income (beginning at normal retirement date) at  
31 date of termination of service, whichever is greatest.

1           (7) An insurance plan may provide that the assignment  
2 of insurance contract to separating officer shall be at least  
3 equivalent to the return of the officer's contributions used  
4 to purchase the contract. An assignment of contract  
5 discharges the municipality from all further obligation to the  
6 participant under the plan even though the cash value of such  
7 contract may be less than the employee's contributions.

8           (8) Provisions shall be made, either by issuance of  
9 separate policies, or otherwise, that the separating officer  
10 does not receive cash values and other benefits under the  
11 policies assigned to the officer which exceed the present  
12 value of his or her vested interest under the retirement plan,  
13 inclusive of the officer's contribution to the plan, the  
14 contributions by the state shall not be exhausted faster  
15 merely because the method of funding adopted was through  
16 insurance companies.

17           (9) The police officer shall have the right at any  
18 time to give the board of trustees written instructions  
19 designating the primary and contingent beneficiaries to  
20 receive death benefit or proceeds and the method of the  
21 settlement of the death benefit or proceeds, or requesting a  
22 change in the beneficiary, designation or method of settlement  
23 previously made, subject to the terms of the policy or  
24 policies on the officer's life. Upon receipt of such written  
25 instructions, the board of trustees shall take the necessary  
26 steps to effectuate the designation or change of beneficiary  
27 or settlement option.

28           Section 49. Section 185.07, Florida Statutes, is  
29 amended to read:

30  
31

1           185.07 Creation and maintenance of fund.--For any  
2 municipality, chapter plan, local law municipality, or local  
3 law plan under this chapter:

4           (1) The municipal police officers' retirement trust  
5 fund in each municipality described in s. 185.03 shall be  
6 created and maintained in the following manner:

7           (a) By the net proceeds of the .85-percent excise tax  
8 which may be imposed by the respective cities and towns upon  
9 certain casualty insurance companies on their gross receipts  
10 of premiums from holders of policies, which policies cover  
11 property within the corporate limits of such municipalities,  
12 as is hereinafter expressly authorized.

13           (b) Except as reduced or increased contributions are  
14 authorized by subsection (2), by the payment to the fund of 5  
15 percent of the salary of each full-time police officer duly  
16 appointed and enrolled as a member of such police department,  
17 which 5 percent shall be deducted by the municipality from the  
18 compensation due to the police officer and paid over to the  
19 board of trustees of the retirement trust fund wherein such  
20 police officer is employed, provided that no deductions shall  
21 be made after an officer has passed his or her normal  
22 retirement date. No police officer shall have any right to  
23 the said money so paid into the said fund except as provided  
24 in this chapter.

25           (c) By all fines and forfeitures imposed and collected  
26 from any police officer because of the violation of any rule  
27 adopted and regulation promulgated by the board of trustees.

28           (d) By payment by the municipality or other sources of  
29 a sum equal to the normal cost and the amount required to fund  
30 ~~over a 40-year basis~~ any actuarial deficiency shown by an a  
31 quinquennial actuarial valuation as provided in part VII of

1 ~~chapter 112. The first such actuarial valuation shall be~~  
2 ~~conducted for the calendar year ending December 31, 1963.~~

3 (e) By all gifts, bequests and devises when donated to  
4 ~~for~~ the fund.

5 (f) By all accretions to the fund by way of interest  
6 or dividends on bank deposits or otherwise.

7 (g) By all other sources of income now or hereafter  
8 authorized by law for the augmentation of such municipal  
9 police officers' retirement trust fund.

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

12 (a) The employing municipality, by local ordinance,  
13 may elect to make an employee's contributions. However, under  
14 no circumstances may a municipality reduce the member  
15 contribution to less than one-half of 1 percent of salary.

16 (b) Police officer member contributions may be  
17 increased by consent of the members' collective bargaining  
18 representative or, if none, by majority consent of police  
19 officer members of the fund to provide greater benefits.

20  
21 Nothing in this section shall be construed to require  
22 adjustment of member contribution rates in effect on the date  
23 this act becomes a law, including rates that exceed 5 percent  
24 of salary, provided that such rates are at least one-half of 1  
25 percent of salary.

26 Section 50. Section 185.08, Florida Statutes, is  
27 amended to read:

28 185.08 State excise tax on casualty insurance premiums  
29 authorized; procedure.--For any municipality, chapter plan,  
30 local law municipality, or local law plan under this chapter:  
31

1           (1) Each incorporated municipality in this state  
2 described and classified in s. 185.03, as well as each other  
3 city or town of this state which on July 31, 1953, had a  
4 lawfully established municipal police officers' retirement  
5 trust fund or city fund, by whatever name known, providing  
6 pension or relief benefits to police officers as provided  
7 under this chapter ~~by whatever name known~~, may assess and  
8 impose on every insurance company, corporation, or other  
9 insurer now engaged in or carrying on, or who shall hereafter  
10 engage in or carry on, the business of casualty insurance as  
11 shown by records of the Department of Insurance, an excise tax  
12 in addition to any lawful license or excise tax now levied by  
13 each of the said municipalities, respectively, amounting to  
14 .85 percent of the gross amount of receipts of premiums from  
15 policyholders on all premiums collected on casualty insurance  
16 policies covering property within the corporate limits of such  
17 municipalities, respectively. The tax shall apply to all  
18 insurers, whether authorized or not, transacting business in  
19 this state.

20           (2) In the case of multiple peril policies with a  
21 single premium for both property and casualty coverages in  
22 such policies, 30 percent of such premium shall be used as the  
23 basis for the .85-percent tax above.

24           (3) The ~~said~~ excise tax shall be payable annually  
25 March 1 of each year after the passing of an ordinance  
26 assessing and imposing the tax herein authorized.  
27 Installments of taxes shall be paid according to the  
28 provisions of s. 624.5092(2)(a), (b), and (c).

29           Section 51. Section 185.09, Florida Statutes, is  
30 amended to read:

31

1           185.09 Report of premiums paid; date tax payable.--For  
2 any municipality, chapter plan, local law municipality, or  
3 local law plan under this chapter, whenever any municipality  
4 passes an ordinance establishing a chapter plan or local law  
5 plan and assessing and imposing the tax authorized in s.  
6 185.08, a certified copy of such ordinance shall be deposited  
7 with the division; and thereafter every insurance company,  
8 corporation, or other insurer carrying on the business of  
9 casualty insuring, on or before the succeeding March 1 after  
10 date of the passage of the ordinance, shall report fully in  
11 writing to the division and the Department of Revenue a just  
12 and true account of all premiums received by such insurer for  
13 casualty insurance policies covering or insuring any property  
14 located within the corporate limits of such municipality  
15 during the period of time elapsing between the date of the  
16 passage of the ordinance and the end of the calendar year  
17 ~~succeeding March 1~~. The aforesaid insurer shall annually  
18 thereafter, on March 1, file with the division and the  
19 Department of Revenue a similar report covering the preceding  
20 year's premium receipts. Every such insurer shall, at the  
21 time of making such report, pay to the Department of Revenue  
22 the amount of the tax heretofore mentioned. Every insurer  
23 engaged in carrying on a general casualty insurance business  
24 in the state shall keep accurate books of account of all such  
25 business done by it within the limits of such incorporated  
26 municipality in such a manner as to be able to comply with the  
27 provisions of this chapter. Based on the insurers' reports of  
28 premium receipts, the division shall prepare a consolidated  
29 premium report and shall furnish to any municipality  
30 requesting the same a copy of the relevant section of that  
31 report.

1           Section 52. Section 185.10, Florida Statutes, is  
2 amended to read:

3           185.10 Department of Revenue and Division of  
4 Retirement to keep accounts of deposits; disbursements.--For  
5 any municipality having a chapter plan or local law plan under  
6 this chapter:

7           (1) The Department of Revenue shall keep a separate  
8 account of all moneys collected for each municipality under  
9 the provisions of this chapter. All moneys so collected must  
10 be transferred to the Police and Firefighters' Premium Tax  
11 Trust Fund and shall be separately accounted for by the  
12 division. The moneys budgeted as necessary to pay the expenses  
13 of the division for the daily oversight and monitoring of the  
14 police officers' retirement plans under this chapter and for  
15 the oversight and actuarial reviews conducted under part VII  
16 of chapter 112 are annually appropriated from the interest and  
17 investment income earned on the moneys collected for each  
18 municipality or special fire control district and deposited in  
19 the Police and Firefighters' Premium Tax Trust Fund. Interest  
20 and investment income remaining thereafter in the trust fund  
21 which is unexpended and otherwise unallocated by law shall  
22 revert to the General Revenue Fund on June 30 of each year.

23           (2) The Comptroller shall, on or before July 1 ~~June 1~~  
24 of each year, and at such other times as authorized by the  
25 division, draw his or her warrants on the full net amount of  
26 money then on deposit pursuant to this chapter in the Police  
27 and Firefighters' Premium Tax Trust Fund, specifying the  
28 municipalities to which the moneys must be paid and the net  
29 amount collected for and to be paid to each municipality,  
30 respectively. The sum payable to each municipality is  
31 appropriated annually out of the Police and Firefighters'

1 Premium Tax Trust Fund. The warrants of the Comptroller shall  
2 be payable to the respective municipalities entitled to  
3 receive them and shall be remitted annually by the division to  
4 the respective municipalities. In order for a municipality and  
5 its retirement fund to participate in the distribution of  
6 premium tax moneys under this chapter, all the provisions  
7 shall be complied with annually, including state acceptance  
8 pursuant to part VII of chapter 112.

