

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

316-1967A-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," "local law
7 plans," and "fully funded"; redefining
8 "compensation" or "salary" for retirement
9 purposes under these chapters; clarifying the
10 applicability of minimum benefits for both
11 chapter and local law plans; revising
12 investment provisions to permit cities greater
13 investment latitude to make foreign
14 investments; eliminating discriminatory
15 language in conformance with state and federal
16 discrimination provisions; providing that
17 certain benefits provided are a minimum and may
18 not be diminished by any other state, local, or
19 federal benefits; providing an exception;
20 modifying the formula for calculating volunteer
21 firefighter service retirement benefits;
22 clarifying terminology relating to "sole and
23 exclusive use of" premium tax funds and "extra
24 benefits" by providing that moneys must be
25 placed in a police-only or firefighter-only
26 plan or a combined police and firefighter plan
27 as opposed to placing moneys in any type of
28 plan that includes general employees; providing
29 an exception; providing for establishment of a
30 new board and for transfer of assets in certain
31 cases; creating s. 175.195, F.S.; prohibiting

1 certain fraudulent practices; providing
2 criminal and administrative penalties; creating
3 ss. 175.411, 185.60, F.S.; providing that a
4 municipality or special fire control district
5 may opt out of a pension plan; repealing s.
6 175.152, F.S., relating to contributions;
7 repealing s. 175.251, F.S., relating to
8 employment records that are required to be kept
9 by the secretary of the board of trustees;
10 repealing s. 175.291, F.S., relating to the
11 requirement that the attorney for the
12 municipality or special fire control district
13 represent the board of trustees upon request
14 and the option to employ independent counsel
15 and other persons; repealing s. 175.321, F.S.,
16 relating to the application of certain
17 provisions to municipalities and fire control
18 districts; repealing s. 175.331, F.S., relating
19 to the rights of firefighters under former law;
20 repealing s. 175.391, F.S., relating to payment
21 of attorney's fees and costs; repealing s.
22 185.14, F.S., relating to contributions;
23 repealing s. 185.15, F.S., relating to
24 contributions and new employees; creating s.
25 185.185, F.S.; prohibiting certain fraudulent
26 practices; providing criminal and
27 administrative penalties; repealing s. 185.27,
28 F.S., relating to the roster of retirees;
29 repealing s. 185.29, F.S., relating to the city
30 attorney representing the board of trustees;
31 repealing s. 185.32, F.S., relating to

1 exemptions from the chapter; repealing s.
2 185.36, F.S., relating to the rights of police
3 officers under former laws; repealing s.
4 185.40, F.S., relating to costs and attorney's
5 fees; providing an effective date.

6
7 Be It Enacted by the Legislature of the State of Florida:

8
9 Section 1. Section 175.021, Florida Statutes, is
10 amended to read:

11 175.021 Legislative declaration.--

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

1 trust fund systems and plans, that such retirement systems or
2 plans be managed, administered, operated, and funded in such
3 manner as to maximize the protection of the firefighters'
4 pension trust funds. Pursuant to s. 18, Art. VII of the State
5 Constitution, the Legislature hereby determines and declares
6 that the provisions of this act fulfill an important state
7 interest.

8 (2) This chapter hereby establishes, for all municipal
9 and special district pension plans existing now or hereafter
10 under this chapter, including chapter plans and local law
11 plans, minimum benefits and minimum standards for the
12 operation and funding of such municipal and special district
13 firefighters' pension trust fund systems and plans,
14 hereinafter referred to as firefighters' pension trust funds.
15 The minimum benefits and minimum standards set forth in this
16 chapter may not be diminished by local charter, ordinance, or
17 resolution or by special act of the Legislature, nor may the
18 minimum benefits or minimum standards be reduced or offset by
19 any other local, state, or federal law that may include
20 firefighters in its operation, except as provided under s.
21 112.65.

22 Section 2. Section 175.032, Florida Statutes, is
23 amended to read:

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

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

1 (1)(a) "Average final compensation" for a full-time
2 firefighter means one-twelfth of the average annual
3 compensation of the 5 best years of the last 10 years of
4 creditable service prior to retirement, termination, or death,
5 or the career average as a full-time firefighter since July 1,
6 1953, whichever is greater. A year shall be 12 consecutive
7 months or such other consecutive period of time as is used and
8 consistently applied.

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

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

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

30 (a) A retirement trust fund or plan may use a
31 definition of salary other than the definition in this

1 subsection but only if the monthly retirement income payable
2 to each firefighter covered by the retirement trust fund or
3 plan, as determined under s. 175.162(2)(a) and using such
4 other definition, equals or exceeds the monthly retirement
5 income that would be payable to each firefighter if his
6 monthly retirement income were determined under s.
7 175.162(2)(a) and using the definition in this subsection.

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

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

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

1 the limitation on compensation shall be not less than the
2 maximum compensation amount that was allowed to be taken into
3 account under the plan as in effect on July 1, 1993, which
4 limitation shall be adjusted for changes in the cost of living
5 since 1989 in the manner provided by Internal Revenue Code
6 Section 401(a)(17)(1991).

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

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

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

29 (c) Credited service under this chapter shall be
30 provided only for service as a firefighter, as defined in s.
31 175.032(8), or for military service and shall not include

1 credit for any other type of service. A municipality may, by
2 local ordinance, or a special fire control district may, by
3 resolution, provide for the purchase of credit for military
4 service prior to employment as well as for prior service as a
5 firefighter for some other employer as long as a firefighter
6 is not entitled to receive a benefit for such other prior
7 service as a firefighter.

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

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

17 2. The firefighter is entitled to reemployment under
18 the provisions of the Uniformed Services Employment and
19 Reemployment Rights Act.

20 3. The firefighter returns to his or her employment as
21 a firefighter of the municipality or special fire control
22 district within 1 year from the date of release from such
23 active service.

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

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

3 (6) "Division" means the Division of Retirement of the
4 Department of Management Services.

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

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

27 (b) "Volunteer firefighter" means any person whose
28 name is carried on the active membership roll of a constituted
29 volunteer fire department or a combination of a paid and
30 volunteer fire department of any municipality or special fire
31 control district and whose duty it is to extinguish fires, to

1 protect life, and to protect property. Compensation for
2 services rendered by a volunteer firefighter shall not
3 disqualify him or her as a volunteer. A person shall not be
4 disqualified as a volunteer firefighter solely because he or
5 she has other gainful employment. Any person who volunteers
6 assistance at a fire but is not an active member of a
7 department described herein is not a volunteer firefighter
8 within the meaning of this paragraph.

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

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

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

27 (12) "Local law special fire control district" is any
28 special fire control district in which there exists a local
29 law plan.

30 (13) "Property insurance" means property insurance as
31 defined in s. 624.604 and covers real and personal property

1 within the corporate limits of any municipality, or within the
2 boundaries of any special fire control district, within the
3 state. "Multiple peril" means a combination or package policy
4 that includes both property and casualty coverage for a single
5 premium.

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

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

22 (16) "Special fire control district" means a special
23 district, as defined in s. 189.403(1), established for the
24 purposes of extinguishing fires, protecting life, and
25 protecting property within the incorporated or unincorporated
26 portions of any county or combination of counties, or within
27 any combination of incorporated and unincorporated portions of
28 any county or combination of counties. The term does not
29 include any dependent or independent special district, as
30 defined in s. 189.403(2) and (3), respectively, the employees
31

1 of which are members of the Florida Retirement System pursuant
2 to s. 121.051(1) or (2).

3 (17) "Supplemental plan" means a plan to which
4 deposits are made to provide extra benefits for firefighters,
5 or for firefighters and police officers where included under
6 this chapter. Such a plan is an element of a local law plan
7 and exists in conjunction with a defined benefit plan that
8 meets the minimum benefits and minimum standards of this
9 chapter.

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

13 Section 3. Section 175.041, Florida Statutes, is
14 amended to read:

15 175.041 Firefighters' Pension Trust Fund created;
16 applicability of provisions.--For any municipality, special
17 fire control district, chapter plan, local law municipality,
18 local law special fire control district, or local law plan
19 under this chapter:

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

1 (2) To qualify as a fire department or volunteer fire
2 department or combination thereof under the provisions of this
3 chapter, the department shall own and use apparatus for the
4 fighting of fires that was ~~is~~ in compliance with National Fire
5 Protection Association Standards for Automotive Fire Apparatus
6 at the time of purchase. Subsequent changes to such National
7 Fire Protection Association Standards shall not cause a
8 department to become disqualified.

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

22 (4) No municipality shall establish more than one
23 retirement plan for public safety officers which is supported
24 in whole or in part by the distribution of premium tax funds
25 as provided by this chapter or chapter 185, nor shall any
26 municipality establish a retirement plan for public safety
27 officers which receives premium tax funds from both this
28 chapter and chapter 185.

29 Section 4. Section 175.051, Florida Statutes, is
30 amended to read:

31

1 175.051 Actuarial deficits not state obligation.--For
2 any 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, actuarial
5 deficits, if any, arising under this chapter ~~act~~, shall not be
6 the obligation of the state.

7 Section 5. Section 175.061, Florida Statutes, is
8 amended to read:

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

14 (1) In each municipality and in each special fire
15 control district there is hereby created a board of trustees
16 of the firefighters' pension trust fund, which shall be solely
17 responsible for administering the trust fund. Effective
18 October 1, 1986, and thereafter:7

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

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

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

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

25 2. If a municipality has a pension plan for
26 firefighters and police officers, the provisions of paragraph
27 (a) shall apply, except that one member of the board shall be
28 a firefighter as defined in s. 175.032 and one member of the
29 board shall be a police officer as defined in s. 185.02,
30 respectively elected by a majority of the active firefighters
31 or police officers 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 firefighters, or
4 firefighters and police officers, if included, to determine
5 whether a plan is to be established for firefighters only, or
6 for firefighters and police officers where included. Based on
7 the election results, a new board shall be established as
8 provided in subparagraph 1. or 2., as appropriate. The
9 municipality or fire control district shall enact an ordinance
10 or resolution to implement the new board by October 1, 1998.
11 The newly established board shall take whatever action is
12 necessary to determine the amount of assets which is
13 attributable to firefighters, or firefighters and police
14 officers where included. Such assets shall include all
15 employer, employee, and state contributions made by or on
16 behalf of firefighters, or firefighters and police officers
17 where included, and any investment income derived from such
18 contributions. All such moneys shall be transferred into the
19 newly established retirement plan, as directed by the 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 firefighters, or
24 of firefighters and police officers where a joint or mixed
25 fund exists.~~The board of trustees shall meet at least~~
26 ~~quarterly each year. Each board of trustees shall be a legal~~
27 ~~entity with, in addition to other powers and responsibilities~~
28 ~~contained herein, the power to bring and defend lawsuits of~~
29 ~~every kind, nature, and description.~~

30 (2) The trustees shall by a majority vote elect from
31 their number a chair and a secretary. The secretary of the

1 board shall keep a complete minute book of the actions,
2 proceedings, or hearings of the board. The trustees shall not
3 receive any compensation as such, but may receive expenses and
4 per diem as provided by Florida law.

5 (3) The board of trustees shall meet at least
6 quarterly each year.

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

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

16 (6) The provisions of this section may not be altered
17 by a participating municipality or special fire control
18 district operating a chapter plan or local law plan under this
19 chapter.

20 Section 6. Section 175.071, Florida Statutes, is
21 amended to read:

22 175.071 General powers and duties of board of
23 trustees.--For any municipality, special fire control
24 district, chapter plan, local law municipality, local law
25 special fire control district, or local law plan under this
26 chapter:

27 (1) The board of trustees may:

28 (a) Invest and reinvest the assets of the
29 firefighters' pension trust fund in annuity and life insurance
30 contracts of life insurance companies in amounts sufficient to
31 provide, in whole or in part, the benefits to which all of the

1 participants in the firefighters' pension trust fund shall be
2 entitled under the provisions of this chapter and pay the
3 initial and subsequent premiums thereon.

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

6 1. Time or savings accounts of a national bank, a
7 state bank insured by the Bank Insurance Fund ~~Federal Deposit~~
8 ~~Insurance Corporation~~, or a savings, building, and loan
9 association insured by the Savings Association Insurance Fund
10 which is administered by the Federal Deposit Insurance
11 Corporation, or a state or federal chartered credit union
12 whose share accounts are insured by the National Credit Union
13 Share Insurance Fund ~~Federal Savings and Loan Insurance~~
14 ~~Corporation~~.

15 2. Obligations of the United States or obligations
16 guaranteed as to principal and interest by the Government of
17 the United States.

18 3. Bonds issued by the State of Israel.

19 4. Bonds, stocks, or other evidences of indebtedness
20 issued or guaranteed by a corporation organized under the laws
21 of the United States, any state or organized territory of the
22 United States, or the District of Columbia, provided:

23 a. The corporation is listed on any one or more of the
24 recognized national stock exchanges and, in the case of bonds
25 only, holds a rating in one of the three highest
26 classifications by a major rating service; and

27 b. The board of trustees shall not invest more than 5
28 percent of its assets in the common stock or capital stock of
29 any one issuing company, nor shall the aggregate investment in
30 any one issuing company exceed 5 percent of the outstanding
31 capital stock of that company or the aggregate of its

1 investments under this subparagraph at cost exceed 50 ~~30~~
2 percent of the assets of the fund.

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

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

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

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

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

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

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

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

1 the firefighters' pension trust fund and for checking the
2 actual experience of the fund.

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

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

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

23 2. Is not associated in any manner with the money
24 manager for the pension fund.

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

28 4. Has 3 or more years of experience working in the
29 public sector.

30
31

1 (7) To assist the board in meeting its
2 responsibilities under this chapter, the board, if it so
3 elects, may:

4 (a) Employ independent legal counsel at the pension
5 fund's expense.

6 (b) Employ an independent actuary, as defined in s.
7 175.032(6), at the pension fund's expense.

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

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

17 Section 7. Section 175.081, Florida Statutes, is
18 amended to read:

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

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

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

31

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

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

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

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

10 (a) One hundred times the estimated normal retirement
11 income, based on the assumption that the present rate of
12 compensation continues without change to normal retirement
13 date, or

14 (b) Twice the annual rate of compensation as of the
15 date of termination of service, or

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

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

27 (8) Provisions shall be made, either by issuance of
28 separate policies or otherwise, that the separating
29 firefighter does not receive cash value and other benefits
30 under the policies assigned to him or her which exceed the
31 present value of his or her vested interest under the

1 firefighters' pension trust fund, inclusive of his or her
2 contribution to the plan; the contributions by the state shall
3 not be exhausted faster merely because the method of funding
4 adopted was through insurance companies.

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

15 Section 8. Section 175.091, Florida Statutes, is
16 amended to read:

17 175.091 Creation and maintenance of fund.--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) The firefighters' pension trust fund in each
22 municipality and in each special fire control district shall
23 be created and maintained in the following manner:

24 (a) By payment to the fund of the net proceeds of the
25 1.85-percent excise or other similar tax which may be imposed
26 by the municipality or special fire control district upon fire
27 insurance companies, fire insurance associations, or other
28 property insurers on their gross receipts on premiums from
29 holders of policies, which policies cover real or personal
30 property within the corporate limits of such municipality, in
31 the case of a municipal government, and within the legally

1 defined jurisdiction of the district, in the case of a special
2 fire control district. Whenever a municipality maintains a
3 firefighters' pension trust fund under the provisions of this
4 chapter but is partially contained within the boundaries of a
5 special fire control district, that portion of the
6 1.85-percent excise, license, or other similar tax which is
7 collected for insurance policies covering property within the
8 jurisdiction of both the municipality and the special fire
9 control district shall be given to the firefighters' pension
10 trust fund of the fire service provider. Remaining revenues
11 collected pursuant to this chapter shall be distributed to the
12 municipality or special fire control district according to the
13 location of the insured property.

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

30
31

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

4 (d) By mandatory payment by the municipality or
5 special fire control district of a sum equal to the normal
6 cost of and the amount required to fund ~~over a period of 40~~
7 ~~years or on a 40-year basis,~~ any actuarial deficiency shown by
8 an a quinquennial actuarial valuation as provided in part VII
9 of chapter 112. The first such actuarial valuation shall be
10 ~~conducted for the calendar year ending December 31, 1967.~~

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

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

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

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

20 (a) The employing municipality or special fire control
21 district, by local ordinance or resolution, may elect to make
22 an employee's contributions. However, under no circumstances
23 may a municipality or special fire control district reduce the
24 member contribution to less than one-half of 1 percent of
25 salary.

26 (b) Firefighter member contributions may be increased
27 by consent of the members' collective bargaining
28 representative or, if none, by majority consent of firefighter
29 members of the fund to provide greater benefits.

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

6 Section 9. Section 175.101, Florida Statutes, is
7 amended to read:

8 175.101 State excise tax on property insurance
9 premiums authorized; procedure.--For any municipality, special
10 fire control district, chapter plan, local law municipality,
11 local law special fire control district, or local law plan
12 under this chapter:

13 (1) Each municipality or special fire control district
14 in this state described and classified in s. 175.041, having a
15 lawfully established firefighters' pension trust fund or
16 municipal fund or special fire control district fund, by
17 whatever name known, providing pension benefits to
18 firefighters as provided under this chapter ~~by whatever name~~
19 ~~known~~, may assess and impose on every insurance company,
20 corporation, or other insurer now engaged in or carrying on,
21 or who shall hereinafter engage in or carry on, the business
22 of property insurance as shown by the records of the
23 Department of Insurance an excise tax in addition to any
24 lawful license or excise tax now levied by each of the
25 municipalities or special fire control districts,
26 respectively, amounting to 1.85 percent of the gross amount of
27 receipts of premiums from policyholders on all premiums
28 collected on property insurance policies covering property
29 within the corporate limits of such municipalities or within
30 the legally defined boundaries of special fire control
31 districts, respectively. This tax shall apply to all insurers,

1 whether authorized or not, transacting business in this state.
2 Whenever the boundaries of a special fire control district
3 that has lawfully established a firefighters' pension trust
4 fund encompass a portion of the corporate territory of a
5 municipality that has also lawfully established a
6 firefighters' pension trust fund, that portion of the tax
7 receipts attributable to insurance policies covering property
8 situated both within the municipality and the special fire
9 control district shall be given to the fire service provider.
10 The agent shall identify the fire service provider on the
11 property owner's application for insurance. Remaining
12 revenues collected pursuant to this chapter shall be
13 distributed to the municipality or special fire control
14 district according to the location of the insured property.

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

19 (3) This excise tax shall be payable annually on March
20 1 of each year after the passage of an ordinance, in the case
21 of a municipality, or resolution, in the case of a special
22 fire control district, assessing and imposing the tax
23 authorized by this section. Installments of taxes shall be
24 paid according to the provision of s. 624.5092(2)(a), (b), and
25 (c).

26 Section 10. Section 175.111, Florida Statutes, is
27 amended to read:

28 175.111 Certified copy of ordinance or resolution
29 filed; insurance companies' annual report of premiums;
30 duplicate files; book of accounts.--For any municipality,
31 special fire control district, chapter plan, local law

1 municipality, local law special fire control district, or
2 local law plan under this chapter, whenever any municipality
3 passes an ordinance, or whenever any special fire control
4 district passes a resolution establishing a chapter plan or
5 local law plan, assessing and imposing the taxes authorized in
6 s. 175.101, a certified copy of such ordinance or resolution
7 shall be deposited with the division. Thereafter every
8 insurance company, association, corporation, or other insurer
9 carrying on the business of property insurance on real or
10 personal property, on or before the succeeding March 1 after
11 date of the passage of the ordinance or resolution, shall
12 report fully in writing and under oath to the division and the
13 Department of Revenue a just and true account of all premiums
14 by such insurer received for property insurance policies
15 covering or insuring any real or personal property located
16 within the corporate limits of each such municipality or
17 special fire control district during the period of time
18 elapsing between the date of the passage of the ordinance or
19 resolution and the end of the calendar year ~~succeeding March~~
20 ~~±~~. The report shall include the code designation as
21 prescribed by the division for each piece of insured property,
22 real or personal, located within the corporate limits of each
23 municipality and within the legally defined boundaries of each
24 special fire control district. The aforesaid insurer shall
25 annually thereafter, on March 1, file with the division and
26 the Department of Revenue a similar report covering the
27 preceding year's premium receipts, and every such insurer at
28 the same time of making such reports shall pay to the
29 Department of Revenue the amount of the tax hereinbefore
30 mentioned. Every insurer engaged in carrying on such
31 insurance business in the state shall keep accurate books of

1 accounts of all such business done by it within the corporate
2 limits of each such municipality and within the legally
3 defined boundaries of each such special fire control district,
4 and in such manner as to be able to comply with the provisions
5 of this chapter. Based on the insurers' reports of premium
6 receipts, the division shall prepare a consolidated premium
7 report and shall furnish to any municipality or special fire
8 control district requesting the same a copy of the relevant
9 section of that report.

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

12 175.121 Department of Revenue and Division of
13 Retirement to keep accounts of deposits; disbursements.--For
14 any municipality or special fire control district having a
15 chapter or local law plan established pursuant to this
16 chapter:

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

1 otherwise unallocated by law shall revert to the General
2 Revenue Fund on June 30 of each year.

3 (2) The Comptroller shall, on or before July 1 ~~June 1~~
4 of each year, and at such other times as authorized by the
5 division, draw his or her warrants on the full net amount of
6 money then on deposit in the Police and Firefighters' Premium
7 Tax Trust Fund pursuant to this chapter, specifying the
8 municipalities and special fire control districts to which the
9 moneys must be paid and the net amount collected for and to be
10 paid to each municipality or special fire control district,
11 respectively, subject to the limitation on disbursement under
12 s. 175.122. The sum payable to each municipality or special
13 fire control district is appropriated annually out of the
14 Police and Firefighters' Premium Tax Trust Fund. The warrants
15 of the Comptroller shall be payable to the respective
16 municipalities and special fire control districts entitled to
17 receive them and shall be remitted annually by the division to
18 the respective municipalities and special fire control
19 districts. In lieu thereof, the municipality or special fire
20 control district may provide authorization to the division for
21 the direct payment of the premium tax to the board of
22 trustees.In order for a municipality or special fire control
23 district and its pension fund to participate in the
24 distribution of premium tax moneys under this chapter, all the
25 provisions shall be complied with annually, including state
26 acceptance pursuant to part VII of chapter 112.

27 (3)(a) All moneys not distributed to municipalities
28 and special fire control districts under this section as a
29 result of the limitation on disbursement contained in s.
30 175.122, or as a result of any municipality or special fire
31 control district not having qualified in any given year, or

1 portion thereof, shall be transferred to the Firefighters'
2 Supplemental Compensation Trust Fund administered by the
3 Department of Revenue, as provided in s. 633.382.

4 (b)1. Moneys transferred under paragraph (a) but not
5 needed to support the supplemental compensation program in a
6 given year shall be redistributed pro rata to those
7 participating municipalities and special fire control
8 districts that transfer any portion of their funds to support
9 the supplemental compensation program in that year. Such
10 additional moneys shall be used to cover or offset costs of
11 the retirement plan.

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

18 Section 12. Section 175.122, Florida Statutes, is
19 amended to read:

20 175.122 Limitation of disbursement.--For any
21 municipality, special fire control district, chapter plan,
22 local law municipality, local law special fire control
23 district, or local law plan under this chapter, any
24 municipality or special fire control district participating in
25 the firefighters' pension trust fund pursuant to the
26 provisions of this chapter, whether under a chapter plan or
27 local law plan, shall be limited to receiving any moneys from
28 such fund in excess of that produced by one-half of the excise
29 tax, as provided for in s. 175.101; however, any such
30 municipality or special fire control district receiving less
31 than 6 percent of its fire department payroll from such fund

1 shall be entitled to receive from such fund the amount
2 determined under s. 175.121, in excess of one-half of the
3 excise tax, not to exceed 6 percent of its fire department
4 payroll. Payroll amounts of members included in the Florida
5 Retirement System shall not be included.

6 Section 13. Section 175.131, Florida Statutes, is
7 amended to read:

8 175.131 Funds received by municipality or special fire
9 control district; deposit in firefighters' pension trust
10 fund.--For any municipality, special fire control district,
11 chapter plan, local law municipality, local law special fire
12 control district, or local law plan under this chapter, all
13 state and other funds received by any municipality or special
14 fire control district under the provisions of this chapter
15 shall be deposited by such municipality or special fire
16 control district immediately, and under no circumstances more
17 than 5 days after receipt, with the board of trustees. In lieu
18 thereof, the municipality or special fire control district may
19 provide authorization to the division for the direct payment
20 of the premium tax to the board of trustees. The board shall
21 deposit such moneys in the Firefighters' Pension Trust Fund
22 immediately and under no circumstances more than 5 days after
23 receipt. Employee contributions, however, which are withheld
24 by the employer on behalf of an employee member shall be
25 deposited immediately after each pay period with the board of
26 trustees of the firefighters' pension trust fund ~~at least~~
27 ~~monthly.~~ Employer contributions shall be deposited at least
28 quarterly.

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

31

1 175.141 Payment of excise tax credit on similar state
2 excise or license tax.--The tax herein authorized to be
3 imposed by each municipality and each special fire control
4 district shall in nowise be in addition to any similar state
5 excise or license tax imposed by part IV of chapter 624, but
6 the payor of the tax hereby authorized shall receive credit
7 therefor on his or her said state excise or license tax and
8 the balance of said state excise or license tax shall be paid
9 to the Department of Revenue ~~Insurance Commissioner and~~
10 ~~Treasurer~~ as ~~is now~~ provided by law.

11 Section 15. Section 175.151, Florida Statutes, is
12 amended to read:

13 175.151 Penalty for failure of insurers to comply with
14 this act.--Should any insurance company, corporation or other
15 insurer fail to comply with the provisions of this act, on or
16 before March 1 of each year as herein provided, the
17 certificate of authority issued to said insurance company,
18 corporation or other insurer to transact business in this
19 state may be canceled and revoked by the Department of
20 Insurance, and it is unlawful for any such insurance company,
21 corporation, or other insurer to transact business thereafter
22 in this state unless such insurance company, corporation, or
23 other insurer shall be granted a new certificate of authority
24 to transact any business in this state, in compliance with
25 provisions of law authorizing such certificate of authority to
26 be issued. The division is responsible for notifying the
27 Department of Insurance regarding any such failure to comply.

28 Section 16. Section 175.152, Florida Statutes, is
29 repealed.

30 Section 17. Section 175.162, Florida Statutes, is
31 amended to read:

1 175.162 Requirements for retirement.--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,any
5 firefighter who completes 10 or more years of creditable
6 service as a firefighter and attains age 55, or completes 25
7 years of creditable service as a firefighter and attains age
8 52, and who for such minimum period has been a member of the
9 firefighters' pension trust fund operating under a chapter
10 plan or local law plan,is eligible for normal retirement
11 benefits. Normal retirement under the plan is retirement from
12 the service of the municipality or special fire control
13 district on or after the normal retirement date. In such
14 event, payment of retirement income will be governed by the
15 following provisions of this section:

16 (1) The normal retirement date of each firefighter
17 will be the first day of the month coincident with or next
18 following the date on which he or she has completed 10 or more
19 years of creditable service and attained age 55 or completed
20 25 years of creditable service and attained age 52.

21 (2)(a) The amount of monthly retirement income payable
22 to a full-time firefighter who retires on or after his or her
23 normal retirement date shall be an amount equal to the number
24 of his or her years of credited service multiplied by 2
25 percent of his or her average final compensation as a
26 full-time firefighter. ~~The retirement income shall be reduced~~
27 ~~for moneys received under the disability provisions of this~~
28 ~~chapter.~~However, if current state contributions pursuant to
29 this chapter are not adequate to fund the additional benefits
30 to meet the minimum requirements in this chapter, only such
31 incremental increases shall be required as state moneys are

1 adequate to provide. Such increments shall be provided as
2 state moneys become available.

3 (b) The amount of monthly retirement income payable to
4 a volunteer firefighter who retires on or after his or her
5 normal retirement date shall be an amount equal to the number
6 of his or her years of credited service multiplied by 2
7 percent of his or her average final compensation as a
8 volunteer firefighter. ~~If the firefighter has been~~
9 ~~contributing only 3 percent of his or her salary, the~~
10 ~~firefighter's monthly retirement income shall be an amount~~
11 ~~equal to the number of his or her years of credited service~~
12 ~~multiplied by 1.2 percent of his or her average final~~
13 ~~compensation.~~

14 (3) The monthly retirement income payable in the event
15 of normal retirement will be payable on the first day of each
16 month. The first payment will be made on the firefighter's
17 normal retirement date, or on the first day of the month
18 coincident with or next following his or her actual
19 retirement, if later, and the last payment will be the payment
20 due next preceding the firefighter's death; except that, in
21 the event the firefighter dies after retirement but before he
22 or she has received retirement benefits for a period of 10
23 years, the same monthly benefit will be paid to the
24 beneficiary (or beneficiaries) as designated by the
25 firefighter for the balance of such 10-year period. If a
26 firefighter continues in the service of the municipality or
27 special fire control district beyond his or her normal
28 retirement date and dies prior to his or her date of actual
29 retirement, without an option made pursuant to s. 175.171
30 being in effect, monthly retirement income payments will be
31 made for a period of 10 years to a beneficiary (or

1 beneficiaries) designated by the firefighter as if the
2 firefighter had retired on the date on which his or her death
3 occurred.

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

27 Section 18. Section 175.171, Florida Statutes, is
28 amended to read:

29 175.171 Optional forms of retirement income.--For any
30 municipality, special fire control district, chapter plan,
31

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

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

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

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

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

27 1. The firefighter upon electing any option of this
28 section will designate the joint pensioner or beneficiary (or
29 beneficiaries) to receive the benefit, if any, payable under
30 the plan in the event of his or her death, and will have the
31 power to change such designation from time to time, but any

1 such change shall be deemed a new election and will be subject
2 to approval by the board of trustees. Such designation will
3 name a joint pensioner or one or more primary beneficiaries
4 where applicable. If a firefighter has elected an option with
5 a joint pensioner or beneficiary and his or her retirement
6 income benefits have commenced, the firefighter may thereafter
7 change the designated joint pensioner or beneficiary, but only
8 if the board of trustees consents to such change and if the
9 joint pensioner last previously designated by the firefighter
10 is alive when the firefighter files with the board of trustees
11 a request for such change.

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

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

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

30 (a) If a firefighter dies prior to his or her normal
31 retirement date or early retirement date, whichever first

1 occurs, no retirement benefit will be payable under the option
2 to any person, but the benefits, if any, will be determined
3 under s. 175.201.

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

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

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

31

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

4 Section 19. Section 175.181, Florida Statutes, is
5 amended to read:

6 175.181 Beneficiaries.--For any municipality, special
7 fire control district, chapter plan, local law municipality,
8 local law special fire control district, or local law plan
9 under this chapter:

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

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

1 Any payment made to any person pursuant to this subsection
2 shall operate as a complete discharge of all obligations under
3 the plan with regard to the deceased firefighter and any other
4 persons with rights under the plan and shall not be subject to
5 review by anyone but shall be final, binding, and conclusive
6 on all persons ever interested hereunder.