9 Section 53. Section 185.11, Florida Statutes, is  
10 amended to read:

11 185.11 Funds received by municipalities, deposit in  
12 retirement trust fund.--For any municipality, chapter plan,  
13 local law municipality, or local law plan under this chapter,  
14 all state and other funds received by any municipality under  
15 the provisions of this chapter shall be deposited by the said  
16 municipality immediately, and under no circumstances more than  
17 5 days after receipt, with the board of trustees. Employee  
18 contributions, however, which are withheld by the employer on  
19 behalf of an employee member shall be deposited immediately  
20 after each pay period with the board of trustees of the  
21 municipal police officers' retirement trust fund. Employer  
22 contributions shall be deposited at least quarterly at least  
23 monthly.

24 Section 54. Section 185.12, Florida Statutes, is  
25 amended to read:

26 185.12 Payment of excise tax credit on similar state  
27 excise or license tax.--The tax herein authorized shall in  
28 nowise be additional to the similar state excise or license  
29 tax imposed by part IV, chapter 624, but the payor of the tax  
30 hereby authorized shall receive credit therefor on his or her  
31 ~~said~~ state excise or license tax and the balance of said state



1 excise or license tax shall be paid to the Department of  
2 Revenue ~~Insurance Commissioner and Treasurer as is now~~  
3 provided by law.

4 Section 55. Section 185.13, Florida Statutes, is  
5 amended to read:

6 185.13 Failure of insurer to comply with chapter;  
7 penalty.--Should any insurance company, corporation or other  
8 insurer fail to comply with the provisions of this chapter, on  
9 or before March 1 in each year as herein provided, the  
10 certificate of authority issued to said insurance company,  
11 corporation or other insurer to transact business in this  
12 state may be canceled and revoked by the Department of  
13 Insurance, and it is unlawful for any such insurance company,  
14 corporation or other insurer to transact any business  
15 thereafter in this state unless such insurance company,  
16 corporation or other insurer shall be granted a new  
17 certificate of authority to transact business in this state,  
18 in compliance with provisions of law authorizing such  
19 certificate of authority to be issued. The division shall be  
20 responsible for notifying the Department of Insurance  
21 regarding any such failure to comply.

22 Section 56. Section 185.14, Florida Statutes, is  
23 repealed.

24 Section 57. Section 185.15, Florida Statutes, is  
25 repealed.

26 Section 58. Section 185.16, Florida Statutes, is  
27 amended to read:

28 185.16 Requirements for retirement.--For any  
29 municipality, chapter plan, local law municipality, or local  
30 law plan under this chapter, any police officer who completes  
31 10 or more years of creditable service as a police officer and

1 attains age 55, or completes 25 years of creditable service as  
2 a police officer and attains age 52, and for such period has  
3 been a member of the retirement fund is eligible for normal  
4 retirement benefits. Normal retirement under the plan is  
5 retirement from the service of the city on or after the normal  
6 retirement date. In such event, for chapter plans and local  
7 law plans, payment of retirement income will be governed by  
8 the following provisions of this section:

9 (1) The normal retirement date of each police officer  
10 will be the first day of the month coincident with or next  
11 following the date on which the police officer has completed  
12 10 or more years of creditable service and attained age 55 or  
13 completed 25 years of creditable service and attained age 52.  
14 ~~A police officer who retires after his or her normal~~  
15 ~~retirement date will upon actual retirement be entitled to~~  
16 ~~receive the same amount of monthly retirement income that the~~  
17 ~~police officer would have received had he or she retired on~~  
18 ~~his or her normal retirement date.~~

19 (2) The amount of the monthly retirement income  
20 payable to a police officer who retires on or after his or her  
21 normal retirement date shall be an amount equal to the number  
22 of the police officer's years of credited service multiplied  
23 by 2 percent of his or her average final compensation. If the  
24 plan has a cap on benefit accrual which was in existence on  
25 January 1, 1997, the cap may continue if and only if there is  
26 consent of the members' collective bargaining representative  
27 or, if none, by majority consent of the police officer members  
28 of the fund to retain the cap. The vote to retain the cap  
29 must be held within 6 months after the effective date of this  
30 act. However, if current state contributions pursuant to this  
31 chapter are not adequate to fund the additional benefits to

1 meet the minimum requirements in this chapter, only increment  
2 increases shall be required as state moneys are adequate to  
3 provide. Such increments shall be provided as state moneys  
4 become available. ~~The retirement income will be reduced for~~  
5 ~~moneys received under the disability provisions of this~~  
6 ~~chapter.~~

7 (3) The monthly retirement income payable in the event  
8 of normal retirement will be payable on the first day of each  
9 month. The first payment will be made on the police officer's  
10 normal retirement date, or on the first day of the month  
11 coincident with or next following the police officer's actual  
12 retirement, if later, and the last payment will be the payment  
13 due next preceding the police officer's death; except that, in  
14 the event the police officer dies after retirement but before  
15 receiving retirement benefits for a period of 10 years, the  
16 same monthly benefit will be paid to the beneficiary (or  
17 beneficiaries) as designated by the police officer for the  
18 balance of such 10-year period, or, if no beneficiary is  
19 designated, to the ~~surviving spouse, descendants, heirs at~~  
20 ~~law, or~~ estate of the police officer, as provided in s.  
21 185.162. If a police officer continues in the service of the  
22 city beyond his or her normal retirement date and dies prior  
23 to the date of actual retirement, without an option made  
24 pursuant to s. 185.161 being in effect, monthly retirement  
25 income payments will be made for a period of 10 years to a  
26 beneficiary (or beneficiaries) designated by the police  
27 officer as if the police officer had retired on the date on  
28 which death occurred, or, if no beneficiary is designated, to  
29 the ~~surviving spouse, descendants, heirs at law, or~~ estate of  
30 the police officer, as provided in s. 185.162.

31

1           (4) Early retirement under the plan is retirement from  
2 the service of the city, with the consent of the city, as of  
3 the first day of any calendar month which is prior to the  
4 police officer's normal retirement date but subsequent to the  
5 date as of which the police officer has both attained the age  
6 of 50 years and completed 10 years of contributing service.  
7 In the event of early retirement, payment of retirement income  
8 will be governed as follows:

9           (a) The early retirement date shall be the first day  
10 of the calendar month coincident with or immediately following  
11 the date a police officer retires from the service of the city  
12 under the provisions of this section prior to his or her  
13 normal retirement date.

14           (b) The monthly amount of retirement income payable to  
15 a police officer who retires prior to his or her normal  
16 retirement date under the provisions of this section shall be  
17 an amount computed as described in subsection (2), taking into  
18 account his or her credited service to the date of actual  
19 retirement and his or her final monthly compensation as of  
20 such date, such amount of retirement income to be actuarially  
21 reduced to take into account the police officer's younger age  
22 and the earlier commencement of retirement income payments.  
23 In no event shall the early retirement reduction exceed 3  
24 percent for each year by which the member's age at retirement  
25 preceded the member's normal retirement age, as provided in  
26 subsection (1).

27           (c) The retirement income payable in the event of  
28 early retirement will be payable on the first day of each  
29 month. The first payment will be made on the police officer's  
30 early retirement date and the last payment will be the payment  
31 due next preceding the retired police officer's death; except

1 that, in the event the police officer dies before receiving  
2 retirement benefits for a period of 10 years, the same monthly  
3 benefit will be paid to the beneficiary designated by the  
4 police officer for the balance of such 10-year period, or, if  
5 no designated beneficiary is surviving, the same monthly  
6 benefit for the balance of such 10-year period shall be  
7 payable as provided in s. 185.162.

8 Section 59. Section 185.161, Florida Statutes, is  
9 amended to read:

10 185.161 Optional forms of retirement income.--For any  
11 municipality, chapter plan, local law municipality, or local  
12 law plan under this chapter:

13 (1)(a) In lieu of the amount and form of retirement  
14 income payable in the event of normal or early retirement as  
15 specified in s. 185.16, a police officer, upon written request  
16 to the board of trustees ~~and submission of evidence of good~~  
17 ~~health (except that such evidence will not be required if such~~  
18 ~~request is made at least 3 years prior to the date of~~  
19 ~~commencement of retirement income or if such request is made~~  
20 ~~within 6 months following the effective date of the plan, if~~  
21 ~~later),~~ and subject to the approval of the board of trustees,  
22 may elect to receive a retirement income or benefit of  
23 equivalent actuarial value payable in accordance with one of  
24 the following options:

- 25 1. A retirement income of larger monthly amount,  
26 payable to the police officer for his or her lifetime only.
- 27 2. A retirement income of a modified monthly amount,  
28 payable to the police officer during the joint lifetime of the  
29 police officer and a joint pensioner designated by the police  
30 officer, and following the death of either of them, 100  
31 percent, 75 percent, ~~66 2/3~~ percent, or 50 percent of such

1 monthly amount payable to the survivor for the lifetime of the  
2 survivor.

3           3. Such other amount and form of retirement payments  
4 or benefit as, in the opinion of the board of trustees, will  
5 best meet the circumstances of the retiring police officer.

6           (b) The police officer upon electing any option of  
7 this section will designate the joint pensioner or beneficiary  
8 (or beneficiaries) to receive the benefit, if any, payable  
9 under the plan in the event of the police officer's death, and  
10 will have the power to change such designation from time to  
11 time but any such change shall be deemed a new election and  
12 will be subject to approval by the pension committee. Such  
13 designation will name a joint pensioner or one or more primary  
14 beneficiaries where applicable. If a police officer has  
15 elected an option with a joint pensioner or beneficiary and  
16 his or her retirement income benefits have commenced, he or  
17 she may thereafter change the designated joint pensioner or  
18 beneficiary but only if the board of trustees consents to such  
19 change and if the joint pensioner last previously designated  
20 by the police officer is alive when he or she files with the  
21 board of trustees a request for such change. The consent of a  
22 police officer's joint pensioner or beneficiary to any such  
23 change shall not be required. The board of trustees may  
24 request such evidence of the good health of the joint  
25 pensioner that is being removed as it may require and the  
26 amount of the retirement income payable to the police officer  
27 upon the designation of a new joint pensioner shall be  
28 actuarially redetermined taking into account the ages and sex  
29 of the former joint pensioner, the new joint pensioner, and  
30 the police officer. Each such designation will be made in  
31 writing on a form prepared by the board of trustees, and on

1 completion will be filed with the board of trustees. In the  
2 event that no designated beneficiary survives the police  
3 officer, such benefits as are payable in the event of the  
4 death of the police officer subsequent to his or her  
5 retirement shall be paid as provided in s. 185.162.

6 (2) Retirement income payments shall be made under the  
7 option elected in accordance with the provisions of this  
8 section and shall be subject to the following limitations:

9 (a) If a police officer dies prior to his or her  
10 normal retirement date or early retirement date, whichever  
11 first occurs, no benefit will be payable under the option to  
12 any person, but the benefits, if any, will be determined under  
13 s. 185.21.

14 (b) If the designated beneficiary (or beneficiaries)  
15 or joint pensioner dies before the police officer's retirement  
16 under the plan, the option elected will be canceled  
17 automatically and a retirement income of the normal form and  
18 amount will be payable to the police officer upon his or her  
19 retirement as if the election had not been made, unless a new  
20 election is made in accordance with the provisions of this  
21 section or a new beneficiary is designated by the police  
22 officer prior to his or her retirement and within 90 days  
23 after the death of the beneficiary.

24 (c) If both the retired police officer and the  
25 designated beneficiary (or beneficiaries) die before the full  
26 payment has been effected under any option providing for  
27 payments for a period certain and life thereafter, made  
28 pursuant to the provisions of subparagraph (1)(a)3., the board  
29 of trustees may, in its discretion, direct that the commuted  
30 value of the remaining payments be paid in a lump sum and in  
31 accordance with s. 185.162.

1           (d) If a police officer continues beyond his or her  
2 normal retirement date pursuant to the provisions of s.  
3 185.16(1) and dies prior to actual retirement and while an  
4 option made pursuant to the provisions of this section is in  
5 effect, monthly retirement income payments will be made, or a  
6 retirement benefit will be paid, under the option to a  
7 beneficiary (or beneficiaries) designated by the police  
8 officer in the amount or amounts computed as if the police  
9 officer had retired under the option on the date on which  
10 death occurred.

11           (3) No police officer may make any change in his or  
12 her retirement option after the date of cashing or depositing  
13 his or her first retirement check.

14           Section 60. Section 185.162, Florida Statutes, is  
15 amended to read:

16           185.162 Beneficiaries.--For any municipality, chapter  
17 plan, local law municipality, or local law plan under this  
18 chapter:

19           (1) Each police officer may, on a form, provided for  
20 that purpose, signed and filed with the board of trustees,  
21 designate a choice of one or more persons, named sequentially  
22 or jointly, as his or her beneficiary (or beneficiaries) to  
23 receive the benefit, if any, which may be payable in the event  
24 of the police officer's death, and each designation may be  
25 revoked by such police officer by signing and filing with the  
26 board of trustees a new designation or beneficiary form.

27           (2) If no beneficiary is named in the manner provided  
28 by subsection (1), or if no beneficiary designated by the  
29 member survives him or her ~~a deceased police officer failed to~~  
30 ~~name a beneficiary in the manner above prescribed, or if the~~  
31 ~~beneficiary (or beneficiaries) named by a deceased police~~



1 ~~officer predeceases the police officer, the death benefit, if~~  
2 ~~any, which may be payable under the plan with respect to such~~  
3 ~~deceased police officer shall may be paid by, in the~~  
4 ~~discretion of the board of trustees, either to:~~  
5 ~~(a) Any one or more of the persons comprising the~~  
6 ~~group consisting of the police officer's spouse, the police~~  
7 ~~officer's descendants, the police officer's parents, or the~~  
8 ~~police officer's heirs at law, and the board of trustees may~~  
9 ~~pay the entire benefit to any member of such group or~~  
10 ~~apportion such benefit among any two or more of them in such~~  
11 ~~shares as the board of trustees, in its sole discretion, shall~~  
12 ~~determine, or~~  
13 ~~(b) the estate of such deceased police officer,~~  
14 ~~provided that in any of such cases the board of trustees, in~~  
15 ~~its discretion, may direct that the commuted value of the~~  
16 ~~remaining monthly income payments be paid in a lump sum. Any~~  
17 ~~payment made to any person pursuant to this subsection the~~  
18 ~~power and discretion conferred upon the board of trustees by~~  
19 ~~the preceding sentence shall operate as a complete discharge~~  
20 ~~of all obligations under the plan with regard to such deceased~~  
21 ~~police officer and shall not be subject to review by anyone,~~  
22 ~~but shall be final, binding and conclusive on all persons ever~~  
23 ~~interested hereunder.~~  
24 ~~(3) Notwithstanding any other provision of law to the~~  
25 ~~contrary, the surviving spouse of any pension participant~~  
26 ~~member killed in the line of duty shall not lose survivor~~  
27 ~~retirement benefits if the spouse remarries. The surviving~~  
28 ~~spouse of such deceased member whose benefit terminated~~  
29 ~~because of remarriage shall have the benefit reinstated as of~~  
30 ~~July 1, 1994, at an amount that would have been payable had~~  
31 ~~such benefit not been terminated. This paragraph shall apply~~

1 ~~to all municipalities which receive state excise tax moneys as~~  
2 ~~provided in s. 185.08.~~

3 Section 61. Section 185.18, Florida Statutes, is  
4 amended to read:

5 185.18 Disability retirement.--For any municipality,  
6 chapter plan, local law municipality, or local law plan under  
7 this chapter:

8 (1) A police officer having 10 or more years of  
9 credited service, or a police officer who becomes totally and  
10 permanently disabled in the line of duty, regardless of length  
11 of service, and having contributed to the municipal police  
12 officers' retirement trust fund for 10 years or more may  
13 retire from the service of the city under the plan if, ~~prior~~  
14 ~~to the police officer's normal retirement date,~~ he or she  
15 becomes totally and permanently disabled as defined in  
16 subsection (2) by reason of any cause other than a cause set  
17 out in subsection (3) on or after the effective date of the  
18 plan. Such retirement shall herein be referred to as  
19 disability retirement. ~~The provisions for disability other~~  
20 ~~than line-of-duty disability shall not apply to a member who~~  
21 ~~has reached early or normal retirement age.~~

22 (2) A police officer will be considered totally  
23 disabled if, in the opinion of the board of trustees, he or  
24 she is wholly prevented from rendering useful and efficient  
25 service as a police officer; and a police officer will be  
26 considered permanently disabled if, in the opinion of the  
27 board of trustees, such police officer is likely to remain so  
28 disabled continuously and permanently from a cause other than  
29 as specified in subsection (3).

30  
31

1           (3) A police officer will not be entitled to receive  
2 any disability retirement income if the disability is a result  
3 of:

4           (a) Excessive and habitual use by the police officer  
5 of drugs, intoxicants or narcotics;

6           (b) Injury or disease sustained by the police officer  
7 while willfully and illegally participating in fights, riots,  
8 civil insurrections or while committing a crime;

9           (c) Injury or disease sustained by the police officer  
10 while serving in any armed forces;

11           (d) Injury or disease sustained by the police officer  
12 after employment has terminated;

13           (e) Injury or disease sustained by the police officer  
14 while working for anyone other than the city and arising out  
15 of such employment.

16           (4) No police officer shall be permitted to retire  
17 under the provisions of this section until examined by a duly  
18 qualified physician or surgeon, to be selected by the board of  
19 trustees for that purpose, and is found to be disabled in the  
20 degree and in the manner specified in this section. Any  
21 police officer retiring under this section may ~~shall~~ be  
22 examined periodically by a duly qualified physician or surgeon  
23 or board of physicians and surgeons to be selected by the  
24 board of trustees for that purpose, to determine if such  
25 disability has ceased to exist.

26           (5) The benefit payable to a police officer who  
27 retires from the service of the city with a total and  
28 permanent disability as a result of a disability ~~commencing~~  
29 ~~prior to the police officer's normal retirement date~~ is the  
30 monthly income payable for 10 years certain and life for  
31 which, if the police officer's disability occurred in the line

1 of duty, his or her monthly benefit shall be the accrued  
2 retirement benefit, but shall not be less than 42 percent of  
3 his or her average monthly compensation as of the police  
4 officer's disability retirement date. If after 10 years of  
5 service the disability is other than in the line of duty, the  
6 police officer's monthly benefit shall be the accrued normal  
7 retirement benefit, but shall not be less than 25 percent of  
8 his or her average monthly compensation as of the police  
9 officer's disability retirement date.

10 (6)(a) The monthly retirement income to which a police  
11 officer is entitled in the event of his or her disability  
12 retirement shall be payable on the first day of the first  
13 month after the board of trustees determines such entitlement.  
14 However, the monthly retirement income shall be payable as of  
15 the date the board determines such entitlement, and any  
16 portion due for a partial month shall be paid together with  
17 the first payment.

18 (b) The last payment will be +

19 1. if the police officer recovers from the disability  
20 ~~prior to his or her normal retirement date~~, the payment due  
21 next preceding the date of such recovery, or,

22 2. if the police officer dies without recovering from  
23 his or her disability ~~or attains his or her normal retirement~~  
24 ~~date while still disabled~~, the payment due next preceding  
25 death or the 120th monthly payment, whichever is later. In  
26 lieu of the benefit payment as provided in this subsection, a  
27 police officer may select an optional form as provided in s.  
28 185.161.

29 (c) Any monthly retirement income payments due after  
30 the death of a disabled police officer shall be paid to the  
31

1 police officer's designated beneficiary (or beneficiaries) as  
2 provided in ss. 185.162 and 185.21.