7 ~~(a) The spouse or dependent children of the~~
8 ~~firefighter; or~~

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

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

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

22 175.191 Disability retirement.--For any municipality,
23 special fire control district, chapter plan, local law
24 municipality, local law special fire control district, or
25 local law plan under this chapter:

26 (1) A firefighter having 10 or more ~~continuous~~ years
27 of credited service or a firefighter who becomes totally and
28 permanently disabled in the line of duty, regardless of length
29 of service, and having contributed to the firefighters'
30 ~~pension trust fund for 10 years or more~~ may retire from the
31 service of the municipality or special fire control district

1 under the plan if, ~~prior to his or her normal retirement date,~~
2 the firefighter becomes totally and permanently disabled as
3 defined in subsection (2) by reason of any cause other than a
4 cause set out in subsection (3) on or after the effective date
5 of the plan. Such retirement shall herein be referred to as
6 "disability retirement." ~~The provisions for disability other~~
7 ~~than line-of-duty disability shall not apply to a member who~~
8 ~~has reached early or normal retirement age.~~

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

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

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

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

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

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

28 (4) No firefighter shall be permitted to retire under
29 the provisions of this section until he or she is examined by
30 a duly qualified physician or surgeon, to be selected by the
31 board of trustees for that purpose, and is found to be

1 disabled in the degree and in the manner specified in this
2 section. Any firefighter retiring under this section may
3 ~~shall~~ be examined periodically by a duly qualified physician
4 or surgeon or board of physicians and surgeons, to be selected
5 by the board of trustees for that purpose, to determine if
6 such disability has ceased to exist.

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

21 (6) The monthly retirement income to which a
22 firefighter is entitled in the event of his or her disability
23 retirement shall be payable on the first day of the first
24 month after the board of trustees determines such entitlement.
25 However, the monthly retirement income shall be payable as of
26 the date the board determines such entitlement, and any
27 portion due for a partial month shall be paid together with
28 the first payment. The last payment will be, if the
29 firefighter recovers from the disability ~~prior to his or her~~
30 ~~normal retirement date~~, the payment due next preceding the
31 date of such recovery or, if the firefighter dies without

1 recovering from the disability, the payment due next preceding
2 his or her death or the 120th monthly payment, whichever is
3 later. In lieu of the benefit payment as provided in this
4 paragraph, a firefighter may select an optional form as
5 provided in s. 175.171. Any monthly retirement income payments
6 due after the death of a disabled firefighter shall be paid to
7 the firefighter's designated beneficiary (or beneficiaries) as
8 provided in ss. 175.181 and 175.201.

9 (7) If the board of trustees finds that a firefighter
10 who is receiving a disability retirement income is, ~~at any~~
11 ~~time prior to his or her normal retirement date,~~ no longer
12 disabled, as provided herein, the board of trustees shall
13 direct that the disability retirement income be discontinued.
14 "Recovery from disability" as used herein means the ability of
15 the firefighter to render useful and efficient service as a
16 firefighter.

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

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

26 175.195 False, misleading, or fraudulent statements
27 made to obtain public retirement benefits prohibited;
28 penalty.--

29 (1) It is unlawful for a person to willfully and
30 knowingly make, or cause to be made, or to assist, conspire
31 with, or urge another to make, or cause to be made, any false,

1 fraudulent, or misleading oral or written statement or
2 withhold or conceal material information to obtain any benefit
3 available under a retirement plan receiving funding under this
4 chapter.

5 (2)(a) A person who violates subsection (1) commits a
6 misdemeanor of the first degree, punishable as provided in s.
7 775.082 or s. 775.083.

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

18 Section 22. Section 175.201, Florida Statutes, is
19 amended to read:

20 175.201 Death prior to retirement; refunds of
21 contributions; death benefits.--For any municipality, special
22 fire control district, chapter plan, local law municipality,
23 local law special fire control district, or local law plan
24 under this chapter:

25 (1) If a firefighter dies before being eligible to
26 retire ~~under the provisions of this act,~~ the heirs, legatees,
27 beneficiaries, or personal representatives of such deceased
28 firefighter shall be entitled to a refund of 100 percent,
29 without interest, of the contributions made to the
30 firefighters' pension trust fund by such deceased firefighter
31 or, in the event an annuity or life insurance contract has

1 | been purchased by the board of trustees on such firefighter,
2 | then to the death benefits available under such life insurance
3 | or annuity contract subject to the limitations on such death
4 | benefits set forth in s. 175.081, whichever amount is greater.

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

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

19 | Section 23. Section 175.211, Florida Statutes, is
20 | amended to read:

21 | 175.211 Separation from service; refunds.--For any
22 | municipality, special fire control district, chapter plan,
23 | local law municipality, local law special fire control
24 | district, or local law plan under this chapter:

25 | (1) If a firefighter leaves the service of the
26 | municipality or special fire control district before
27 | accumulating aggregate time of 10 years toward retirement and
28 | before being eligible to retire under the provisions of this
29 | chapter, the firefighter shall be entitled to a refund of all
30 | of his or her contributions made to the firefighters' pension
31 |

1 trust fund after July 1, 1963, without interest, less any
2 disability benefits paid to him or her after July 1, 1963.

3 (2) If a firefighter who has been in the service of
4 the municipality or special fire control district for at least
5 10 years ~~and has contributed to the firefighters' pension~~
6 ~~trust fund for at least 10 years~~ elects to leave his or her
7 accrued contributions, if contributions are required, in the
8 firefighters' pension trust fund, such firefighter upon
9 attaining the age of 50 years may retire at the actuarial
10 equivalent of the amount of such retirement income otherwise
11 payable to him or her, as provided in s. 175.162(4), or upon
12 attaining age 55 years may retire as provided in s.
13 175.162(1).

14 Section 24. Section 175.221, Florida Statutes, is
15 amended to read:

16 175.221 Lump-sum payment of small retirement
17 income.--For any municipality, special fire control district,
18 chapter plan, local law municipality, local law special fire
19 control district, or local law plan under this chapter,
20 notwithstanding any provisions of the plan to the contrary, if
21 the monthly retirement income payable to any person entitled
22 to benefits hereunder is less than ~~\$100\$30~~, or if the
23 single-sum value of the accrued retirement income is less than
24 ~~\$5,000\$750~~, as of the date of retirement or termination of
25 service, whichever is applicable, the board of trustees, in
26 the exercise of its discretion, may specify that the actuarial
27 equivalent of such retirement income be paid in a lump sum.

28 Section 25. Section 175.231, Florida Statutes, is
29 amended to read:

30 175.231 Diseases of firefighters suffered in line of
31 duty; presumption.--For any municipality, special fire control

1 district, chapter plan, local law municipality, local law
2 special fire control district, or local law plan under this
3 chapter,any condition or impairment of health of a
4 firefighter caused by tuberculosis, hypertension, or heart
5 disease resulting in total or partial disability or death
6 shall be presumed to have been accidental and suffered in the
7 line of duty unless the contrary is shown by competent
8 evidence, provided that,such firefighter shall have
9 successfully passed a physical examination before entering
10 into such service, which examination failed to reveal any
11 evidence of such condition. This section shall be applicable
12 to all firefighters ~~employed in Florida~~ only with reference to
13 pension and retirement benefits under this chapter.

14 Section 26. Section 175.241, Florida Statutes, is
15 amended to read:

16 175.241 Exemption from execution.--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,the pensions,
20 annuities, or other benefits accrued or accruing to any person
21 under any chapter plan or local law plan under the provisions
22 of this chapter act and the accumulated contributions and the
23 cash securities in the funds created under this chapter act
24 are hereby exempted from any state, county, or municipal tax
25 and shall not be subject to execution or attachment or to any
26 legal process whatsoever, and shall be unassignable.

27 Section 27. Section 175.251, Florida Statutes, is
28 repealed.

29 Section 28. Section 175.261, Florida Statutes, is
30 amended to read:

31

1 175.261 Annual report to Division of Retirement;
2 actuarial valuations reports.--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, the board of trustees for every chapter
6 plan and local law plan shall submit the following reports to
7 the division:

8 (1) With respect to chapter plans:

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

13 1.(a) A statement of whether in fact the municipality
14 or special fire control district is within the provisions of
15 s. 175.041.

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

26 3.(c) A statistical exhibit showing the total number
27 of firefighters on the force, the number included in the
28 retirement plan and the number ineligible, classified
29 according to the reason for their being ineligible, and the
30 number of disabled firefighters and retired firefighters and
31 their beneficiaries receiving pension payments and the amounts

1 of annual retirement income or pension payments being received
2 by them.

3 4.(d) A statement of the amount the municipality or
4 special fire control district, or other income source, has
5 contributed to the retirement fund for the most recent plan
6 ~~fiscal~~ year and the amount the municipality or special fire
7 control district will contribute to the retirement fund during
8 its current plan fiscal year.

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

16 (b)(2) In addition to annual reports provided under
17 paragraph (a), by February 1 of each triennial year, an
18 actuarial valuation of the chapter plan must be made by the
19 division 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. beginning
24 with February 1, 1986, and at least every 3 years commencing
25 from the last actuarial report of the plan or system or from
26 February 1, 1987, if no actuarial report has been issued
27 within the 3-year period prior to February 1, 1986, To that
28 end, the chair of the board of trustees for each firefighters'
29 pension trust fund operating under a chapter plan shall report
30 to the division such data as that it needs to complete an
31 actuarial valuation of each fund. The forms for each

1 municipality and special fire control district shall be
2 supplied by the division. The expense of this actuarial
3 valuation shall be borne by the firefighters' pension trust
4 fund established by ss. 175.041 and 175.121. The requirements
5 of this section are supplemental to the actuarial valuations
6 necessary to comply with ss. 11.45 and 218.32.

7 (2) With respect to local law plans:

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

13 1. A certified copy of each and every instrument
14 constituting or evidencing the plan. This includes the formal
15 plan, including all amendments, the trust agreement, copies of
16 all insurance contracts, and formal announcement material.

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

25 3. A certified statement listing the investments of
26 the plan and a description of the methods used in valuing the
27 investments.

28 4. A statistical exhibit showing the total number of
29 firefighters, the number included in the plan, and the number
30 ineligible classified according to the reasons for their being
31 ineligible, and the number of disabled and retired

1 firefighters and their beneficiaries receiving pension
2 payments and the amounts of annual retirement income or
3 pension payments being received by them.

4 5. A certified statement describing the methods,
5 factors, and actuarial assumptions used in determining the
6 cost.

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

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

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

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

29 1. The assets shall be valued as provided in s.
30 112.625(7).

31

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

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

13 Section 29. Section 175.291, Florida Statutes, is
14 repealed.

15 Section 30. Section 175.301, Florida Statutes, is
16 amended to read:

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

1 of the firefighters' pension trust fund. In lieu thereof, the
2 board of trustees shall deposit the funds ~~and securities~~ of
3 the firefighters' pension trust fund in a qualified public
4 depository as defined in s. 280.02, which depository with
5 regard to such funds ~~and securities~~ shall conform to and be
6 bound by all of the provisions of chapter 280.

7 Section 31. Section 175.311, Florida Statutes, is
8 amended to read:

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

26 Section 32. Section 175.321, Florida Statutes, is
27 repealed.

28 Section 33. Section 175.331, Florida Statutes, is
29 repealed.

30 Section 34. Section 175.333, Florida Statutes, is
31 amended to read:

1 175.333 Discrimination in benefit formula prohibited;
2 restrictions regarding designation of joint annuitants.--For
3 any municipality, special fire control district, chapter plan,
4 local law municipality, local law special fire control
5 district, or local law plan under this chapter:

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

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

18 (b) ~~Any if said~~ retired member who desires to change
19 his or her joint annuitant or beneficiary, ~~the member~~ shall
20 file with the board of trustees of his or her plan a notarized
21 notice of such change either by registered letter or on such a
22 form as is provided by the administrator of the plan. Upon
23 receipt of a completed change of joint annuitant form or such
24 other notice, the board of trustees shall adjust the member's
25 monthly benefit by the application of actuarial tables and
26 calculations developed to ensure that the benefit paid is the
27 actuarial equivalent of the present value of the member's
28 current benefit. Nothing herein shall preclude a plan from
29 actuarially adjusting benefits or offering options based upon
30 sex, age, early retirement, or disability.

31

1 (3) Eligibility for coverage under a plan must be
2 based upon length of service or attained age, or both, and
3 benefits must be determined by a nondiscriminatory formula
4 based upon:

5 (a) Length of service and compensation; or

6 (b) Length of service.

7 Section 35. Section 175.341, Florida Statutes, is
8 amended to read:

9 175.341 Duties of Division of Retirement; rulemaking
10 authority; investments by the State Board of Administration.--

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

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

24 (3) The State Board of Administration shall invest and
25 reinvest the moneys in the trust fund collected under this
26 chapter in accordance with ss. 215.44-215.53. Costs incurred
27 by the board in carrying out the provisions of this subsection
28 shall be deducted from the interest and investment income
29 accruing to the trust fund.

30 Section 36. Section 175.351, Florida Statutes, is
31 amended to read:

1 (Substantial rewording of section. See
2 s. 175.351, F.S., for present text.)
3 175.351 Municipalities and special fire control
4 districts having their own pension plans for
5 firefighters.--For any municipality, special fire control
6 district, local law municipality, local law special fire
7 control district, or local law plan under this chapter, in
8 order for municipalities and special fire control districts
9 with their own pension plans for firefighters, or for
10 firefighters and police officers, where included, to
11 participate in the distribution of the tax fund established
12 pursuant to s. 175.101, local law plans must meet the minimum
13 benefits and minimum standards set forth in this chapter.
14 (1) PREMIUM TAX INCOME.--If a municipality has a
15 pension plan for firefighters, or a pension plan for
16 firefighters and police officers, where included, which in the
17 opinion of the division meets the minimum benefits and minimum
18 standards set forth in this chapter, the board of trustees of
19 the pension plan, as approved by a majority of firefighters of
20 the municipality, may:
21 (a) Place the income from the premium tax in s.
22 175.101 in such pension plan for the sole and exclusive use of
23 its firefighters, or for firefighters and police officers,
24 where included, where it shall become an integral part of that
25 pension plan and shall be used to pay extra benefits to the
26 firefighters included in that pension plan; or
27 (b) Place the income from the premium tax in s.
28 175.101 in a separate supplemental plan to pay extra benefits
29 to firefighters, or to firefighters and police officers where
30 included, participating in such separate supplemental plan.
31

1 The premium tax provided by this chapter shall in all cases be
2 used in its entirety to provide extra benefits to
3 firefighters, or to firefighters and police officers, where
4 included. For purposes of this chapter, the term "extra
5 benefits" means benefits in addition to or greater than those
6 provided to general employees of the municipality. However,
7 local law plans in effect on October 1, 1998, must comply with
8 the minimum benefit provisions of this chapter only to the
9 extent that additional premium tax revenues become available
10 to incrementally fund the cost of such compliance as provided
11 in s. 175.162(2)(a). For the purpose of this section, the term
12 "additional premium tax revenues" means revenues received by a
13 municipality or special fire control district pursuant to s.
14 175.121 which exceed the amount received for calendar year
15 1997. Local law plans created by special act before May 23,
16 1939, shall be deemed to comply with this chapter.

17 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No
18 retirement plan or amendment to a retirement plan shall be
19 proposed for adoption unless the proposed plan or amendment
20 contains an actuarial estimate of the costs involved. No such
21 proposed plan or proposed plan change shall be adopted without
22 the approval of the municipality, special fire control
23 district, or, where permitted, the Legislature. Copies of the
24 proposed plan or proposed plan change and the actuarial impact
25 statement of the proposed plan or proposed plan change shall
26 be furnished to the division prior to the last public hearing
27 thereon. Such statement shall also indicate whether the
28 proposed plan or proposed plan change is in compliance with s.
29 14, Art. X of the State Constitution and those provisions of
30 part VII of chapter 112 which are not expressly provided in
31 this chapter. Notwithstanding any other provision of law, only

1 those local plans created by special act before May 23, 1939,
2 shall be deemed to meet the minimum benefits and minimum
3 standards in this chapter.