3 (7) If the board of trustees finds that a police  
4 officer who is receiving a disability retirement income is, ~~at~~  
5 ~~any time prior to the police officer's normal retirement date,~~  
6 no longer disabled, as provided herein, the board of trustees  
7 shall direct that the disability retirement income be  
8 discontinued. Recovery from disability as used herein shall  
9 mean the ability of the police officer to render useful and  
10 efficient service as a police officer.

11 (8) If the police officer recovers from disability and  
12 reenters the service of the city as a police officer, his or  
13 her service will be deemed to have been continuous, but the  
14 period beginning with the first month for which the police  
15 officer received a disability retirement income payment and  
16 ending with the date he or she reentered the service of the  
17 city may ~~will~~ not be considered as credited service for the  
18 purposes of the plan.

19 Section 62. Section 185.185, Florida Statutes, is  
20 created to read:

21 185.185 False, misleading, or fraudulent statements  
22 made to obtain public retirement benefits prohibited;  
23 penalty.--

24 (1) It is unlawful for a person to willfully and  
25 knowingly make, or cause to be made, or to assist, conspire  
26 with, or urge another to make, or cause to be made, any false,  
27 fraudulent, or misleading oral or written statement to obtain  
28 any benefit available under a retirement plan receiving  
29 funding under this chapter.

30  
31

1           (2)(a) A person who violates subsection (1) commits a  
2 misdemeanor of the first degree, punishable as provided in s.  
3 775.082 or s. 775.083.

4           (b) In addition to any applicable criminal penalty,  
5 upon conviction for a violation described in subsection (1), a  
6 participant or beneficiary of a pension plan receiving funding  
7 under this chapter may, in the discretion of the board of  
8 trustees, be required to forfeit the right to receive any or  
9 all benefits to which the person would otherwise be entitled  
10 under this chapter. For purposes of this paragraph,  
11 "conviction" means a determination of guilt that is the result  
12 of a plea or trial, regardless of whether adjudication is  
13 withheld.

14           Section 63. Section 185.19, Florida Statutes, is  
15 amended to read:

16           185.19 Separation from municipal service;  
17 refunds.--For any municipality, chapter plan, local law  
18 municipality, or local law plan under this chapter:

19           (1) ~~If Should~~ any police officer leaves ~~leave~~ the  
20 service of the municipality before accumulating aggregate time  
21 of 10 years toward retirement and before being eligible to  
22 retire under the provisions of this chapter, such police  
23 officer shall be entitled to a refund of all of his or her  
24 contributions made to the municipal police officers'  
25 retirement trust fund without interest, less any benefits paid  
26 to him or her.

27           (2) ~~If Should~~ any police officer who has been in the  
28 service of the municipality for at least 10 years elects ~~and~~  
29 ~~has contributed to the municipal police officers' retirement~~  
30 ~~trust fund for at least 10 years~~ elect to leave his or her  
31 accrued contributions, if contributions are required, in the

1 municipal police officers' retirement trust fund, such police  
2 officer upon attaining age 50 years or more may retire at the  
3 actuarial equivalent of the amount of such retirement income  
4 otherwise payable to him or her, as provided in s. 185.16(4),  
5 or, upon attaining age 55 years, may retire as provided in s.  
6 185.16(2).

7 Section 64. Section 185.191, Florida Statutes, is  
8 amended to read:

9 185.191 Lump-sum payment of small retirement  
10 income.--For any municipality, chapter plan, local law  
11 municipality, or local law plan under this chapter,  
12 notwithstanding any provision of the plan to the contrary, if  
13 the monthly retirement income payable to any person entitled  
14 to benefits hereunder is less than \$100\$30 or if the  
15 single-sum value of the accrued retirement income is less than  
16 \$2,500\$750 as of the date of retirement or termination of  
17 service, whichever is applicable, the board of trustees, in  
18 the exercise of its discretion, may specify that the actuarial  
19 equivalent of such retirement income be paid in a lump sum.

20 Section 65. Section 185.21, Florida Statutes, is  
21 amended to read:

22 185.21 Death prior to retirement; refunds of  
23 contributions or payment of death benefits.--For any  
24 municipality, chapter plan, local law municipality, or local  
25 law plan under this chapter:

26 (1) If a ~~Should any~~ police officer dies die before  
27 being eligible to retire ~~under the provisions of this chapter,~~  
28 the heirs, legatees, beneficiaries, or personal  
29 representatives representative of such deceased police officer  
30 shall be entitled to a refund of 100 percent, without  
31 interest, of the contributions made to the municipal police

1 officers' retirement trust fund by such deceased police  
2 officer or, in the event an annuity or life insurance contract  
3 has been purchased by the board on such police officer, then  
4 to the death benefits available under such life insurance or  
5 annuity contract, subject to the limitations on such death  
6 benefits set forth in s. 185.061 whichever amount is greater.

7 (2) If a ~~any~~ police officer having at least 10 years  
8 of credited service dies prior to retirement ~~but has at least~~  
9 ~~10 years of contributing service~~, his or her beneficiary is  
10 entitled to the benefits otherwise payable to the police  
11 officer at early or normal retirement age.

12  
13 In the event that a ~~the~~ death benefit paid by a life insurance  
14 company exceeds the limit set forth in s. 185.061(6), the  
15 excess of the death benefit over the limit shall be paid to  
16 the municipal police officers' retirement trust fund.  
17 However, death ~~the~~ benefits as provided pursuant to ~~in~~ s.  
18 112.19 or any other state or federal law shall not be included  
19 in the calculation of ~~as~~ death or retirement benefits provided  
20 ~~under the provisions of~~ this chapter.

21 Section 66. Section 185.221, Florida Statutes, is  
22 amended to read:

23 185.221 Annual report to Division of Retirement;  
24 actuarial valuations reports.--For any municipality, chapter  
25 plan, local law municipality, or local law plan under this  
26 chapter, the board of trustees for every chapter plan and  
27 local law plan shall submit the following reports to the  
28 division:

29 (1) With respect to chapter plans:

30 (a)~~(1)~~ Each year by February 1, the chair or secretary  
31 of each municipal police officers' retirement trust fund



1 operating a chapter plan shall file a report with the division  
2 which contains:

3       1.(a) A statement of whether in fact the municipality  
4 is within the provisions of s. 185.03.

5       2.(b) An independent audit by a certified public  
6 accountant if the fund has \$250,000~~\$100,000~~ or more in  
7 assets, or a certified statement of accounting if the fund has  
8 less than \$250,000~~\$100,000~~ in assets, for the most recent  
9 plan fiscal year of the municipality, showing a detailed  
10 listing of assets and methods used to value them and a  
11 statement of all income and disbursements during the year.  
12 Such income and disbursements shall be reconciled with the  
13 assets at the beginning and end of the year.

14       3.(c) A statistical exhibit showing the total number  
15 of police officers on the force of the municipality, the  
16 number included in the retirement plan and the number  
17 ineligible classified according to the reasons for their being  
18 ineligible, and the number of disabled and retired police  
19 officers and their beneficiaries receiving pension payments  
20 and the amounts of annual retirement income or pension  
21 payments being received by them.

22       4.(d) A statement of the amount the municipality, or  
23 other income source, has contributed to the retirement plan  
24 for the most recent plan year ~~ending with the preceding~~  
25 ~~December 31~~ and the amount the municipality will contribute to  
26 the retirement plan for the current plan calendar year.

27       5.(e) If any benefits are insured with a commercial  
28 insurance company, the report shall include a statement of the  
29 relationship of the insured benefits to the benefits provided  
30 by this chapter. This report shall also contain information  
31

1 about the insurer, basis of premium rates and mortality table,  
2 interest rate and method used in valuing retirement benefits.

3 (b)(2) In addition to annual reports provided under  
4 paragraph (a), by February 1 of each triennial year, an  
5 actuarial valuation of the chapter plan must be made by the  
6 division at least once every 3 years, as provided in s.  
7 112.63, commencing 3 years from the last actuarial valuation  
8 of the plan or system for existing plans, or commencing 3  
9 years from the issuance of the initial actuarial impact  
10 statement submitted under s. 112.63 for newly created plans.  
11 ~~To that end By February 1 of each triennial year beginning~~  
12 ~~with February 1, 1986, and at least every 3 years commencing~~  
13 ~~from the last actuarial report of the plan or system or from~~  
14 ~~February 1, 1987, if no actuarial report has been issued~~  
15 ~~within the 3-year period prior to February 1, 1986, the chair~~  
16 ~~of the board of trustees for each municipal police officers'~~  
17 ~~retirement trust fund operating under a chapter plan shall~~  
18 ~~report to the division such data as that the division needs to~~  
19 ~~complete an actuarial valuation of each fund. The forms for~~  
20 ~~each municipality shall be supplied by the division. The~~  
21 ~~expense of the actuarial valuation shall be borne by the~~  
22 ~~municipal police officers' retirement trust fund established~~  
23 ~~by s. 185.10. The requirements of this section are~~  
24 ~~supplemental to the actuarial valuations necessary to comply~~  
25 ~~with ss. 11.45 and 218.32.~~

26 (2) With respect to local law plans:

27 (a) Each year, on or before March 15, the trustees of  
28 the retirement plan shall submit the following information to  
29 the division in order for the retirement plan of such  
30 municipality to receive a share of the state funds for the  
31 then-current calendar year:

1           1. A certified copy of each and every instrument  
2 constituting or evidencing the plan. This includes the formal  
3 plan, including all amendments, the trust agreement, copies of  
4 all insurance contracts, and formal announcement materials.

5           2. An independent audit by a certified public  
6 accountant if the fund has \$250,000 or more in assets, or a  
7 certified statement of accounting if the fund has less than  
8 \$250,000 in assets, for the most recent plan year, showing a  
9 detailed listing of assets and a statement of all income and  
10 disbursements during the year. Such income and disbursements  
11 must be reconciled with the assets at the beginning and end of  
12 the year.

13           3. A certified statement listing the investments of  
14 the plan and a description of the methods used in valuing the  
15 investments.

16           4. A statistical exhibit showing the total number of  
17 police officers, the number included in the plan, and the  
18 number ineligible classified according to the reasons for  
19 their being ineligible, and the number of disabled and retired  
20 police officers and their beneficiaries receiving pension  
21 payments and the amounts of annual retirement income or  
22 pension payments being received by them.

23           5. A certified statement describing the methods,  
24 factors, and actuarial assumptions used in determining the  
25 cost.

26           6. A certified statement by an enrolled actuary  
27 showing the results of the latest actuarial valuation of the  
28 plan and a copy of the detailed worksheets showing the  
29 computations used in arriving at the results.

30           7. A statement of the amount the municipality, or  
31 other income source, has contributed toward the plan for the

1 most recent plan year and will contribute toward the plan for  
2 the current plan year.

3  
4 When any of the items required hereunder is identical to the  
5 corresponding item submitted for a previous year, it is not  
6 necessary for the trustees to submit duplicate information if  
7 they make reference to the item in the previous year's report.

8 (b) In addition to annual reports provided under  
9 paragraph (a), an actuarial valuation of the retirement plan  
10 must be made at least once every 3 years, as provided in s.  
11 112.63, commencing 3 years from the last actuarial valuation  
12 of the plan or system for existing plans, or commencing 3  
13 years from issuance of the initial actuarial impact statement  
14 submitted under s. 112.63 for newly created plans. Such  
15 valuation shall be prepared by an enrolled actuary, subject to  
16 the following conditions:

17 1. The assets shall be valued as provided in s.  
18 112.625(7).

19 2. The cost of the actuarial valuation must be paid by  
20 the individual police officer's retirement trust fund or by  
21 the sponsoring municipality.

22 3. A report of the valuation, including actuarial  
23 assumptions and type and basis of funding, shall be made to  
24 the division within 3 months after the date of the valuation.  
25 If any benefits are insured with a commercial insurance  
26 company, the report must include a statement of the  
27 relationship of the retirement plan benefits to the insured  
28 benefits, the name of the insurer, the basis of premium rates,  
29 and the mortality table, interest rate, and method used in  
30 valuing the retirement benefits.

31

1           Section 67. Subsection (1) of section 185.23, Florida  
2 Statutes, is amended to read:

3           185.23 Duties of Division of Retirement; rulemaking;  
4 investment by State Board of Administration.--

5           (1) The division shall be responsible for the daily  
6 oversight and monitoring for actuarial soundness of the  
7 municipal police officers' retirement plans, whether chapter  
8 or local law plans, established under this chapter, for  
9 receiving and holding the premium tax moneys collected under  
10 this chapter, and, upon determining compliance with the  
11 provisions on this chapter, for disbursing those moneys to the  
12 municipal police officers' retirement plans. The funds to pay  
13 the expenses for such administration shall be annually  
14 appropriated from the interest and investment income earned on  
15 moneys deposited in the trust fund.

16           Section 68. Section 185.25, Florida Statutes, is  
17 amended to read:

18           185.25 Exemption from execution.--For any  
19 municipality, chapter plan, local law municipality, or local  
20 law plan under this chapter, the pensions, annuities, or any  
21 other benefits accrued or accruing to any person under any  
22 municipality, chapter plan, local law municipality, or local  
23 law plan under the provisions of this chapter and the  
24 accumulated contributions and the cash securities in the funds  
25 created under this chapter are ~~hereby~~ exempted from any state,  
26 county or municipal tax of the state and shall not be subject  
27 to execution or attachment or to any legal process whatsoever  
28 and shall be unassignable.

29           Section 69. Section 185.27, Florida Statutes, is  
30 repealed.

31

1           Section 70. Section 185.29, Florida Statutes, is  
2 repealed.

3           Section 71. Section 185.30, Florida Statutes, is  
4 amended to read:

5           185.30 Depository for retirement fund.--For any  
6 municipality, chapter plan, local law municipality, or local  
7 law plan under this chapter,all funds ~~and securities~~ of the  
8 municipal police officers' retirement trust fund of any  
9 municipality, chapter plan, local law municipality, or local  
10 law plan under this chapter may be deposited by the board of  
11 trustees with the treasurer of the municipality acting in a  
12 ministerial capacity only, who shall be liable in the same  
13 manner and to the same extent as he or she is liable for the  
14 safekeeping of funds for the municipality. However, any funds  
15 ~~and securities~~ so deposited with the treasurer of the  
16 municipality shall be kept in a separate fund by the municipal  
17 treasurer or clearly identified as such funds ~~and securities~~  
18 of the municipal police officers' retirement trust fund. In  
19 lieu thereof, the board of trustees shall deposit the funds  
20 ~~and securities~~ of the municipal police officers' retirement  
21 trust fund in a qualified public depository as defined in s.  
22 280.02, which depository with regard to such funds ~~and~~  
23 ~~securities~~ shall conform to and be bound by all of the  
24 provisions of chapter 280.

25           Section 72. Section 185.31, Florida Statutes, is  
26 amended to read:

27           185.31 Municipalities and boards independent of other  
28 municipalities and boards and of each other.--In the  
29 enforcement and ~~in the~~ interpretation of the provisions of  
30 this chapter for any municipality, chapter plan, local law  
31 municipality, or local law plan under this chapter, each

1 municipality shall be independent of any other municipality,  
2 and the board of trustees of the municipal police officers'  
3 retirement trust fund of each municipality shall function for  
4 the municipality which they are to serve as trustees. Each  
5 board of trustees shall be independent of each municipality  
6 for which it serves as board of trustees to the extent  
7 required to accomplish the intent, requirements, and  
8 responsibilities provided for in this chapter.

9           Section 73. Section 185.32, Florida Statutes, is  
10 repealed.

11           Section 74. Section 185.34, Florida Statutes, is  
12 amended to read:

13           185.34 Disability in line of duty.--For any  
14 municipality, chapter plan, local law municipality, or local  
15 law plan under this chapter,any condition or impairment of  
16 health of any and all police officers employed in the state  
17 caused by tuberculosis, hypertension, heart disease, or  
18 hardening of the arteries, resulting in total or partial  
19 disability or death, shall be presumed to be accidental and  
20 suffered in line of duty unless the contrary be shown by  
21 competent evidence. Any condition or impairment of health  
22 caused directly or proximately by exposure, which exposure  
23 occurred in the active performance of duty at some definite  
24 time or place without willful negligence on the part of the  
25 police officer, resulting in total or partial disability,  
26 shall be presumed to be accidental and suffered in the line of  
27 duty, provided that such police officer shall have  
28 successfully passed a physical examination upon entering such  
29 service, which physical examination including  
30 electrocardiogram failed to reveal any evidence of such  
31 condition, and, further, that such presumption shall not apply

1 to benefits payable under or granted in a policy of life  
2 insurance or disability insurance. This section shall be  
3 applicable to all police officers ~~employed in this state~~ only  
4 with reference to pension and retirement benefits under this  
5 chapter.

6 Section 75. Section 185.341, Florida Statutes, is  
7 amended to read:

8 185.341 Discrimination in benefit formula prohibited;  
9 restrictions regarding designation of joint annuitants.--For  
10 any municipality, chapter plan, local law municipality, or  
11 local law plan under this chapter:

12 (1) No plan ~~established under the provisions of this~~  
13 ~~chapter and participating in the distribution of premium tax~~  
14 ~~moneys as provided in this chapter~~ shall discriminate in its  
15 benefit formula based on color, national origin, sex, or  
16 marital status. ~~; however,~~

17 (2)(a) If a plan offers a joint annuitant option and  
18 the member selects such option, or if a the plan specifies  
19 that the member's spouse is to receive the benefits that ~~which~~  
20 continue to be payable upon the death of the member, then, in  
21 both of these cases, after retirement ~~the~~ benefits have  
22 commenced, a retired member may change the designation of  
23 joint annuitant or beneficiary only twice.

24 (b) Any ~~if said~~ retired member who desires to change  
25 the joint annuitant or beneficiary, ~~he or she~~ shall file with  
26 the board of trustees of his or her plan a notarized notice of  
27 such change either by registered letter or on such ~~a~~ form as  
28 is provided by the administrator of the plan. Upon receipt of  
29 a completed change of joint annuitant form or such other  
30 notice, the board of trustees shall adjust the member's  
31 monthly benefit by the application of actuarial tables and



1 calculations developed to ensure that the benefit paid is the  
2 actuarial equivalent of the present value of the member's  
3 current benefit. Nothing herein shall preclude a plan from  
4 actuarially adjusting benefits or offering options based upon  
5 sex, age, early retirement, or disability.

6 Section 76. Section 185.35, Florida Statutes, is  
7 amended to read:

8 185.35 Municipalities having their own pension plans  
9 for police officers.--For any municipality, chapter plan,  
10 local law municipality, or local law plan under this chapter,

11 ~~(1)~~ in order for municipalities with their own pension  
12 plans for police officers or for police officers,and  
13 firefighters where included,~~other employees~~ to participate in  
14 the distribution of the tax fund established pursuant to s.in  
15 ~~ss. 185.07,185.08, local law plans and 185.09, their~~  
16 ~~retirement funds~~ must meet the minimum benefits and minimum  
17 standards set forth in this chapter ~~each of the following~~  
18 ~~standards:~~

19 (1) PREMIUM TAX INCOME.--If a municipality has a  
20 pension plan for police officers, or for police officers and  
21 firefighters where included, which, in the opinion of the  
22 division, meets the minimum benefits and minimum standards set  
23 forth in this chapter, the board of trustees of the pension  
24 plan, as approved by a majority of police officers of the  
25 municipality, may:

26 (a) Place the income from the premium tax in s. 185.08  
27 in such pension plan for the sole and exclusive use of its  
28 police officers, or its police officers and firefighters where  
29 included, where it shall become an integral part of that  
30 pension plan and shall be used to pay extra benefits to the  
31 police officers included in that pension plan; or

1           (b) May place the income from the premium tax in s.  
2 185.08 in a separate supplemental pension plan to pay extra  
3 benefits to the police officers, or police officers and  
4 firefighters where included, participating in such separate  
5 supplemental pension plan.