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

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

10 (b) Section 175.061(1)(b) shall not apply, and a local
11 law plan and a supplemental plan shall continue to be
12 administered by a board or boards of trustees numbered,
13 constituted, and selected as the board or boards were
14 numbered, constituted, and selected on January 1, 1997.

15 (c) The election set forth in paragraph (1)(b) shall
16 be deemed to have been made.

17 (4) The retirement plan setting forth the benefits and
18 the trust agreement, if any, covering the duties and
19 responsibilities of the trustees and the regulations of the
20 investment of funds must be in writing, and copies thereof
21 must be made available to the participants and to the general
22 public.

23 Section 37. Section 175.361, Florida Statutes, is
24 amended to read:

25 175.361 Termination of plan and distribution of
26 fund.--For any municipality, special fire control district,
27 chapter plan, local law municipality, local law special fire
28 control district, or local law plan under this chapter, the
29 plan may be terminated by the municipality or special fire
30 control district. Upon termination of the plan by the
31 municipality or special fire control district for any reason

1 or because of a transfer, merger, or consolidation of
2 governmental units, services, or functions as provided in
3 chapter 121, or upon written notice by the municipality or
4 special fire control district to the board of trustees that
5 contributions under the plan are being permanently
6 discontinued, the rights of all employees to benefits accrued
7 to the date of such termination and the amounts credited to
8 the employees' accounts are nonforfeitable.The fund shall be
9 apportioned and distributed in accordance with the following
10 procedures:

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

14 (2) The board of trustees shall determine the method
15 of distribution of the asset value, that is, whether
16 distribution shall be by payment in cash, by the maintenance
17 of another or substituted trust fund, by the purchase of
18 insured annuities, or otherwise, for each firefighter entitled
19 to benefits under the plan as specified in subsection (3).

20 (3) The board of trustees shall apportion the asset
21 value as of the date of termination in the manner set forth in
22 this subsection, on the basis that the amount required to
23 provide any given retirement income shall mean the actuarially
24 computed single-sum value of such retirement income, except
25 that if the method of distribution determined under subsection
26 (2) involves the purchase of an insured annuity, the amount
27 required to provide the given retirement income shall mean the
28 single premium payable for such annuity.

29 (a) Apportionment shall first be made in respect of
30 each retired firefighter receiving a retirement income
31 hereunder on such date, each person receiving a retirement

1 income on such date on account of a retired (but since
2 deceased) firefighter, and each firefighter who has, by such
3 date, become eligible for normal retirement but has not yet
4 retired, in the amount required to provide such retirement
5 income, provided that, if such asset value is less than the
6 aggregate of such amounts, such amounts shall be
7 proportionately reduced so that the aggregate of such reduced
8 amounts will be equal to such asset value.

9 (b) If there is any asset value remaining after the
10 apportionment under paragraph (a), apportionment shall next be
11 made in respect of each firefighter in the service of the
12 municipality or special fire control district on such date who
13 has completed at least 10 years of credited service, in who
14 ~~has contributed to~~ the firefighters' pension trust fund for at
15 least 10 years, and who is not entitled to an apportionment
16 under paragraph (a), in the amount required to provide the
17 actuarial equivalent of the accrued normal retirement income,
18 based on the firefighter's credited service and earnings to
19 such date, and each former participant then entitled to a
20 benefit under the provisions of s. 175.211 who has not by such
21 date reached his or her normal retirement date, in the amount
22 required to provide the actuarial equivalent of the accrued
23 normal retirement income to which he or she is entitled under
24 s. 175.211; provided that, if such remaining asset value is
25 less than the aggregate of the amounts apportioned hereunder,
26 such latter amounts shall be proportionately reduced so that
27 the aggregate of such reduced amounts will be equal to such
28 remaining asset value.

29 (c) If there is any asset value after the
30 apportionments under paragraphs (a) and (b), apportionment
31 shall lastly be made in respect of each firefighter in the

1 service of the municipality or special fire control district
2 on such date who is not entitled to an apportionment under
3 paragraphs (a) and (b) in the amount equal to the
4 firefighter's total contributions to the plan to date of
5 termination; 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 (d) In the event that there is asset value remaining
11 after the full apportionment specified in paragraphs (a), (b),
12 and (c), such excess shall be returned to the municipality or
13 special fire control district, less return to the state of the
14 state's contributions, provided that, if the excess is less
15 than the total contributions made by the municipality or
16 special fire control district and the state to date of
17 termination of the plan, such excess shall be divided
18 proportionately to the total contributions made by the
19 municipality or special fire control district and the state.

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

23
24 If, after a period of 24 months after the date on which the
25 plan terminated or the date on which the board received
26 written notice that the contributions thereunder were being
27 permanently discontinued, the municipality or special fire
28 control district or the board of trustees of the firefighters'
29 pension trust fund affected has not complied with all the
30 provisions in this section, the division shall effect the
31 termination of the fund in accordance with this section.

1 Section 38. Section 175.371, Florida Statutes, is
2 amended to read:

3 175.371 Transfer to another state retirement system;
4 benefits payable.--For any municipality, special fire control
5 district, chapter plan, local law municipality, local law
6 special fire control district, or local law plan under this
7 chapter:

8 (1) Any firefighter who has a vested right to benefits
9 under a pension plan created pursuant to the provisions of
10 this chapter and who elects to participate in another state
11 retirement system may not receive a benefit under the
12 provisions of the latter retirement system for any year's
13 service for which benefits are paid under the provisions of
14 the pension plan created pursuant to this chapter.

15 (2) When every active participant in any pension plan
16 created pursuant to this chapter elects to transfer to another
17 state retirement system, the pension plan created pursuant to
18 this chapter shall be terminated and the assets distributed in
19 accordance with s. 175.361. If some participants in a pension
20 plan created pursuant to this chapter elect to transfer to
21 another state retirement system and other participants elect
22 to remain in the existing plan created pursuant to this
23 chapter, the plan created pursuant to this chapter shall
24 continue to receive state premium tax moneys ~~remain in effect~~
25 until fully funded. "Fully funded" means that the present
26 value of all benefits, accrued and projected, is less than the
27 available assets and the present value of future member
28 contributions and future plan sponsor contributions on an
29 actuarial entry age cost funding basis. The plan shall remain
30 in effect until the last active participant has terminated and
31 shall then be terminated in accordance with s. 175.361.

1 Section 39. Section 175.381, Florida Statutes, is
2 amended to read:

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

5 175.381 Applicability.--This act shall apply to all
6 municipalities, special fire control districts, chapter plans,
7 local law municipalities, local law special fire control
8 districts, or local law plans presently existing or to be
9 created pursuant to this chapter. Those plans presently
10 existing pursuant to s. 175.351 and not in compliance with the
11 provisions of this act must comply no later than December 31,
12 1998. However, the plan sponsor of any plan established by
13 special act of the Legislature shall have until July 1, 1999,
14 to comply with the provisions of this act, except as otherwise
15 provided in this act with regard to establishment and election
16 of board members. The provisions of this act shall be
17 construed to establish minimum standards and minimum benefit
18 levels, and nothing contained in this act or in chapter 175
19 shall operate to reduce presently existing rights or benefits
20 of any firefighter, directly, indirectly, or otherwise.

21 Section 40. Section 175.391, Florida Statutes, is
22 repealed.

23 Section 41. Section 175.401, Florida Statutes, is
24 amended to read:

25 175.401 Retiree health insurance subsidy.--For any
26 municipality, special fire control district, chapter plan,
27 local law municipality, local law special fire control
28 district, or local law plan under this chapter, under the
29 broad grant of home rule powers under the Florida Constitution
30 and chapter 166, municipalities have the authority to
31 establish and administer locally funded health insurance

1 subsidy programs. In addition, special fire control districts
2 may, by resolution, establish and administer locally funded
3 health insurance subsidy programs. Pursuant thereto:

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

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

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

29 (b) Prior to the second reading of the ordinance
30 before the municipal legislative body, or of the resolution
31 before the governing body of the special fire control

1 district, an actuarial valuation must be performed by an
2 enrolled actuary as provided in s. 112.63, and copies of the
3 valuation and the proposed implementing ordinance or
4 resolution shall be furnished to the division.

5 (c) The subsidy program may, at the discretion of the
6 municipal governing body, be permanently discontinued by
7 municipal ordinance, and at the discretion of the governing
8 body of a special fire control district may be permanently
9 discontinued by resolution, at any time, subject to the
10 requirements of any applicable collective bargaining
11 agreement, in the same manner and subject to the same
12 conditions established for plan termination and fund
13 distribution under s. 175.361.

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

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

20 (b) By no less than one-half of 1 percent of the base
21 salary of each firefighter, for so long as the firefighter is
22 employed and covered by a pension plan established pursuant to
23 this chapter. The municipality or special fire control
24 district, with approval of the board of trustees, may increase
25 member contributions if needed to fund benefits greater than
26 the minimums established in this section.

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

31

1 Such contributions and payments shall be submitted to the
2 board of trustees of the firefighters' pension trust fund, or
3 the plan trustees in the case of local law plans established
4 under s. 175.351, and deposited in the firefighters' retiree
5 health insurance subsidy trust fund, in the same manner and
6 subject to the same time constraints as provided under s.
7 175.131.

8 (4) ELIGIBILITY FOR RETIREE HEALTH INSURANCE
9 SUBSIDY.--A person who has contributed to the retiree health
10 insurance subsidy trust fund and retires under a firefighters'
11 pension trust fund system or plan as provided under this
12 chapter, including any local law plan as provided under s.
13 175.351, or a beneficiary who is a spouse or financial
14 dependent entitled to receive benefits under such a plan, is
15 eligible for health insurance subsidy payments provided under
16 this section. However, the fund, with approval of the board
17 of trustees and approval of the municipality or special fire
18 control district, may provide coverage to retirees and
19 beneficiaries when the retirees have not contributed to the
20 fund as provided in subsection (3). Payment of the retiree
21 health insurance subsidy shall be made only after coverage for
22 health insurance for the retiree or beneficiary has been
23 certified in writing to the board of trustees of the
24 firefighters' pension trust fund.

25 (5) RETIREE HEALTH INSURANCE SUBSIDY
26 AMOUNT.--Beginning on the effective date established in the
27 implementing ordinance or resolution, each eligible retiree,
28 or beneficiary who is a spouse or financial dependent thereof,
29 shall receive a monthly retiree health insurance subsidy
30 payment equal to the aggregate number of years of service, as
31 defined in s. 175.032, completed at the time of retirement

1 multiplied by an amount determined in the implementing
2 ordinance or resolution, but no less than \$3 for each year of
3 service. Nothing herein shall be construed to restrict the
4 plan sponsor from establishing, in the implementing ordinance
5 or resolution, a cap of no less than 30 years upon the number
6 of years' service for which credit will be given toward a
7 health insurance subsidy or a maximum monthly subsidy amount.

8 (6) PAYMENT OF RETIREE HEALTH INSURANCE

9 SUBSIDY.--Beginning on the effective date established in the
10 implementing ordinance or resolution, any monthly retiree
11 health insurance subsidy amount due and payable under this
12 section shall be paid to retired members, or their eligible
13 beneficiaries, by the board of trustees of the firefighters'
14 pension trust fund, or the plan trustees in the case of local
15 law plans established under s. 175.351, in the same manner as
16 provided by s. 175.071(1)(c) for drafts upon the pension fund.

17 (7) INVESTMENT OF THE TRUST FUND.--The trustees of the

18 firefighters' pension trust fund, or the plan trustees in the
19 case of local law plans established under s. 175.351, are
20 hereby authorized to invest and reinvest the funds of the
21 firefighters' retiree health insurance subsidy trust fund in
22 the same manner and subject to the same conditions as apply
23 hereunder to the investment of firefighters' pension funds
24 under s. 175.071.

25 (8) DEPOSIT OF HEALTH INSURANCE SUBSIDY FUNDS.--All

26 funds ~~and securities~~ of the health insurance subsidy fund may
27 be deposited by the board of trustees with the treasurer of
28 the municipality or special fire control district, acting in a
29 ministerial capacity only, who shall be liable in the same
30 manner and to the same extent as he or she is liable for the
31 safekeeping of funds for the municipality or special fire

1 control district. Any funds so deposited shall be segregated
2 by the treasurer in a separate fund, clearly identified as
3 funds ~~and securities~~ of the health insurance subsidy fund. In
4 lieu thereof, the board of trustees shall deposit the funds
5 ~~and securities~~ of the health insurance subsidy fund in a
6 qualified public depository as defined in s. 280.02, which
7 shall conform to and be bound by the provisions of chapter 280
8 with regard to such funds. In no case shall the funds of the
9 health insurance subsidy fund be deposited in any financial
10 institution, brokerage house trust company, or other entity
11 that is not a public depository as provided by s. 280.02.

12 (9) SEPARATION FROM SERVICE; REFUNDS.--Any firefighter
13 who terminates employment with a municipality or special fire
14 control district having a retiree health insurance subsidy
15 trust fund system or plan as provided under this section shall
16 be entitled to a refund of all employee contributions he or
17 she made to that trust fund, without interest, regardless of
18 whether the firefighter has vested for purposes of retirement.
19 Any firefighter who has vested for purposes of retirement in
20 the service of the municipality or special fire control
21 district, and has contributed to the firefighters' retiree
22 health insurance subsidy trust fund for so long as he or she
23 was eligible to make such contributions, may, in his or her
24 discretion, elect to leave his or her accrued contributions in
25 the fund, whereupon, such firefighter shall, upon retiring and
26 commencing to draw retirement benefits, receive a health
27 insurance subsidy based upon his or her aggregate number of
28 years of service, as defined in s. 175.032.

29 (10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS;
30 AUDITS; RULES; ADMINISTRATIVE COSTS.--The board of trustees of
31 the firefighters' pension trust fund, or the plan trustees in

1 the case of local law plans established under s. 175.351,
2 shall be solely responsible for administering the health
3 insurance subsidy trust fund. Pursuant thereto:
4 (a) As part of its administrative duties, no less
5 frequently than every 3 years, the board shall have an
6 actuarial valuation of the firefighters' retiree health
7 insurance subsidy trust fund prepared as provided in s. 112.63
8 by an enrolled actuary, covering the same reporting period or
9 plan year used for the firefighters' pension plan, and shall
10 submit a report of the valuation, including actuarial
11 assumptions and type and basis of funding, to the division.
12 (b) By February 1 of each year, the trustees shall
13 file a report with the division, containing an independent
14 audit by a certified public accountant if the fund has
15 ~~\$250,000~~\$100,000 or more in assets, or a certified statement
16 of accounting if the fund has less than ~~\$250,000~~\$100,000 in
17 assets, for the most recent plan ~~fiscal~~ year of the
18 ~~municipality or special fire control district~~, showing a
19 detailed listing of assets and methods used to value them and
20 a statement of all income and disbursements during the year.
21 Such income and disbursements shall be reconciled with the
22 assets at the beginning of and end of the year.
23 (c) The trustees may adopt such rules and regulations
24 as are necessary for the effective and efficient
25 administration of this section.
26 (d) At the discretion of the plan sponsor, the cost of
27 administration may be appropriated from the trust fund or paid
28 directly by the plan sponsor.
29 (11) BENEFITS.--Subsidy payments shall be payable
30 under the firefighters' retiree health insurance subsidy
31 program only to participants in the program or their

1 beneficiaries. Such subsidy payments shall not be subject to
2 assignment, execution, or attachment or to any legal process
3 whatsoever, and shall be in addition to any other benefits to
4 which eligible recipients are entitled under any workers'
5 compensation law, pension law, collective bargaining
6 agreement, municipal or county ordinance, or any other state
7 or federal statute.