6  
7 Any provision of law to the contrary notwithstanding, the  
8 premium tax provided by this chapter shall in all cases be  
9 used in its entirety to provide extra benefits to police  
10 officers, or police officers and firefighters, where included.  
11 For purposes of this chapter, the term "extra benefits" means  
12 benefits in addition to or greater than those provided to  
13 general employees of the municipality.

14           (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--

15           ~~(a) The plan must be for the purpose of providing~~  
16 ~~retirement and disability income for police officers.~~

17           ~~(b) The normal retirement age, if any, must not be~~  
18 ~~higher than age 60.~~

19           ~~(c) If the plan provides for a stated period of~~  
20 ~~service as a requirement to receive a retirement income, that~~  
21 ~~period must not be higher than 30 years.~~

22           ~~(d) The benefit formula to determine the amount of~~  
23 ~~monthly pension must be equal to at least 2 percent for each~~  
24 ~~year of the police officer's credited service, multiplied by~~  
25 ~~his or her average final compensation. However, if current~~  
26 ~~state contributions pursuant to this chapter are not adequate~~  
27 ~~to fund the additional benefits to meet the minimum~~  
28 ~~requirements in this chapter, only increment increases shall~~  
29 ~~be required as state moneys are adequate to provide. Such~~  
30 ~~increments shall be provided as state moneys become available.~~

31

1           ~~(e) If a ceiling on the monthly payment is stated in~~  
2 ~~the plan, it should be no lower than \$100.~~

3           ~~(f) Death or survivor benefits and disability benefits~~  
4 ~~may be incorporated into the plan as the municipality wishes~~  
5 ~~but in no event should the single-sum value of such benefits~~  
6 ~~as of the date of termination of service because of death or~~  
7 ~~disability exceed:~~

8           ~~1. One hundred times the estimated normal monthly~~  
9 ~~retirement income, based on the assumption that the present~~  
10 ~~rate of compensation continues without change to normal~~  
11 ~~retirement date,~~

12           ~~2. Twice the annual rate of compensation as of the~~  
13 ~~date of termination of service, or~~

14           ~~3. The single-sum value of the accrued deferred~~  
15 ~~retirement income (beginning at normal retirement date) at~~  
16 ~~date of termination of service,~~

17  
18 ~~whichever is greatest; however, nothing in this paragraph~~  
19 ~~shall require any reduction in death or disability benefits~~  
20 ~~provided by a retirement plan in effect on July 1, 1959.~~

21           ~~(g) Eligibility for coverage under the plan must be~~  
22 ~~based upon length of service, or attained age, or both, and~~  
23 ~~benefits must be determined by a nondiscriminatory formula~~  
24 ~~based upon:~~

25           ~~1. Length of service and compensation, or~~

26           ~~2. Length of service.~~

27  
28 ~~The retirement plan shall require participants to contribute~~  
29 ~~toward the cost of the plan an amount which shall not be less~~  
30 ~~than 1 percent of salary, and it must set forth the~~

31

1 ~~termination rights, if any, of an employee in the event of the~~  
2 ~~separation or withdrawal of an employee before retirement.~~

3 ~~(h) An actuarial valuation of the retirement plan must~~  
4 ~~be made at least once in every 5 years commencing with~~  
5 ~~December 31, 1963, and at least every 3 years commencing from~~  
6 ~~the last actuarial report of the plan or system or from~~  
7 ~~October 1, 1986, if no actuarial report has been issued within~~  
8 ~~the 3 years prior to October 1, 1983. Such valuation shall be~~  
9 ~~prepared by an enrolled actuary.~~

10 ~~1. The cost of the actuarial valuation must be paid by~~  
11 ~~the individual retirement fund or by the municipality.~~

12 ~~2. A report of the valuation, including actuarial~~  
13 ~~assumptions and type and basis of funding, shall be made to~~  
14 ~~the division within 3 months after the date of valuation. If~~  
15 ~~any benefits are insured with a commercial insurance company,~~  
16 ~~the report shall include a statement of the relationship of~~  
17 ~~the retirement plan benefits to the insured benefits and, in~~  
18 ~~addition, the name of the insurer, basis of premium rates, and~~  
19 ~~the mortality table, interest rate, and method used in valuing~~  
20 ~~retirement benefits.~~

21 ~~(i) Commencing on July 1, 1964, the municipality shall~~  
22 ~~contribute to the plan annually an amount which together with~~  
23 ~~the contributions from the police officers, the amount derived~~  
24 ~~from the premium tax provided in s. 185.08, and other income~~  
25 ~~sources will be sufficient to meet the normal cost of the plan~~  
26 ~~and to fund the actuarial deficiency over a period not longer~~  
27 ~~than 40 years.~~

28 ~~(j) No retirement plan or amendment to a retirement~~  
29 ~~plan shall be proposed for adoption unless the proposed plan~~  
30 ~~or amendment contains an actuarial estimate of the costs~~  
31 ~~involved. No such proposed plan or proposed plan change shall~~

1 be adopted without the approval of the municipality or, where  
2 permitted, the Legislature. Copies of the proposed plan or  
3 proposed plan change and the actuarial impact statement of the  
4 proposed plan or proposed plan change shall be furnished to  
5 the division prior to the last public hearing thereon. Such  
6 statement shall also indicate whether the proposed plan or  
7 proposed plan change is in compliance with s. 14, Art. X of  
8 the State Constitution and those provisions of part VII of  
9 chapter 112 which are not expressly provided in this chapter.

10 ~~(k) Each year on or before March 15, the trustees of~~  
11 ~~the retirement plan must submit the following information to~~  
12 ~~the division in order for the retirement plan of such~~  
13 ~~municipality to receive a share of state funds for the then~~  
14 ~~current calendar year; when any of these items would be~~  
15 ~~identical with the corresponding item submitted for a previous~~  
16 ~~year, it is not necessary for the trustees to submit duplicate~~  
17 ~~information if they make reference to the item in such~~  
18 ~~previous year's report:~~

19 ~~1. A certified copy of each and every instrument~~  
20 ~~constituting or evidencing the plan.~~

21 ~~2. An independent audit by a certified public~~  
22 ~~accountant if the fund has \$100,000 or more in assets, or a~~  
23 ~~certified statement of accounting if the fund has less than~~  
24 ~~\$100,000 in assets, for the most recent fiscal year of the~~  
25 ~~municipality showing a detailed listing of assets and a~~  
26 ~~statement of all income and disbursements during the year.~~  
27 ~~Such income and disbursements must be reconciled with the~~  
28 ~~assets at the beginning and end of the year.~~

29 ~~3. A certified statement listing the investments of~~  
30 ~~the plan and a description of the methods used in valuing the~~  
31 ~~investments.~~

1           ~~4. A statistical exhibit showing the total number of~~  
2 ~~police officers, the number included in the plan, and the~~  
3 ~~number ineligible classified according to the reasons for~~  
4 ~~their being ineligible.~~

5           ~~5. A statement of the amount the municipality and~~  
6 ~~other income sources have contributed toward the plan or will~~  
7 ~~contribute toward the plan for the current calendar year.~~

8           ~~(2) If a municipality has a police officers'~~  
9 ~~retirement plan which, in the opinion of the division, meets~~  
10 ~~the standards set forth in subsection (1), the board of~~  
11 ~~trustees of the pension plan, as approved by a majority of the~~  
12 ~~police officers of the municipality affected, or the official~~  
13 ~~pension committee, as approved by a majority of the police~~  
14 ~~officers of the municipality affected, may place the income~~  
15 ~~from the premium tax in s. 185.08 in its existing pension fund~~  
16 ~~for the sole and exclusive use of its police officers (or for~~  
17 ~~firefighters and police officers where included), where it~~  
18 ~~shall become an integral part of that fund, or may use the~~  
19 ~~income to pay extra benefits to the police officers included~~  
20 ~~in the fund.~~

21           (3) Notwithstanding any other provision, with respect  
22 to any supplemental plan municipality:

23           (a) Section 185.02(4)(a) shall not apply, and a local  
24 law plan and a supplemental plan may continue to use their  
25 definition of compensation or salary in existence on the  
26 effective date of this act.

27           (b) Section 185.05(1)(b) shall not apply, and a local  
28 law plan and a supplemental plan shall continue to be  
29 administered by a board or boards of trustees numbered,  
30 constituted, and selected as the board or boards were  
31 numbered, constituted, and selected on January 1, 1997.

1           (c) Paragraphs (1)(a) and (b) shall not apply.

2           (4)(3) The retirement plan setting forth the benefits  
3 and the trust agreement, if any, covering the duties and  
4 responsibilities of the trustees and the regulations of the  
5 investment of funds must be in writing and copies made  
6 available to the participants and to the general public.

7           ~~(4)(a) The membership of the board of trustees for~~  
8 ~~pension plans operated pursuant to this section shall be as~~  
9 ~~follows:~~

10           ~~1. If a municipality has a pension plan for police~~  
11 ~~officers only, the provisions of s. 185.05 shall apply.~~

12           ~~2. If a municipality has a pension plan for police~~  
13 ~~officers and firefighters, the provisions of s. 185.05 shall~~  
14 ~~apply, except that two members of the board shall be police~~  
15 ~~officers or firefighters who shall be elected by a majority of~~  
16 ~~the police officers and firefighters who are members of the~~  
17 ~~plan.~~

18           ~~3. If a municipality has a pension plan for police~~  
19 ~~officers and general employees, at least one member of the~~  
20 ~~board shall be a police officer who shall be elected by a~~  
21 ~~majority of the police officers who are members of the plan.~~

22           ~~4. If a municipality has a pension plan for police~~  
23 ~~officers, firefighters, and general employees, at least one~~  
24 ~~member of the board shall be a police officer or firefighter~~  
25 ~~who shall be elected by a majority of the police officers and~~  
26 ~~firefighters who are members of the plan.~~

27           ~~(b) Nothing in this section shall permit the reduction~~  
28 ~~of the membership percentage of police officers, or police~~  
29 ~~officers and firefighters where a joint or mixed fund exists,~~  
30 ~~on any board of trustees operating a pension plan pursuant to~~  
31 ~~this section on June 30, 1986.~~

1           ~~(5) The provisions of this section and s. 185.05 may~~  
2 ~~not be changed by a participating municipality operating a~~  
3 ~~pension plan pursuant to this section.~~

4           Section 77. Section 185.36, Florida Statutes, is  
5 repealed.

6           Section 78. Section 185.37, Florida Statutes, is  
7 amended to read:

8           185.37 Termination of plan and distribution of  
9 fund.--For any municipality, chapter plan, local law  
10 municipality, or local law plan under this chapter, the plan  
11 may be terminated by the municipality. Upon termination of the  
12 plan by the municipality for any reason, or because of a  
13 transfer, merger, or consolidation of governmental units,  
14 services, or functions as provided in chapter 121, or upon  
15 written notice to the board of trustees by the municipality  
16 that contributions under the plan are being permanently  
17 discontinued, the rights of all employees to benefits accrued  
18 to the date of such termination or discontinuance and the  
19 amounts credited to the employees' accounts are  
20 nonforfeitable. The fund shall be apportioned and distributed  
21 in accordance with the following procedures:

22           (1) The board of trustees shall determine the date of  
23 distribution and the asset value to be distributed, after  
24 taking into account the expenses of such distribution.

25           (2) The board of trustees shall determine the method  
26 of distribution of the asset value, that is, whether  
27 distribution shall be by payment in cash, by the maintenance  
28 of another or substituted trust fund, by the purchase of  
29 insured annuities, or otherwise, for each police officer  
30 entitled to benefits under the plan, as specified in  
31 subsection (3).



1           (3) The board of trustees shall apportion the asset  
2 value as of the date of termination in the manner set forth in  
3 this subsection, on the basis that the amount required to  
4 provide any given retirement income shall mean the actuarially  
5 computed single-sum value of such retirement income, except  
6 that if the method of distribution determined under subsection  
7 (2) involves the purchase of an insured annuity, the amount  
8 required to provide the given retirement income shall mean the  
9 single premium payable for such annuity.

10           (a) Apportionment shall first be made in respect of  
11 each retired police officer receiving a retirement income  
12 hereunder on such date, each person receiving a retirement  
13 income on such date on account of a retired (but since  
14 deceased) police officer, and each police officer who has, by  
15 such date, become eligible for normal retirement but has not  
16 yet retired, in the amount required to provide such retirement  
17 income, provided that, if such asset value is less than the  
18 aggregate of such amounts, such amounts shall be  
19 proportionately reduced so that the aggregate of such reduced  
20 amounts will be equal to such asset value.

21           (b) If there is any asset value remaining after the  
22 apportionment under paragraph (a), apportionment shall next be  
23 made in respect of each police officer in the service of the  
24 municipality on such date who has completed at least 10 years  
25 of credited service, in ~~who has contributed to~~ the municipal  
26 police officers' retirement trust fund for at least 10 years,  
27 and who is not entitled to an apportionment under paragraph  
28 (a), in the amount required to provide the actuarial  
29 equivalent of the accrued normal retirement income, based on  
30 the police officer's credited service and earnings to such  
31 date, and each former participant then entitled to a benefit

1 under the provisions of s. 185.19 who has not by such date  
2 reached his or her normal retirement date, in the amount  
3 required to provide the actuarial equivalent of the accrued  
4 normal retirement income to which he or she is entitled under  
5 s. 185.19, provided that, if such remaining asset value is  
6 less than the aggregate of the amounts apportioned hereunder,  
7 such latter amounts shall be proportionately reduced so that  
8 the aggregate of such reduced amounts will be equal to such  
9 remaining asset value.

10 (c) If there is an asset value after the  
11 apportionments under paragraphs (a) and (b), apportionment  
12 shall lastly be made in respect of each police officer in the  
13 service of the municipality on such date who is not entitled  
14 to an apportionment under paragraphs (a) and (b) in the amount  
15 equal to the police officer's total contributions to the plan  
16 to date of termination, provided that, if such remaining asset  
17 value is less than the aggregate of the amounts apportioned  
18 hereunder, such latter amounts shall be proportionately  
19 reduced so that the aggregate of such reduced amounts will be  
20 equal to such remaining asset value.

21 (d) In the event that there is asset value remaining  
22 after the full apportionment specified in paragraphs (a), (b),  
23 and (c), such excess shall be returned to the municipality,  
24 less return to the state of the state's contributions,  
25 provided that, if the excess is less than the total  
26 contributions made by the municipality and the state to date  
27 of termination of the plan, such excess shall be divided  
28 proportionately to the total contributions made by the  
29 municipality and the state.

30  
31

1           (4) The board of trustees shall distribute, in  
2 accordance with the manner of distribution determined under  
3 subsection (2), the amounts apportioned under subsection (3).  
4

5 If, after a period of 24 months after the date on which the  
6 plan terminated or the date on which the board received  
7 written notice that the contributions thereunder were being  
8 permanently discontinued, the municipality or the board of  
9 trustees of the municipal police officers' retirement trust  
10 fund affected has not complied with all the provisions in this  
11 section, the division shall effect the termination of the fund  
12 in accordance with this section.

13           Section 79. Section 185.38, Florida Statutes, is  
14 amended to read:

15           185.38 Transfer to another state retirement system;  
16 benefits payable.--For any municipality, chapter plan, local  
17 law municipality, or local law plan under this chapter:

18           (1) Any police officer who has a vested right to  
19 benefits under a pension plan created pursuant to the  
20 provisions of this chapter and who elects to participate in  
21 another state retirement system may not receive a benefit  
22 under the provisions of the latter retirement system for any  
23 year's service for which benefits are paid under the  
24 provisions of the pension plan created pursuant to this  
25 chapter.

26           (2) When every active participant in any pension plan  
27 created pursuant to this chapter elects to transfer to another  
28 state retirement system, the pension plan created pursuant to  
29 this chapter shall be terminated and the assets distributed in  
30 accordance with s. 185.37. If some participants in a pension  
31 plan created pursuant to this chapter elect to transfer to

1 another state retirement system and other participants elect  
2 to remain in the existing plan created pursuant to this  
3 chapter, the plan created pursuant to this chapter shall  
4 remain in effect until fully funded and shall then be  
5 terminated in accordance with s. 185.37.

6 Section 80. Section 185.39, Florida Statutes, is  
7 amended to read:

8 (Substantial rewording of section. See  
9 s. 185.39, F.S., for present text.)

10 185.39 Applicability.--This act applies to all  
11 municipalities, chapter plans, local law municipalities, or  
12 local law plans presently existing or to be created pursuant  
13 to this chapter. Those plans presently existing pursuant to  
14 s. 185.35 and not in compliance with the provisions of this  
15 act must comply no later than December 31, 1998. However, the  
16 plan sponsor of any plan established by special act of the  
17 Legislature shall have until July 1, 1999, to comply with the  
18 provisions of this act, except as otherwise provided in this  
19 act with regard to establishment and election of board  
20 members. The provisions of this act shall be construed to  
21 establish minimum standards and minimum benefit levels, and  
22 nothing contained in this act or in chapter 185 shall operate  
23 to reduce presently existing rights or benefits of any police  
24 officer, directly, indirectly, or otherwise.

25 Section 81. Section 185.40, Florida Statutes, is  
26 repealed.

27 Section 82. Section 185.50, Florida Statutes, is  
28 amended to read:

29 185.50 Retiree health insurance subsidy.--For any  
30 municipality, chapter plan, local law municipality, or local  
31 law plan under this chapter, under the broad grant of home

1 rule powers under the Florida Constitution and chapter 166,  
2 municipalities have the authority to establish and administer  
3 locally funded health insurance subsidy programs. Pursuant  
4 thereto:

5 (1) PURPOSE.--The purpose of this section is to allow  
6 municipalities the option to use premium tax moneys, as  
7 provided for under this chapter, to establish and administer  
8 health insurance subsidy programs which will provide a monthly  
9 subsidy payment to retired members of any municipal police  
10 officers' pension trust fund system or plan as provided under  
11 this chapter, or to beneficiaries who are spouses or financial  
12 dependents entitled to receive benefits under such a plan, in  
13 order to assist such retired members or beneficiaries in  
14 paying the costs of health insurance.

15 (2) MUNICIPAL RETIREE HEALTH INSURANCE SUBSIDY TRUST  
16 FUNDS; ESTABLISHMENT AND TERMINATION.--

17 (a) Any municipality having a municipal police  
18 officers' pension trust fund system or plan as provided under  
19 this chapter may, in its discretion, establish by ordinance a  
20 trust fund to be known as the municipal police officers'  
21 retiree health insurance subsidy trust fund. This fund may be  
22 a separate account established for such purpose in the  
23 existing municipal police officers' pension fund, provided  
24 that all funds deposited in such account are segregated from,  
25 and not commingled with, pension funds or other public moneys  
26 and that the account otherwise conforms to the requirements of  
27 subsection (8). The trust fund shall be used to account for  
28 all moneys received and disbursed pursuant to this section.

29 (b) Prior to the second reading of the ordinance  
30 before the municipal legislative body, an actuarial valuation  
31 must be performed by an enrolled actuary as defined in s.

1 185.02, and copies of the valuation and the proposed  
2 implementing ordinance shall be furnished to the division.