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

23 Section 42. Section 175.411, Florida Statutes, is
24 created to read:

25 175.411 Local law plan compliance; optional
26 participation.--A municipality or special fire control
27 district may opt into or out of a pension plan established
28 pursuant to this chapter at its discretion.

29 Section 43. Section 185.01, Florida Statutes, is
30 amended to read:

31 185.01 Legislative declaration.--

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

19 (2) This chapter hereby establishes, for all municipal
20 pension plans now or hereinafter provided for under this
21 chapter, including chapter plans and local law plans, minimum
22 benefits and minimum standards for the operation and funding
23 of such ~~municipal police officers' retirement trust fund~~
24 ~~systems and plans, hereinafter referred to as municipal police~~
25 officers' retirement trust funds. The minimum benefits and
26 minimum standards set forth in this chapter may not be
27 diminished by local ordinance or by special act of the
28 Legislature, nor may the minimum benefits or minimum standards
29 be reduced or offset by any other local, state, or federal
30 plan that may include police officers in its operation, except
31 as provided under s. 112.65.

1 Section 44. Section 185.02, Florida Statutes, is
2 amended to read:

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

5 185.02 Definitions.--For any municipality, chapter
6 plan, local law municipality, or local law plan under this
7 chapter, the following words and phrases as used in this
8 chapter shall have the following meanings, unless a different
9 meaning is plainly required by the context:

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

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

20 "Multiple peril" means a combination or package policy that
21 includes both property coverage and casualty coverage for a
22 single premium.

23 (3) "Chapter plan" means a separate defined benefit
24 pension plan for police officers which incorporates by
25 reference the provisions of this chapter and has been adopted
26 by the governing body of a municipality as provided in s.
27 185.08. Except as may be specifically authorized in this
28 chapter, provisions of a chapter plan may not differ from the
29 plan provisions set forth in ss. 185.01-185.341 and
30 185.36-185.42. Actuarial valuations of chapter plans shall be
31 conducted by the division as provided by s. 185.221(1)(b).

1 (4) "Compensation" or "salary" means the total cash
2 remuneration including overtime paid by the primary employer
3 to a police officer for services rendered, but not including
4 any payments for extra duty or a special detail work performed
5 on behalf of a second party employer. Provided, however, a
6 local law plan may limit the amount of overtime payments which
7 can be used for retirement benefit calculation purposes, but
8 in no event shall such overtime limit be less than 300 hours
9 per officer, per calendar year.

10 (a) Any retirement trust fund or plan which now or
11 hereafter meets the requirements of this chapter shall not,
12 solely by virtue of this subsection, reduce or diminish the
13 monthly retirement income otherwise payable to each police
14 officer covered by the retirement trust fund or plan.

15 (b) The member's compensation or salary contributed as
16 employee-elective salary reductions or deferrals to any salary
17 reduction, deferred compensation, or tax-sheltered annuity
18 program authorized under the Internal Revenue Code shall be
19 deemed to be the compensation or salary the member would
20 receive if he or she were not participating in such program
21 and shall be treated as compensation for retirement purposes
22 under this chapter.

23 (c) For any person who first becomes a member in any
24 plan year beginning on or after January 1, 1996, compensation
25 for any plan year shall not include any amounts in excess of
26 the Internal Revenue Code Section 401(a)(17) limitation, as
27 amended by the Omnibus Budget Reconciliation Act of 1993,
28 which limitation of \$150,000 shall be adjusted as required by
29 federal law for qualified government plans and shall be
30 further adjusted for changes in the cost of living in the
31 manner provided by Internal Revenue Code Section

1 401(a)(17)(B). For any person who first became a member prior
2 to the first plan year beginning on or after January 1, 1996,
3 the limitation on compensation shall be not less than the
4 maximum compensation amount that was allowed to be taken into
5 account under the plan in effect on July 1, 1993, which
6 limitation shall be adjusted for changes in the cost of living
7 since 1989 in the manner provided by Internal Revenue Code
8 Section 401(a)(17)(1991).

9 (5) "Creditable service" or "credited service" means
10 the aggregate number of years of service and fractional parts
11 of years of service of any police officer, omitting
12 intervening years and fractional parts of years when such
13 police officer may not have been employed by the municipality
14 subject to the following conditions:

15 (a) No police officer will receive credit for years or
16 fractional parts of years of service if he or she has
17 withdrawn his or her contributions to the fund for those years
18 or fractional parts of years of service, unless the police
19 officer repays into the fund the amount he or she has
20 withdrawn, plus interest as determined by the board. The
21 member shall have at least 90 days after his or her
22 reemployment to make repayment.

23 (b) A police officer may voluntarily leave his or her
24 contributions in the fund for a period of 5 years after
25 leaving the employ of the police department, pending the
26 possibility of his or her being rehired by the same
27 department, without losing credit for the time he or she has
28 participated actively as a police officer. If he or she is
29 not reemployed as a police officer with the same department
30 within 5 years, his or her contributions shall be returned to
31 him or her without interest.

1 (c) Credited service under this chapter shall be
2 provided only for service as a police officer, as defined in
3 s. 185.02(7), or for military service and shall not include
4 credit for any other type of service. A municipality may, by
5 local ordinance, provide for the purchase of credit for
6 military service occurring prior to employment as well as
7 prior service as a police officer for some other employer as
8 long as the police officer is not entitled to receive a
9 benefit for such other prior service as a police officer.

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

14 1. The police officer is in the active employ of the
15 municipality prior to such service and leaves a position,
16 other than a temporary position, for the purpose of voluntary
17 or involuntary service in the Armed Forces of the United
18 States.

19 2. The police officer is entitled to reemployment
20 under the provisions of the Uniformed Services Employment and
21 Reemployment Rights Act.

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

25 (6) "Deferred Retirement Option Plan" or "DROP" means
26 a local law plan retirement option in which a police officer
27 may elect to participate. A police officer may retire for all
28 purposes of the plan and defer receipt of retirement benefits
29 into a DROP account while continuing employment with his
30 employer. However, a police officer who enters the DROP and
31 who is otherwise eligible to participate shall not thereby be

1 precluded from participating, or continuing to participate, in
2 a supplemental plan in existence on, or created after, the
3 effective date of this act.

4 (7) "Division" means the Division of Retirement of the
5 Department of Management Services.

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

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

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

23 (11) "Police officer" means any person who is elected,
24 appointed, or employed full time by any municipality, who is
25 certified or required to be certified as a law enforcement
26 officer in compliance with s. 943.1395, who is vested with
27 authority to bear arms and make arrests, and whose primary
28 responsibility is the prevention and detection of crime or the
29 enforcement of the penal, criminal, traffic, or highway laws
30 of the state. This definition includes all certified
31 supervisory and command personnel whose duties include, in

1 whole or in part, the supervision, training, guidance, and
2 management responsibilities of full-time law enforcement
3 officers, part-time law enforcement officers, or auxiliary law
4 enforcement officers, but does not include part-time law
5 enforcement officers or auxiliary law enforcement officers as
6 the same are defined in s. 943.10(6) and (8), respectively.
7 For the purposes of this chapter only, "police officer" also
8 shall include a public safety officer who is responsible for
9 performing both police and fire services. Any plan may provide
10 that the police chief shall have an option to participate, or
11 not, in that plan.

12 (12) "Police Officers' Retirement Trust Fund" means a
13 trust fund, by whatever name known, as provided under s.
14 185.03 for the purpose of assisting municipalities in
15 establishing and maintaining a retirement plan for police
16 officers.

17 (13) "Retiree" or "retired police officer" means a
18 police officer who has entered retirement status. For the
19 purposes of a plan that includes a Deferred Retirement Option
20 Plan (DROP), a police officer who enters the DROP shall be
21 considered a retiree for all purposes of the plan. However, a
22 police officer who enters the DROP and who is otherwise
23 eligible to participate shall not thereby be precluded from
24 participating, or continuing to participate, in a supplemental
25 plan in existence on, or created after, the effective date of
26 this act.

27 (14) "Retirement" means a police officer's separation
28 from city employment as a police officer with immediate
29 eligibility for receipt of benefits under the plan. For
30 purposes of a plan that includes a Deferred Retirement Option
31

1 Plan (DROP), "retirement" means the date a police officer
2 enters the DROP.

3 (15) "Supplemental plan" means a plan to which
4 deposits of the premium tax moneys as provided in s. 185.08
5 are made to provide extra benefits to police officers, or
6 police officers and firefighters where included, under this
7 chapter. Such a plan is an element of a local law plan and
8 exists in conjunction with a defined benefit plan that meets
9 the minimum benefits and minimum standards of this chapter.

10 (16) "Supplemental plan municipality" means any local
11 law municipality in which there existed a supplemental plan as
12 of January 1, 1997.

13 Section 45. Section 185.03, Florida Statutes, is
14 amended to read:

15 185.03 Municipal police officers' retirement trust
16 funds; creation; applicability of provisions; participation by
17 public safety officers.--For any municipality, chapter plan,
18 local law municipality, or local law plan under this chapter:

19 (1) There shall be established ~~may be hereby created~~ a
20 special fund exclusively for the purpose of this chapter,
21 which in the case of chapter plans shall to be known as the
22 "Municipal Police Officers' Retirement Trust Fund,"
23 ~~exclusively for the purposes provided in this chapter,~~ in each
24 municipality of this state, heretofore or hereafter created,
25 which now has or which may hereafter have a regularly
26 organized police department, and which now owns and uses or
27 which may hereafter own and use equipment and apparatus of a
28 value exceeding \$500 in serviceable condition for the
29 prevention of crime and for the preservation of life and
30 property, ~~and which does not presently have established by law~~
31 ~~a similar fund.~~

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

9 (3) No municipality shall establish more than one
10 retirement plan for public safety officers which is supported
11 in whole or in part by the distribution of premium tax funds
12 as provided by this chapter or chapter 175, nor shall any
13 municipality establish a retirement plan for public safety
14 officers which receives premium tax funds from both this
15 chapter and chapter 175.

16 Section 46. Section 185.04, Florida Statutes, is
17 amended to read:

18 185.04 Actuarial deficits not state obligations.--For
19 any municipality, chapter plan, local law municipality, or
20 local law plan under this chapter, actuarial deficits, if any,
21 arising under this chapter are ~~shall not be~~ the obligation of
22 the state.

23 Section 47. Section 185.05, Florida Statutes, is
24 amended to read:

25 185.05 Board of trustees; members, terms of office;
26 meetings; legal entity; costs; attorney's fees.--For any
27 municipality, chapter plan, local law municipality, or local
28 law plan under this chapter:

29 (1) In each municipality described in s. 185.03 there
30 is hereby created a board of trustees of the municipal police
31 officers' retirement trust fund, which shall be solely

1 responsible for administering the trust fund. Effective
2 October 1, 1986, and thereafter:7

3 (a) The membership of the board of trustees for
4 chapter plans shall consist of five members, two of whom,
5 unless otherwise prohibited by law, shall be legal residents
6 of the municipality, who shall be appointed by the legislative
7 body of the municipality, and two of whom shall be police
8 officers as defined in s. 185.02 who shall be elected by a
9 majority of the active police officers who are members of such
10 plan. With respect to any chapter plan or local law plan that,
11 on January 1, 1997, allowed retired police officers to vote in
12 such elections, retirees may continue to vote in such
13 elections.The fifth member shall be chosen by a majority of
14 the previous four members, and such person's name shall be
15 submitted to the legislative body of the municipality. Upon
16 receipt of the fifth person's name, the legislative body of
17 the municipality shall, as a ministerial duty, appoint such
18 person to the board of trustees as its fifth member. The
19 fifth member shall have the same rights as each of the other
20 four members appointed or elected as herein provided, shall
21 serve as trustee for a period of 2 years,and may succeed
22 himself or herself in office. Each resident member shall serve
23 as trustee for a period of 2 years, unless sooner replaced by
24 the legislative body at whose pleasure the member shall serve,
25 and may succeed himself or herself as a trustee. ~~However, the~~
26 ~~terms of the mayor, or corresponding chief executive officer~~
27 ~~of the municipality, and the chief of the police department as~~
28 ~~members of the board of trustees as provided in chapter 28230,~~
29 ~~Laws of Florida, 1953, as amended, together with any city~~
30 ~~manager and member of the legislative body of the municipality~~
31 ~~as members of the board of trustees shall terminate on~~

1 ~~September 30, 1986.~~ Each police officer member shall serve as
2 trustee for a period of 2 years, unless he or she sooner
3 leaves the employment of the municipality as a police officer,
4 whereupon the legislative body of the municipality shall
5 choose a successor in the same manner as an original
6 appointment. Each police officer may succeed himself or
7 herself in office. ~~The board of trustees shall meet at least~~
8 ~~quarterly each year. Each board of trustees shall be a legal~~
9 ~~entity with, in addition to other powers and responsibilities~~
10 ~~contained herein, the power to bring and defend lawsuits of~~
11 ~~every kind, nature, and description.~~

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

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

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

23 3. Any board of trustees operating a local law plan on
24 July 1, 1998, which is combined with a plan for general
25 employees shall hold an election of the police officers, or
26 police officers and firefighters if included, to determine
27 whether a plan is to be established for police officers only,
28 or for police officers and firefighters where included. Based
29 on the election results, a new board shall be established as
30 provided in subparagraph 1. or 2., as appropriate. The
31 municipality shall enact an ordinance to implement the new

1 board by October 1, 1998. The newly established board shall
2 take whatever action is necessary to determine the amount of
3 assets which is attributable to police officers, or police
4 officers and firefighters where included. Such assets shall
5 include all employer, employee, and state contributions made
6 by or on behalf of police officers, or police officers and
7 firefighters where included, and any investment income derived
8 from such contributions. All such moneys shall be transferred
9 into the newly established retirement plan, as directed by the
10 board.

11

12 With respect to any board of trustees operating a local law
13 plan on June 30, 1986, nothing in this paragraph shall permit
14 the reduction of the membership percentage of police officers
15 or police officers and firefighters.

16 (2) The trustees shall by majority vote elect from its
17 members a chair and a secretary. The secretary of the board
18 shall keep a complete minute book of the actions, proceedings,
19 or hearings of the board. The trustees shall not receive any
20 compensation as such, but may receive expenses and per diem as
21 provided by Florida law.

22 (3) The board of trustees shall meet at least
23 quarterly each year.

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

28 (5) In any judicial proceeding or administrative
29 proceeding under chapter 120 brought under or pursuant to the
30 provisions of this chapter, the prevailing party shall be

31

1 entitled to recover the costs thereof, together with
2 reasonable attorney's fees.

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

6 Section 48. Section 185.06, Florida Statutes, is
7 amended to read:

8 185.06 General powers and duties of board of
9 trustees.--For any municipality, chapter plan, local law
10 municipality, or local law plan under this chapter:

11 (1) The board of trustees may:

12 (a) Invest and reinvest the assets of the retirement
13 trust fund in annuity and life insurance contracts of life
14 insurance companies in amounts sufficient to provide, in whole
15 or in part, the benefits to which all of the participants in
16 the municipal police officers' retirement trust fund shall be
17 entitled under the provisions of this chapter, and pay the
18 initial and subsequent premiums thereon.

19 (b) Invest and reinvest the assets of the retirement
20 trust fund in:

21 1. Time or savings accounts of a national bank, a
22 state bank insured by the Bank Insurance Fund ~~Federal Deposit~~
23 ~~Insurance Corporation~~, or a savings and loan association
24 insured by the Savings Association Insurance Fund which are
25 administered by the Federal Deposit Insurance Corporation or a
26 state or federal chartered credit union whose share accounts
27 are insured by the National Credit Union Share Insurance Fund
28 ~~Federal Savings and Loan Insurance Corporation.~~

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

31 3. Bonds issued by the State of Israel.

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

5 a. The corporation is listed on any one or more of the
6 recognized national stock exchanges and, in the case of bonds
7 only, holds a rating in one of the three highest
8 classifications by a major rating service; and

9 b. The board of trustees shall not invest more than 5
10 percent of its assets in the common stock or capital stock of
11 any one issuing company, nor shall the aggregate investment in
12 any one issuing company exceed 5 percent of the outstanding
13 capital stock of the company or the aggregate of its
14 investments under this subparagraph at cost exceed 50 ~~30~~
15 percent of the fund's assets.

16
17 This paragraph shall apply to all boards of trustees and
18 participants. However, in the event that a municipality has a
19 duly enacted pension plan pursuant to, and in compliance with,
20 s. 185.35 and the trustees thereof desire to vary the
21 investment procedures herein, the trustees of such plan shall
22 request a variance of the investment procedures as outlined
23 herein only through a municipal ordinance or special act of
24 the Legislature; where a special act, or a municipality by
25 ordinance adopted prior to the effective date of this act
26 ~~October 1, 1986~~, permits a greater than 50-percent ~~30-percent~~
27 equity investment, such municipality shall not be required to
28 comply with the aggregate equity investment provisions of this
29 paragraph. The board of trustees may invest up to 10 percent
30 of plan assets in foreign securities. ~~Investments shall not be~~
31 ~~made in any stocks, bonds, or other securities owned or~~

1 ~~controlled by a government other than that of the United~~
2 ~~States or of the several states.~~

3 (c) Issue drafts upon the municipal police officers'
4 retirement trust fund pursuant to this act and rules and
5 regulations prescribed by the board of trustees. All such
6 drafts shall be consecutively numbered, be signed by the chair
7 and secretary, and state upon their faces the purposes for
8 which the drafts are drawn. The city treasurer or other
9 depository shall retain such drafts when paid, as permanent
10 vouchers for disbursements made, and no money shall otherwise
11 be drawn from the fund.

12 (d) Finally decide all claims to relief under the
13 board's rules and regulations and pursuant to the provisions
14 of this act.

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

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

18 (2) Any and all acts and decisions shall be
19 effectuated by vote of a majority of the ~~at least three~~
20 members of the board; however, no trustee shall take part in
21 any action in connection with his or her own participation in
22 the fund, and no unfair discrimination shall be shown to any
23 individual employee participating in the fund.

24 (3) The secretary of the board of trustees shall keep
25 a record of all persons receiving retirement payments under
26 the provisions of this chapter, in which shall be noted the
27 time when the pension is allowed and when the pension shall
28 cease to be paid. In this record, the secretary shall keep a
29 list of all police officers employed by the municipality. The
30 record shall show the name, address, and time of employment of
31

1 such police officer and when he or she ceases to be employed
2 by the municipality.

3 (4)(3) The sole and exclusive administration of, and
4 the responsibilities for, the proper operation of the
5 retirement trust fund and for making effective the provisions
6 of this chapter are vested in the board of trustees; however,
7 nothing herein shall empower a board of trustees to amend the
8 provisions of a retirement plan without the approval of the
9 municipality. The board of trustees shall keep in convenient
10 form such data as shall be necessary for an actuarial
11 valuation of the retirement trust fund and for checking the
12 actual experience of the fund.

13 (5)(a)(4) At least once every 3 years, the board of
14 trustees shall retain a professionally qualified an
15 independent consultant who shall ~~professionally qualified to~~
16 evaluate the performance of any existing professional money
17 manager and managers. ~~The independent consultant shall make~~
18 recommendations to the board of trustees regarding the
19 selection of money managers for the next investment term.
20 These recommendations shall be considered by the board of
21 trustees at its next regularly scheduled meeting. The date,
22 time, place, and subject of this meeting shall be advertised
23 in the same manner as for any meeting of the board ~~a newspaper~~
24 ~~of general circulation in the municipality at least 10 days~~
25 ~~prior to the date of the hearing.~~

26 (b) For the purpose of this subsection, a
27 "professionally qualified independent consultant" means a
28 consultant who, based on education and experience, is
29 professionally qualified to evaluate the performance of
30 professional money managers, and who, at a minimum:

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

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

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

6 4. Has 3 or more years of experience working in the
7 public sector.

8 (6) To assist the board in meeting its
9 responsibilities under this chapter, the board, if it so
10 elects, may:

11 (a) Employ independent legal counsel at the pension
12 fund's expense.

13 (b) Employ an independent actuary, as defined in s.
14 185.02(7), at the pension fund's expense.

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

18
19 If the board chooses to use the city's or special district's
20 legal counsel or actuary, or chooses to use any of the city's
21 other professional, technical, or other advisers, it shall do
22 so only under terms and conditions acceptable to the board.

23 Section 49. Section 185.061, Florida Statutes, is
24 amended to read:

25 185.061 Use of annuity or insurance policies.--When
26 the board of trustees of any municipality, chapter plan, local
27 law municipality, or local law plan purchases annuity or life
28 insurance contracts to provide all or part of the benefits
29 promised by this chapter, the following principles shall be
30 observed:

31

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

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

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

8 (4) Policies shall be written on an annual premium
9 basis.

10 (5) The type of policy shall be one which for the
11 premium paid provides each individual with the maximum
12 retirement benefit at his or her earliest statutory normal
13 retirement age.

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

15 (a) One hundred times the estimated normal monthly
16 retirement income, based on the assumption that the present
17 rate of compensation continues without change to normal
18 retirement date, or

19 (b) Twice the annual rate of compensation as of the
20 date of termination of service, or

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

24 (7) An insurance plan may provide that the assignment
25 of insurance contract to separating officer shall be at least
26 equivalent to the return of the officer's contributions used
27 to purchase the contract. An assignment of contract
28 discharges the municipality from all further obligation to the
29 participant under the plan even though the cash value of such
30 contract may be less than the employee's contributions.

31

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

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

21 Section 50. Section 185.07, Florida Statutes, is
22 amended to read:

23 185.07 Creation and maintenance of fund.--For any
24 municipality, chapter plan, local law municipality, or local
25 law plan under this chapter:

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

29 (a) By the net proceeds of the .85-percent excise tax
30 which may be imposed by the respective cities and towns upon
31 certain casualty insurance companies on their gross receipts

1 of premiums from holders of policies, which policies cover
2 property within the corporate limits of such municipalities,
3 as is hereinafter expressly authorized.

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

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

19 (d) By payment by the municipality or other sources of
20 a sum equal to the normal cost and the amount required to fund
21 ~~over a 40-year basis~~ any actuarial deficiency shown by an a
22 quinquennial actuarial valuation as provided in part VII of
23 chapter 112. ~~The first such actuarial valuation shall be~~
24 ~~conducted for the calendar year ending December 31, 1963.~~

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

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

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

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

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

7 (b) Police officer member contributions may be
8 increased by consent of the members' collective bargaining
9 representative or, if none, by majority consent of police
10 officer members of the fund to provide greater benefits.

11
12 Nothing in this section shall be construed to require
13 adjustment of member contribution rates in effect on the date
14 this act becomes a law, including rates that exceed 5 percent
15 of salary, provided that such rates are at least one-half of 1
16 percent of salary.

17 Section 51. Section 185.08, Florida Statutes, is
18 amended to read:

19 185.08 State excise tax on casualty insurance premiums
20 authorized; procedure.--For any municipality, chapter plan,
21 local law municipality, or local law plan under this chapter:

22 (1) Each incorporated municipality in this state
23 described and classified in s. 185.03, as well as each other
24 city or town of this state which on July 31, 1953, had a
25 lawfully established municipal police officers' retirement
26 trust fund or city fund, by whatever name known, providing
27 pension or relief benefits to police officers as provided
28 under this chapter ~~by whatever name known~~, may assess and
29 impose on every insurance company, corporation, or other
30 insurer now engaged in or carrying on, or who shall hereafter
31 engage in or carry on, the business of casualty insurance as

1 shown by records of the Department of Insurance, an excise tax
2 in addition to any lawful license or excise tax now levied by
3 each of the said municipalities, respectively, amounting to
4 .85 percent of the gross amount of receipts of premiums from
5 policyholders on all premiums collected on casualty insurance
6 policies covering property within the corporate limits of such
7 municipalities, respectively. The tax shall apply to all
8 insurers, whether authorized or not, transacting business in
9 this state.

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

14 (3) The said excise tax shall be payable annually
15 March 1 of each year after the passing of an ordinance
16 assessing and imposing the tax herein authorized.
17 Installments of taxes shall be paid according to the
18 provisions of s. 624.5092(2)(a), (b), and (c).

19 Section 52. Section 185.09, Florida Statutes, is
20 amended to read:

21 185.09 Report of premiums paid; date tax payable.--For
22 any municipality, chapter plan, local law municipality, or
23 local law plan under this chapter, whenever any municipality
24 passes an ordinance establishing a chapter plan or local law
25 plan and assessing and imposing the tax authorized in s.
26 185.08, a certified copy of such ordinance shall be deposited
27 with the division; and thereafter every insurance company,
28 corporation, or other insurer carrying on the business of
29 casualty insuring, on or before the succeeding March 1 after
30 date of the passage of the ordinance, shall report fully in
31 writing to the division and the Department of Revenue a just

1 and true account of all premiums received by such insurer for
2 casualty insurance policies covering or insuring any property
3 located within the corporate limits of such municipality
4 during the period of time elapsing between the date of the
5 passage of the ordinance and the end of the calendar year
6 ~~succeeding March 1~~. The aforesaid insurer shall annually
7 thereafter, on March 1, file with the division and the
8 Department of Revenue a similar report covering the preceding
9 year's premium receipts. Every such insurer shall, at the
10 time of making such report, pay to the Department of Revenue
11 the amount of the tax heretofore mentioned. Every insurer
12 engaged in carrying on a general casualty insurance business
13 in the state shall keep accurate books of account of all such
14 business done by it within the limits of such incorporated
15 municipality in such a manner as to be able to comply with the
16 provisions of this chapter. Based on the insurers' reports of
17 premium receipts, the division shall prepare a consolidated
18 premium report and shall furnish to any municipality
19 requesting the same a copy of the relevant section of that
20 report.

21 Section 53. Section 185.10, Florida Statutes, is
22 amended to read:

23 185.10 Department of Revenue and Division of
24 Retirement to keep accounts of deposits; disbursements.--For
25 any municipality having a chapter plan or local law plan under
26 this chapter:

27 (1) The Department of Revenue shall keep a separate
28 account of all moneys collected for each municipality under
29 the provisions of this chapter. All moneys so collected must
30 be transferred to the Police and Firefighters' Premium Tax
31 Trust Fund and shall be separately accounted for by the

1 division. The moneys budgeted as necessary to pay the expenses
2 of the division for the daily oversight and monitoring of the
3 police officers' retirement plans under this chapter and for
4 the oversight and actuarial reviews conducted under part VII
5 of chapter 112 are annually appropriated from the interest and
6 investment income earned on the moneys collected for each
7 municipality or special fire control district and deposited in
8 the Police and Firefighters' Premium Tax Trust Fund. Interest
9 and investment income remaining thereafter in the trust fund
10 which is unexpended and otherwise unallocated by law shall
11 revert to the General Revenue Fund on June 30 of each year.

12 (2) The Comptroller shall, on or before July 1 ~~June 1~~
13 of each year, and at such other times as authorized by the
14 division, draw his or her warrants on the full net amount of
15 money then on deposit pursuant to this chapter in the Police
16 and Firefighters' Premium Tax Trust Fund, specifying the
17 municipalities to which the moneys must be paid and the net
18 amount collected for and to be paid to each municipality,
19 respectively. The sum payable to each municipality is
20 appropriated annually out of the Police and Firefighters'
21 Premium Tax Trust Fund. The warrants of the Comptroller shall
22 be payable to the respective municipalities entitled to
23 receive them and shall be remitted annually by the division to
24 the respective municipalities. In lieu thereof, the
25 municipality may provide authorization to the division for the
26 direct payment of the premium tax to the board of trustees.In
27 order for a municipality and its retirement fund to
28 participate in the distribution of premium tax moneys under
29 this chapter, all the provisions shall be complied with
30 annually, including state acceptance pursuant to part VII of
31 chapter 112.

1 Section 54. Section 185.11, Florida Statutes, is
2 amended to read:

3 185.11 Funds received by municipalities, deposit in
4 retirement trust fund.--For any municipality, chapter plan,
5 local law municipality, or local law plan under this chapter,
6 all state and other funds received by any municipality under
7 the provisions of this chapter shall be deposited by the said
8 municipality immediately, and under no circumstances more than
9 5 days after receipt, with the board of trustees. In lieu
10 thereof, the municipality may provide authorization to the
11 division for the direct payment of the premium tax to the
12 board of trustees. The board shall deposit such moneys in the
13 Municipal Police Officers' Retirement Trust Fund immediately
14 and under no circumstances more than 5 days after receipt.
15 Employee contributions, however, which are withheld by the
16 employer on behalf of an employee member shall be deposited
17 immediately after each pay period with the board of trustees
18 of the municipal police officers' retirement trust fund.
19 Employer contributions shall be deposited at least quarterly
20 at least monthly.

21 Section 55. Section 185.12, Florida Statutes, is
22 amended to read:

23 185.12 Payment of excise tax credit on similar state
24 excise or license tax.--The tax herein authorized shall in
25 nowise be additional to the similar state excise or license
26 tax imposed by part IV, chapter 624, but the payor of the tax
27 hereby authorized shall receive credit therefor on his or her
28 ~~said~~ state excise or license tax and the balance of said state
29 excise or license tax shall be paid to the Department of
30 Revenue Insurance Commissioner and Treasurer as is now
31 provided by law.

1 Section 56. Section 185.13, Florida Statutes, is
2 amended to read:

3 185.13 Failure of insurer to comply with chapter;
4 penalty.--Should any insurance company, corporation or other
5 insurer fail to comply with the provisions of this chapter, on
6 or before March 1 in each year as herein provided, the
7 certificate of authority issued to said insurance company,
8 corporation or other insurer to transact business in this
9 state may be canceled and revoked by the Department of
10 Insurance, and it is unlawful for any such insurance company,
11 corporation or other insurer to transact any business
12 thereafter in this state unless such insurance company,
13 corporation or other insurer shall be granted a new
14 certificate of authority to transact business in this state,
15 in compliance with provisions of law authorizing such
16 certificate of authority to be issued. The division shall be
17 responsible for notifying the Department of Insurance
18 regarding any such failure to comply.