3 (c) The subsidy program may, at the discretion of the  
4 municipal governing body, be permanently discontinued by  
5 municipal ordinance at any time, subject to the requirements  
6 of any applicable collective bargaining agreement, in the same  
7 manner and subject to the same conditions established for plan  
8 termination and fund distribution under s. 185.37.

9 (3) FUNDING.--Trust funds established pursuant to this  
10 section shall be funded in the following manner:

11 (a) By payment to the fund of an amount equivalent to  
12 one-half of the net increase over the previous tax year in the  
13 premium tax funds provided for in this chapter, said amount to  
14 be established in the implementing ordinance.

15 (b) By no less than one-half of 1 percent of the base  
16 salary of each police officer, for so long as the police  
17 officer is employed and covered by a pension plan established  
18 pursuant to this chapter. The municipality, with approval of  
19 the board of trustees, may increase member contributions if  
20 needed to fund benefits greater than the minimums established  
21 in this section.

22 (c) By payment by the municipality, on at least a  
23 quarterly basis, of whatever sum is determined necessary to  
24 maintain the actuarial soundness of the fund in accordance  
25 with s. 112.64.

26  
27 Such contributions and payments shall be submitted to the  
28 board of trustees of the police officers' pension trust fund,  
29 or the plan trustees in the case of local law plans  
30 established under s. 185.35, and deposited in the Municipal  
31 Police Officers' Retiree Health Insurance Subsidy Trust Fund,

1 in the same manner and subject to the same time constraints as  
2 provided under s. 185.11.

3 (4) ELIGIBILITY FOR RETIREE HEALTH INSURANCE

4 SUBSIDY.--A person who has contributed to the Retiree Health  
5 Insurance Subsidy Trust Fund and retires under a municipal  
6 police officers' pension trust fund system or plan as provided  
7 under this chapter, including any local law plan as provided  
8 under s. 185.35, or a beneficiary who is a spouse or financial  
9 dependent entitled to receive benefits under such a plan, is  
10 eligible for health insurance subsidy payments provided under  
11 this section. However, the fund, with approval of the board  
12 of trustees and the municipality, may provide coverage to  
13 retirees and beneficiaries when the retirees have not  
14 contributed to the fund as provided in subsection (3).  
15 Payment of the retiree health insurance subsidy shall be made  
16 only after coverage for health insurance for the retiree or  
17 beneficiary has been certified in writing to the board of  
18 trustees of the municipal police officers' pension trust fund.

19 (5) RETIREE HEALTH INSURANCE SUBSIDY

20 AMOUNT.--Beginning on the effective date established in the  
21 implementing ordinance, each eligible retiree, or beneficiary  
22 who is a spouse or financial dependent thereof, shall receive  
23 a monthly retiree health insurance subsidy payment equal to  
24 the aggregate number of years of service with the  
25 municipality, as defined in s. 185.02, completed at the time  
26 of retirement multiplied by an amount determined in the  
27 implementing ordinance, but no less than \$3 for each year of  
28 service. Nothing herein shall be construed to restrict the  
29 plan sponsor from establishing, in the implementing ordinance,  
30 a cap of no less than 30 years upon the number of years'

31

1 service for which credit will be given toward a health  
2 insurance subsidy or a maximum monthly subsidy amount.

3 (6) PAYMENT OF RETIREE HEALTH INSURANCE  
4 SUBSIDY.--Beginning on the effective date established in the  
5 implementing ordinance, any monthly retiree health insurance  
6 subsidy amount due and payable under this section shall be  
7 paid to retired members, or their eligible beneficiaries, by  
8 the board of trustees of the police officers' pension trust  
9 fund, or the plan trustees in the case of local law plans  
10 established under s. 185.35, in the same manner as provided by  
11 s. 185.06(1)(c) for drafts upon the pension fund.

12 (7) INVESTMENT OF THE TRUST FUND.--The trustees of the  
13 police officers' pension trust fund, or the plan trustees in  
14 the case of local law plans established under s. 185.35, are  
15 hereby authorized to invest and reinvest the funds of the  
16 Municipal Police Officers' Retiree Health Insurance Subsidy  
17 Trust Fund in the same manner and subject to the same  
18 conditions as apply hereunder to the investment of municipal  
19 police officers' pension funds under s. 185.06.

20 (8) DEPOSIT OF PENSION FUNDS.--All funds ~~and~~  
21 ~~securities~~ of the health insurance subsidy fund may be  
22 deposited by the board of trustees with the treasurer of the  
23 municipality, acting in a ministerial capacity only, who shall  
24 be liable in the same manner and to the same extent as he or  
25 she is liable for the safekeeping of funds for the  
26 municipality. Any funds so deposited shall be segregated by  
27 said treasurer in a separate fund, clearly identified as funds  
28 ~~and securities~~ of the health insurance subsidy fund. In lieu  
29 thereof, the board of trustees shall deposit the funds ~~and~~  
30 ~~securities~~ of the health insurance subsidy fund in a qualified  
31 public depository as defined in s. 280.02, which shall conform



1 to and be bound by the provisions of chapter 280 with regard  
2 to such funds. In no case shall the funds of the health  
3 insurance subsidy fund be deposited in any financial  
4 institution, brokerage house trust company, or other entity  
5 that is not a public depository as provided by s. 280.02.

6 (9) SEPARATION FROM SERVICE; REFUNDS.--Any police  
7 officer who terminates employment with a municipality having a  
8 Municipal Retiree Health Insurance Subsidy Trust Fund system  
9 or plan as provided under this section shall be entitled to a  
10 refund of all employee contributions he or she made to that  
11 trust fund, without interest, regardless of whether he or she  
12 has vested for purposes of retirement. Any police officer who  
13 has vested for purposes of retirement in the service of the  
14 municipality, and has contributed to the Municipal Police  
15 Officers' Retiree Health Insurance Subsidy Trust Fund for so  
16 long as he or she was eligible to make such contributions,  
17 may, in his or her discretion, elect to leave his or her  
18 accrued contributions in the fund, whereupon, such police  
19 officer shall, upon retiring and commencing to draw retirement  
20 benefits, receive a health insurance subsidy based upon his or  
21 her aggregate number of years of service with the  
22 municipality, as defined in s. 185.02.

23 (10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS;  
24 AUDITS; RULES; ADMINISTRATIVE COSTS.--The board of trustees of  
25 the police officers' pension trust fund, or the plan trustees  
26 in the case of local law plans established under s. 185.35,  
27 shall be solely responsible for administering the health  
28 insurance subsidy trust fund. Pursuant thereto:

29 (a) As part of its administrative duties, no less  
30 frequently than every 3 years, the board shall have an  
31 actuarial valuation of the municipal police officers' retiree

1 health insurance subsidy trust fund prepared as provided in s.  
2 112.63 by an enrolled actuary, covering the same reporting  
3 period or plan year used for the municipal police officers'  
4 pension plan, and shall submit a report of the valuation,  
5 including actuarial assumptions and type and basis of funding,  
6 to the division.

7 (b) By February 1 of each year, the trustees shall  
8 file a report with the division, containing an independent  
9 audit by a certified public accountant if the fund has  
10 \$250,000~~\$100,000~~ or more in assets, or a certified statement  
11 of accounting if the fund has less than \$250,000~~\$100,000~~ in  
12 assets, for the most recent plan ~~fiscal~~ year of the  
13 ~~municipality~~, showing a detailed listing of assets and methods  
14 used to value them and a statement of all income and  
15 disbursements during the year. Such income and disbursements  
16 shall be reconciled with the assets at the beginning of and  
17 end of the year.

18 (c) The trustees may adopt such rules and regulations  
19 as are necessary for the effective and efficient  
20 administration of this section.

21 (d) At the discretion of the plan sponsor, the cost of  
22 administration may be appropriated from the trust fund or paid  
23 directly by the plan sponsor.

24 (11) BENEFITS.--Subsidy payments shall be payable  
25 under the municipal police officers' retiree health insurance  
26 subsidy program only to participants in the program or their  
27 beneficiaries. Such subsidy payments shall not be subject to  
28 assignment, execution, or attachment or to any legal process  
29 whatsoever, and shall be in addition to any other benefits to  
30 which eligible recipients are entitled under any workers'  
31 compensation law, pension law, collective bargaining

1 agreement, municipal or county ordinance, or any other state  
2 or federal statute.

3 (12) DISTRIBUTION OF PREMIUM TAXES; COMPLIANCE  
4 REQUIRED.--Premium tax dollars for which spending authority is  
5 granted under this section shall be distributed from the  
6 Police and Firefighters' Premium Tax Trust Fund and remitted  
7 annually to municipalities in the same manner as provided  
8 under this chapter for police officers' pension funds. Once a  
9 health insurance subsidy plan has been implemented by a  
10 municipality under this section, in order for the municipality  
11 to participate in the distribution of premium tax dollars  
12 authorized under this section, all provisions of this section,  
13 including state acceptance pursuant to part VII of chapter  
14 112, shall be complied with, and said premium tax dollars may  
15 be withheld for noncompliance.

16 Section 83. This act shall take effect October 1 of  
17 the year in which it is enacted.

18 \*\*\*\*\*  
19 \*\*\*\*\*

20 LEGISLATIVE SUMMARY

21 Extensively revises chapters 175 and 185, Florida  
22 Statutes, relating to firefighters' pension plans and law  
23 enforcement officers' pension plans, respectively, in  
24 order to make the plans conform to the greatest extent  
25 possible, to provide definitions and clarify application  
of provisions, and to update provisions to conform to  
other laws and subsequent changes in federal provisions.

26 The act provides that fire and police chiefs may  
27 optionally participate in their respective pension plans.  
28 Up to 10 percent of firefighter and police officer  
29 pension plan assets may be invested in foreign securities  
30 subject to the limitations contained in s. 215.47(1)-(9).  
Plans seeking to avail themselves of this authority must  
31 complete new or provide amendments to their total  
investment plan. See bill for details.