19 Section 57. Section 185.14, Florida Statutes, is
20 repealed.

21 Section 58. Section 185.15, Florida Statutes, is
22 repealed.

23 Section 59. Section 185.16, Florida Statutes, is
24 amended to read:

25 185.16 Requirements for retirement.--For any
26 municipality, chapter plan, local law municipality, or local
27 law plan under this chapter,any police officer who completes
28 10 or more years of creditable service as a police officer and
29 attains age 55, or completes 25 years of creditable service as
30 a police officer and attains age 52, and for such period has
31 been a member of the retirement fund is eligible for normal

1 retirement benefits. Normal retirement under the plan is
2 retirement from the service of the city on or after the normal
3 retirement date. In such event, for chapter plans and local
4 law plans, payment of retirement income will be governed by
5 the following provisions of this section:

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

16 (2) The amount of the monthly retirement income
17 payable to a police officer who retires on or after his or her
18 normal retirement date shall be an amount equal to the number
19 of the police officer's years of credited service multiplied
20 by 2 percent of his or her average final compensation.
21 However, if current state contributions pursuant to this
22 chapter are not adequate to fund the additional benefits to
23 meet the minimum requirements in this chapter, only increment
24 increases shall be required as state moneys are adequate to
25 provide. Such increments shall be provided as state moneys
26 become available. ~~The retirement income will be reduced for~~
27 ~~moneys received under the disability provisions of this~~
28 ~~chapter.~~

29 (3) The monthly retirement income payable in the event
30 of normal retirement will be payable on the first day of each
31 month. The first payment will be made on the police officer's

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

22 (4) Early retirement under the plan is retirement from
23 the service of the city, with the consent of the city, as of
24 the first day of any calendar month which is prior to the
25 police officer's normal retirement date but subsequent to the
26 date as of which the police officer has both attained the age
27 of 50 years and completed 10 years of contributing service.
28 In the event of early retirement, payment of retirement income
29 will be governed as follows:

30 (a) The early retirement date shall be the first day
31 of the calendar month coincident with or immediately following

1 the date a police officer retires from the service of the city
2 under the provisions of this section prior to his or her
3 normal retirement date.

4 (b) The monthly amount of retirement income payable to
5 a police officer who retires prior to his or her normal
6 retirement date under the provisions of this section shall be
7 an amount computed as described in subsection (2), taking into
8 account his or her credited service to the date of actual
9 retirement and his or her final monthly compensation as of
10 such date, such amount of retirement income to be actuarially
11 reduced to take into account the police officer's younger age
12 and the earlier commencement of retirement income payments.
13 In no event shall the early retirement reduction exceed 3
14 percent for each year by which the member's age at retirement
15 preceded the member's normal retirement age, as provided in
16 subsection (1).

17 (c) The retirement income payable in the event of
18 early retirement will be payable on the first day of each
19 month. The first payment will be made on the police officer's
20 early retirement date and the last payment will be the payment
21 due next preceding the retired police officer's death; except
22 that, in the event the police officer dies before receiving
23 retirement benefits for a period of 10 years, the same monthly
24 benefit will be paid to the beneficiary designated by the
25 police officer for the balance of such 10-year period, or, if
26 no designated beneficiary is surviving, the same monthly
27 benefit for the balance of such 10-year period shall be
28 payable as provided in s. 185.162.

29 Section 60. Section 185.161, Florida Statutes, is
30 amended to read:

31

1 185.161 Optional forms of retirement income.--For any
2 municipality, chapter plan, local law municipality, or local
3 law plan under this chapter:

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

16 1. A retirement income of larger monthly amount,
17 payable to the police officer for his or her lifetime only.

18 2. A retirement income of a modified monthly amount,
19 payable to the police officer during the joint lifetime of the
20 police officer and a joint pensioner designated by the police
21 officer, and following the death of either of them, 100
22 percent, 75 percent, ~~66 2/3~~ percent, or 50 percent of such
23 monthly amount payable to the survivor for the lifetime of the
24 survivor.

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

28 (b) The police officer upon electing any option of
29 this section will designate the joint pensioner or beneficiary
30 (or beneficiaries) to receive the benefit, if any, payable
31 under the plan in the event of the police officer's death, and

1 will have the power to change such designation from time to
2 time but any such change shall be deemed a new election and
3 will be subject to approval by the pension committee. Such
4 designation will name a joint pensioner or one or more primary
5 beneficiaries where applicable. If a police officer has
6 elected an option with a joint pensioner or beneficiary and
7 his or her retirement income benefits have commenced, he or
8 she may thereafter change the designated joint pensioner or
9 beneficiary but only if the board of trustees consents to such
10 change and if the joint pensioner last previously designated
11 by the police officer is alive when he or she files with the
12 board of trustees a request for such change. The consent of a
13 police officer's joint pensioner or beneficiary to any such
14 change shall not be required. The board of trustees may
15 request such evidence of the good health of the joint
16 pensioner that is being removed as it may require and the
17 amount of the retirement income payable to the police officer
18 upon the designation of a new joint pensioner shall be
19 actuarially redetermined taking into account the ages and sex
20 of the former joint pensioner, the new joint pensioner, and
21 the police officer. Each such designation will be made in
22 writing on a form prepared by the board of trustees, and on
23 completion will be filed with the board of trustees. In the
24 event that no designated beneficiary survives the police
25 officer, such benefits as are payable in the event of the
26 death of the police officer subsequent to his or her
27 retirement shall be paid as provided in s. 185.162.

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

31

1 (a) If a police officer dies prior to his or her
2 normal retirement date or early retirement date, whichever
3 first occurs, no benefit will be payable under the option to
4 any person, but the benefits, if any, will be determined under
5 s. 185.21.

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

16 (c) If both the retired police officer and the
17 designated beneficiary (or beneficiaries) die before the full
18 payment has been effected under any option providing for
19 payments for a period certain and life thereafter, made
20 pursuant to the provisions of subparagraph (1)(a)3., the board
21 of trustees may, in its discretion, direct that the commuted
22 value of the remaining payments be paid in a lump sum and in
23 accordance with s. 185.162.

24 (d) If a police officer continues beyond his or her
25 normal retirement date pursuant to the provisions of s.
26 185.16(1) and dies prior to actual retirement and while an
27 option made pursuant to the provisions of this section is in
28 effect, monthly retirement income payments will be made, or a
29 retirement benefit will be paid, under the option to a
30 beneficiary (or beneficiaries) designated by the police
31 officer in the amount or amounts computed as if the police

1 officer had retired under the option on the date on which
2 death occurred.

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

6 Section 61. Section 185.162, Florida Statutes, is
7 amended to read:

8 185.162 Beneficiaries.--For any municipality, chapter
9 plan, local law municipality, or local law plan under this
10 chapter:

11 (1) Each police officer may, on a form, provided for
12 that purpose, signed and filed with the board of trustees,
13 designate a choice of one or more persons, named sequentially
14 or jointly, as his or her beneficiary (or beneficiaries) to
15 receive the benefit, if any, which may be payable in the event
16 of the police officer's death, and each designation may be
17 revoked by such police officer by signing and filing with the
18 board of trustees a new designation or beneficiary form.

19 (2) If no beneficiary is named in the manner provided
20 by subsection (1), or if no beneficiary designated by the
21 member survives him or her ~~a deceased police officer failed to~~
22 ~~name a beneficiary in the manner above prescribed, or if the~~
23 ~~beneficiary (or beneficiaries) named by a deceased police~~
24 ~~officer predeceases the police officer,~~ the death benefit, if
25 any, which may be payable under the plan with respect to such
26 deceased police officer shall ~~may~~ be paid by, ~~in the~~
27 ~~discretion of the board of trustees, either to:~~

28 (a) ~~Any one or more of the persons comprising the~~
29 ~~group consisting of the police officer's spouse, the police~~
30 ~~officer's descendants, the police officer's parents, or the~~
31 ~~police officer's heirs at law, and the board of trustees may~~

1 ~~pay the entire benefit to any member of such group or~~
2 ~~apportion such benefit among any two or more of them in such~~
3 ~~shares as the board of trustees, in its sole discretion, shall~~
4 ~~determine, or~~

5 (b) the estate of such deceased police officer,
6 provided that in any of such cases the board of trustees, in
7 its discretion, may direct that the commuted value of the
8 remaining monthly income payments be paid in a lump sum. Any
9 payment made to any person pursuant to this subsection ~~the~~
10 ~~power and discretion conferred upon the board of trustees by~~
11 ~~the preceding sentence~~ shall operate as a complete discharge
12 of all obligations under the plan with regard to such deceased
13 police officer and shall not be subject to review by anyone,
14 but shall be final, binding and conclusive on all persons ever
15 interested hereunder.

16 (3) Notwithstanding any other provision of law to the
17 contrary, the surviving spouse of any pension participant
18 member killed in the line of duty shall not lose survivor
19 retirement benefits if the spouse remarries. The surviving
20 spouse of such deceased member whose benefit terminated
21 because of remarriage shall have the benefit reinstated as of
22 July 1, 1994, at an amount that would have been payable had
23 such benefit not been terminated. ~~This paragraph shall apply~~
24 ~~to all municipalities which receive state excise tax moneys as~~
25 ~~provided in s. 185.08.~~

26 Section 62. Section 185.18, Florida Statutes, is
27 amended to read:

28 185.18 Disability retirement.--For any municipality,
29 chapter plan, local law municipality, or local law plan under
30 this chapter:

31

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

15 (2) A police officer will be considered totally
16 disabled if, in the opinion of the board of trustees, he or
17 she is wholly prevented from rendering useful and efficient
18 service as a police officer; and a police officer will be
19 considered permanently disabled if, in the opinion of the
20 board of trustees, such police officer is likely to remain so
21 disabled continuously and permanently from a cause other than
22 as specified in subsection (3).

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

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

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

31

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

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

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

8 (4) No police officer shall be permitted to retire
9 under the provisions of this section until examined by a duly
10 qualified physician or surgeon, to be selected by the board of
11 trustees for that purpose, and is found to be disabled in the
12 degree and in the manner specified in this section. Any
13 police officer retiring under this section may ~~shall~~ be
14 examined periodically by a duly qualified physician or surgeon
15 or board of physicians and surgeons to be selected by the
16 board of trustees for that purpose, to determine if such
17 disability has ceased to exist.

18 (5) The benefit payable to a police officer who
19 retires from the service of the city with a total and
20 permanent disability as a result of a disability ~~commencing~~
21 ~~prior to the police officer's normal retirement date~~ is the
22 monthly income payable for 10 years certain and life for
23 which, if the police officer's disability occurred in the line
24 of duty, his or her monthly benefit shall be the accrued
25 retirement benefit, but shall not be less than 42 percent of
26 his or her average monthly compensation as of the police
27 officer's disability retirement date. If after 10 years of
28 service the disability is other than in the line of duty, the
29 police officer's monthly benefit shall be the accrued normal
30 retirement benefit, but shall not be less than 25 percent of
31

1 his or her average monthly compensation as of the police
2 officer's disability retirement date.

3 (6)(a) The monthly retirement income to which a police
4 officer is entitled in the event of his or her disability
5 retirement shall be payable on the first day of the first
6 month after the board of trustees determines such entitlement.
7 However, the monthly retirement income shall be payable as of
8 the date the board determines such entitlement, and any
9 portion due for a partial month shall be paid together with
10 the first payment.

11 (b) The last payment will be, ~~+~~

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

15 2. if the police officer dies without recovering from
16 his or her disability ~~or attains his or her normal retirement~~
17 ~~date while still disabled~~, the payment due next preceding
18 death or the 120th monthly payment, whichever is later. In
19 lieu of the benefit payment as provided in this subsection, a
20 police officer may select an optional form as provided in s.
21 185.161.

22 (c) Any monthly retirement income payments due after
23 the death of a disabled police officer shall be paid to the
24 police officer's designated beneficiary (or beneficiaries) as
25 provided in ss. 185.162 and 185.21.

26 (7) If the board of trustees finds that a police
27 officer who is receiving a disability retirement income is, ~~at~~
28 ~~any time prior to the police officer's normal retirement date,~~
29 no longer disabled, as provided herein, the board of trustees
30 shall direct that the disability retirement income be
31 discontinued. Recovery from disability as used herein shall

1 mean the ability of the police officer to render useful and
2 efficient service as a police officer.

3 (8) If the police officer recovers from disability and
4 reenters the service of the city as a police officer, his or
5 her service will be deemed to have been continuous, but the
6 period beginning with the first month for which the police
7 officer received a disability retirement income payment and
8 ending with the date he or she reentered the service of the
9 city may ~~will~~ not be considered as credited service for the
10 purposes of the plan.

11 Section 63. Section 185.185, Florida Statutes, is
12 created to read:

13 185.185 False, misleading, or fraudulent statements
14 made to obtain public retirement benefits prohibited;
15 penalty.--

16 (1) It is unlawful for a person to willfully and
17 knowingly make, or cause to be made, or to assist, conspire
18 with, or urge another to make, or cause to be made, any false,
19 fraudulent, or misleading oral or written statement or
20 withhold or conceal material information to obtain any benefit
21 available under a retirement plan receiving funding under this
22 chapter.

23 (2)(a) A person who violates subsection (1) commits a
24 misdemeanor of the first degree, punishable as provided in s.
25 775.082 or s. 775.083.

26 (b) In addition to any applicable criminal penalty,
27 upon conviction for a violation described in subsection (1), a
28 participant or beneficiary of a pension plan receiving funding
29 under this chapter may, in the discretion of the board of
30 trustees, be required to forfeit the right to receive any or
31 all benefits to which the person would otherwise be entitled

1 under this chapter. For purposes of this paragraph,
2 "conviction" means a determination of guilt that is the result
3 of a plea or trial, regardless of whether adjudication is
4 withheld.

5 Section 64. Section 185.19, Florida Statutes, is
6 amended to read:

7 185.19 Separation from municipal service;
8 refunds.--For any municipality, chapter plan, local law
9 municipality, or local law plan under this chapter:

10 (1) If ~~Should~~ any police officer leaves ~~leave~~ the
11 service of the municipality before accumulating aggregate time
12 of 10 years toward retirement and before being eligible to
13 retire under the provisions of this chapter, such police
14 officer shall be entitled to a refund of all of his or her
15 contributions made to the municipal police officers'
16 retirement trust fund without interest, less any benefits paid
17 to him or her.

18 (2) If ~~Should~~ any police officer who has been in the
19 service of the municipality for at least 10 years elects ~~and~~
20 ~~has contributed to the municipal police officers' retirement~~
21 ~~trust fund for at least 10 years~~ elect to leave his or her
22 accrued contributions, if contributions are required, in the
23 municipal police officers' retirement trust fund, such police
24 officer upon attaining age 50 years or more may retire at the
25 actuarial equivalent of the amount of such retirement income
26 otherwise payable to him or her, as provided in s. 185.16(4),
27 or, upon attaining age 55 years, may retire as provided in s.
28 185.16(2).

29 Section 65. Section 185.191, Florida Statutes, is
30 amended to read:

31

1 185.191 Lump-sum payment of small retirement
2 income.--For any municipality, chapter plan, local law
3 municipality, or local law plan under this chapter,
4 notwithstanding any provision of the plan to the contrary, if
5 the monthly retirement income payable to any person entitled
6 to benefits hereunder is less than ~~\$100\$30~~ or if the
7 single-sum value of the accrued retirement income is less than
8 ~~\$2,500\$750~~ as of the date of retirement or termination of
9 service, whichever is applicable, the board of trustees, in
10 the exercise of its discretion, may specify that the actuarial
11 equivalent of such retirement income be paid in a lump sum.

12 Section 66. Section 185.21, Florida Statutes, is
13 amended to read:

14 185.21 Death prior to retirement; refunds of
15 contributions or payment of death benefits.--For any
16 municipality, chapter plan, local law municipality, or local
17 law plan under this chapter:

18 (1) If a ~~Should any~~ police officer dies die before
19 being eligible to retire ~~under the provisions of this chapter,~~
20 the heirs, legatees, beneficiaries, or personal
21 representatives ~~representative~~ of such deceased police officer
22 shall be entitled to a refund of 100 percent, without
23 interest, of the contributions made to the municipal police
24 officers' retirement trust fund by such deceased police
25 officer or, in the event an annuity or life insurance contract
26 has been purchased by the board on such police officer, then
27 to the death benefits available under such life insurance or
28 annuity contract, subject to the limitations on such death
29 benefits set forth in s. 185.061 whichever amount is greater.

30 (2) If a ~~any~~ police officer having at least 10 years
31 of credited service dies prior to retirement ~~but has at least~~

1 ~~10 years of contributing service~~, his or her beneficiary is
2 entitled to the benefits otherwise payable to the police
3 officer at early or normal retirement age.

4
5 In the event that a ~~the~~ death benefit paid by a life insurance
6 company exceeds the limit set forth in s. 185.061(6), the
7 excess of the death benefit over the limit shall be paid to
8 the municipal police officers' retirement trust fund.

9 However, death ~~the~~ benefits as provided pursuant to ~~in~~ s.
10 112.19 or any other state or federal law shall not be included
11 in the calculation of ~~as~~ death or retirement benefits provided
12 under the provisions of this chapter.

13 Section 67. Section 185.221, Florida Statutes, is
14 amended to read:

15 185.221 Annual report to Division of Retirement;
16 actuarial valuations reports.--For any municipality, chapter
17 plan, local law municipality, or local law plan under this
18 chapter, the board of trustees for every chapter plan and
19 local law plan shall submit the following reports to the
20 division:

21 (1) With respect to chapter plans:

22 (a)~~(1)~~ Each year by February 1, the chair or secretary
23 of each municipal police officers' retirement trust fund
24 operating a chapter plan shall file a report with the division
25 which contains:

26 1.~~(a)~~ A statement of whether in fact the municipality
27 is within the provisions of s. 185.03.

28 2.~~(b)~~ An independent audit by a certified public
29 accountant if the fund has \$250,000~~\$100,000~~ or more in
30 assets, or a certified statement of accounting if the fund has
31 less than \$250,000~~\$100,000~~ in assets, for the most recent

1 ~~plan fiscal year of the municipality~~, showing a detailed
2 listing of assets and methods used to value them and a
3 statement of all income and disbursements during the year.
4 Such income and disbursements shall be reconciled with the
5 assets at the beginning and end of the year.

6 3.(c) A statistical exhibit showing the total number
7 of police officers on the force of the municipality, the
8 number included in the retirement plan and the number
9 ineligible classified according to the reasons for their being
10 ineligible, and the number of disabled and retired police
11 officers and their beneficiaries receiving pension payments
12 and the amounts of annual retirement income or pension
13 payments being received by them.

14 4.(d) A statement of the amount the municipality, or
15 other income source, has contributed to the retirement plan
16 for the most recent plan year ending with the preceding
17 ~~December 31~~ and the amount the municipality will contribute to
18 the retirement plan for the current plan calendar year.

19 5.(e) If any benefits are insured with a commercial
20 insurance company, the report shall include a statement of the
21 relationship of the insured benefits to the benefits provided
22 by this chapter. This report shall also contain information
23 about the insurer, basis of premium rates and mortality table,
24 interest rate and method used in valuing retirement benefits.

25 (b)(2) In addition to annual reports provided under
26 paragraph (a), by February 1 of each triennial year, an
27 actuarial valuation of the chapter plan must be made by the
28 division at least once every 3 years, as provided in s.
29 112.63, commencing 3 years from the last actuarial valuation
30 of the plan or system for existing plans, or commencing 3
31 years from the issuance of the initial actuarial impact

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

17 (2) With respect to local law plans:

18 (a) Each year, on or before March 15, the trustees of
19 the retirement plan shall submit the following information to
20 the division in order for the retirement plan of such
21 municipality to receive a share of the state funds for the
22 then-current calendar year:

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

27 2. An independent audit by a certified public
28 accountant if the fund has \$250,000 or more in assets, or a
29 certified statement of accounting if the fund has less than
30 \$250,000 in assets, for the most recent plan year, showing a
31 detailed listing of assets and a statement of all income and

1 disbursements during the year. Such income and disbursements
2 must be reconciled with the assets at the beginning and end of
3 the year.

4 3. A certified statement listing the investments of
5 the plan and a description of the methods used in valuing the
6 investments.

7 4. A statistical exhibit showing the total number of
8 police officers, the number included in the plan, and the
9 number ineligible classified according to the reasons for
10 their being ineligible, and the number of disabled and retired
11 police officers and their beneficiaries receiving pension
12 payments and the amounts of annual retirement income or
13 pension payments being received by them.

14 5. A certified statement describing the methods,
15 factors, and actuarial assumptions used in determining the
16 cost.

17 6. A certified statement by an enrolled actuary
18 showing the results of the latest actuarial valuation of the
19 plan and a copy of the detailed worksheets showing the
20 computations used in arriving at the results.

21 7. A statement of the amount the municipality, or
22 other income source, has contributed toward the plan for the
23 most recent plan year and will contribute toward the plan for
24 the current plan year.

25
26 When any of the items required hereunder is identical to the
27 corresponding item submitted for a previous year, it is not
28 necessary for the trustees to submit duplicate information if
29 they make reference to the item in the previous year's report.

30 (b) In addition to annual reports provided under
31 paragraph (a), an actuarial valuation of the retirement plan

1 must be made at least once every 3 years, as provided in s.
2 112.63, commencing 3 years from the last actuarial valuation
3 of the plan or system for existing plans, or commencing 3
4 years from issuance of the initial actuarial impact statement
5 submitted under s. 112.63 for newly created plans. Such
6 valuation shall be prepared by an enrolled actuary, subject to
7 the following conditions:

8 1. The assets shall be valued as provided in s.
9 112.625(7).

10 2. The cost of the actuarial valuation must be paid by
11 the individual police officer's retirement trust fund or by
12 the sponsoring municipality.

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

22 Section 68. Subsection (1) of section 185.23, Florida
23 Statutes, is amended to read:

24 185.23 Duties of Division of Retirement; rulemaking;
25 investment by State Board of Administration.--

26 (1) The division shall be responsible for the daily
27 oversight and monitoring for actuarial soundness of the
28 municipal police officers' retirement plans, whether chapter
29 or local law plans, established under this chapter, for
30 receiving and holding the premium tax moneys collected under
31 this chapter, and, upon determining compliance with the

1 provisions on this chapter,for disbursing those moneys to the
2 municipal police officers' retirement plans. The funds to pay
3 the expenses for such administration shall be annually
4 appropriated from the interest and investment income earned on
5 moneys deposited in the trust fund.

6 Section 69. Section 185.25, Florida Statutes, is
7 amended to read:

8 185.25 Exemption from execution.--For any
9 municipality, chapter plan, local law municipality, or local
10 law plan under this chapter,the pensions, annuities, or any
11 other benefits accrued or accruing to any person under any
12 municipality, chapter plan, local law municipality, or local
13 law plan under the provisions of this chapter and the
14 accumulated contributions and the cash securities in the funds
15 created under this chapter are ~~hereby~~ exempted from any state,
16 county or municipal tax of the state and shall not be subject
17 to execution or attachment or to any legal process whatsoever
18 and shall be unassignable.

19 Section 70. Section 185.27, Florida Statutes, is
20 repealed.

21 Section 71. Section 185.29, Florida Statutes, is
22 repealed.

23 Section 72. Section 185.30, Florida Statutes, is
24 amended to read:

25 185.30 Depository for retirement fund.--For any
26 municipality, chapter plan, local law municipality, or local
27 law plan under this chapter,~~all funds and securities~~ of the
28 municipal police officers' retirement trust fund of any
29 municipality, chapter plan, local law municipality, or local
30 law plan under this chapter may be deposited by the board of
31 trustees with the treasurer of the municipality acting in a

1 ministerial capacity only, who shall be liable in the same
2 manner and to the same extent as he or she is liable for the
3 safekeeping of funds for the municipality. However, any funds
4 ~~and securities~~ so deposited with the treasurer of the
5 municipality shall be kept in a separate fund by the municipal
6 treasurer or clearly identified as such funds ~~and securities~~
7 of the municipal police officers' retirement trust fund. In
8 lieu thereof, the board of trustees shall deposit the funds
9 ~~and securities~~ of the municipal police officers' retirement
10 trust fund in a qualified public depository as defined in s.
11 280.02, which depository with regard to such funds ~~and~~
12 ~~securities~~ shall conform to and be bound by all of the
13 provisions of chapter 280.

14 Section 73. Section 185.31, Florida Statutes, is
15 amended to read:

16 185.31 Municipalities and boards independent of other
17 municipalities and boards and of each other.--In the
18 enforcement and ~~in the~~ interpretation of the provisions of
19 this chapter for any municipality, chapter plan, local law
20 municipality, or local law plan under this chapter, each
21 municipality shall be independent of any other municipality,
22 and the board of trustees of the municipal police officers'
23 retirement trust fund of each municipality shall function for
24 the municipality which they are to serve as trustees. Each
25 board of trustees shall be independent of each municipality
26 for which it serves as board of trustees to the extent
27 required to accomplish the intent, requirements, and
28 responsibilities provided for in this chapter.

29 Section 74. Section 185.32, Florida Statutes, is
30 repealed.

31

1 Section 75. Section 185.34, Florida Statutes, is
2 amended to read:

3 185.34 Disability in line of duty.--For any
4 municipality, chapter plan, local law municipality, or local
5 law plan under this chapter,any condition or impairment of
6 health of any and all police officers employed in the state
7 caused by tuberculosis, hypertension, heart disease, or
8 hardening of the arteries, resulting in total or partial
9 disability or death, shall be presumed to be accidental and
10 suffered in line of duty unless the contrary be shown by
11 competent evidence. Any condition or impairment of health
12 caused directly or proximately by exposure, which exposure
13 occurred in the active performance of duty at some definite
14 time or place without willful negligence on the part of the
15 police officer, resulting in total or partial disability,
16 shall be presumed to be accidental and suffered in the line of
17 duty, provided that such police officer shall have
18 successfully passed a physical examination upon entering such
19 service, which physical examination including
20 electrocardiogram failed to reveal any evidence of such
21 condition, and, further, that such presumption shall not apply
22 to benefits payable under or granted in a policy of life
23 insurance or disability insurance. This section shall be
24 applicable to all police officers ~~employed in this state~~ only
25 with reference to pension and retirement benefits under this
26 chapter.

27 Section 76. Section 185.341, Florida Statutes, is
28 amended to read:

29 185.341 Discrimination in benefit formula prohibited;
30 restrictions regarding designation of joint annuitants.--For
31

1 any municipality, chapter plan, local law municipality, or
2 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 the designation of
14 joint annuitant or beneficiary only twice.

15 (b) ~~Any~~ ~~if said~~ retired member who desires to change
16 the joint annuitant or beneficiary, ~~he or she~~ shall file with
17 the board of trustees of his or her plan a notarized notice of
18 such change either by registered letter or on such ~~a~~ form as
19 is provided by the administrator of the plan. Upon receipt of
20 a completed change of joint annuitant form or such other
21 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. Nothing herein shall preclude a plan from
26 actuarially adjusting benefits or offering options based upon
27 sex, age, early retirement, or disability.

28 (3) Eligibility for coverage under a plan must be
29 based upon length of service or attained age, or both, and
30 benefits must be determined by a nondiscriminatory formula
31 based upon:

- 1 (a) Length of service and compensation; or
2 (b) Length of service.

3 Section 77. Section 185.35, Florida Statutes, is
4 amended to read:

5 185.35 Municipalities having their own pension plans
6 for police officers.--For any municipality, chapter plan,
7 local law municipality, or local law plan under this chapter,
8 ~~(1)~~ in order for municipalities with their own pension
9 plans for police officers or for police officers, and
10 firefighters where included, other employees to participate in
11 the distribution of the tax fund established pursuant to s. in
12 ss. 185.07, 185.08, local law plans and 185.09, their
13 retirement funds must meet the minimum benefits and minimum
14 standards set forth in this chapter each of the following
15 standards:

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

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

29 (b) May place the income from the premium tax in s.
30 185.08 in a separate supplemental plan to pay extra benefits
31 to the police officers, or police officers and firefighters

1 where included, participating in such separate supplemental
2 plan.

3
4 The premium tax provided by this chapter shall in all cases be
5 used in its entirety to provide extra benefits to police
6 officers, or to police officers and firefighters, where
7 included. For purposes of this chapter, the term "extra
8 benefits" means benefits in addition to or greater than those
9 provided to general employees of the municipality. However,
10 local law plans in effect on October 1, 1998, must comply with
11 the minimum benefit provisions of this chapter only to the
12 extent that additional premium tax revenues become available
13 to incrementally fund the cost of such compliance as provided
14 in s. 185.16(2). For the purpose of this section, the term
15 "additional premium tax revenues" means revenues received by a
16 municipality pursuant to s. 185.10 which exceed the amount
17 received for calendar year 1997. Local law plans created by
18 special act before May 23, 1939, shall be deemed to comply
19 with this chapter.

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

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

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

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

28 ~~(d) The benefit formula to determine the amount of~~
29 ~~monthly pension must be equal to at least 2 percent for each~~
30 ~~year of the police officer's credited service, multiplied by~~
31 ~~his or her average final compensation. However, if current~~

1 ~~state contributions pursuant to this chapter are not adequate~~
2 ~~to fund the additional benefits to meet the minimum~~
3 ~~requirements in this chapter, only increment increases shall~~
4 ~~be required as state moneys are adequate to provide. Such~~
5 ~~increments shall be provided as state moneys become available.~~

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

8 ~~(f) Death or survivor benefits and disability benefits~~
9 ~~may be incorporated into the plan as the municipality wishes~~
10 ~~but in no event should the single-sum value of such benefits~~
11 ~~as of the date of termination of service because of death or~~
12 ~~disability exceed:~~

13 ~~1. One hundred times the estimated normal monthly~~
14 ~~retirement income, based on the assumption that the present~~
15 ~~rate of compensation continues without change to normal~~
16 ~~retirement date,~~

17 ~~2. Twice the annual rate of compensation as of the~~
18 ~~date of termination of service, or~~

19 ~~3. The single-sum value of the accrued deferred~~
20 ~~retirement income (beginning at normal retirement date) at~~
21 ~~date of termination of service,~~

22
23 ~~whichever is greatest; however, nothing in this paragraph~~
24 ~~shall require any reduction in death or disability benefits~~
25 ~~provided by a retirement plan in effect on July 1, 1959.~~

26 ~~(g) Eligibility for coverage under the plan must be~~
27 ~~based upon length of service, or attained age, or both, and~~
28 ~~benefits must be determined by a nondiscriminatory formula~~
29 ~~based upon:~~

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

31 ~~2. Length of service.~~

1
2 ~~The retirement plan shall require participants to contribute~~
3 ~~toward the cost of the plan an amount which shall not be less~~
4 ~~than 1 percent of salary, and it must set forth the~~
5 ~~termination rights, if any, of an employee in the event of the~~
6 ~~separation or withdrawal of an employee before retirement.~~

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

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

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

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

1 ~~(j)~~ No retirement plan or amendment to a retirement
2 plan shall be proposed for adoption unless the proposed plan
3 or amendment contains an actuarial estimate of the costs
4 involved. No such proposed plan or proposed plan change shall
5 be adopted without the approval of the municipality or, where
6 permitted, the Legislature. Copies of the proposed plan or
7 proposed plan change and the actuarial impact statement of the
8 proposed plan or proposed plan change shall be furnished to
9 the division prior to the last public hearing thereon. Such
10 statement shall also indicate whether the proposed plan or
11 proposed plan change is in compliance with s. 14, Art. X of
12 the State Constitution and those provisions of part VII of
13 chapter 112 which are not expressly provided in this chapter.
14 Notwithstanding any other provision of law, only those local
15 plans created by special act before May 23, 1939, shall be
16 deemed to meet the minimum benefits and minimum standards in
17 this chapter.

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

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

29 ~~2. An independent audit by a certified public~~
30 ~~accountant if the fund has \$100,000 or more in assets, or a~~
31 ~~certified statement of accounting if the fund has less than~~

1 ~~\$100,000 in assets, for the most recent fiscal year of the~~
2 ~~municipality showing a detailed listing of assets and a~~
3 ~~statement of all income and disbursements during the year.~~
4 ~~Such income and disbursements must be reconciled with the~~
5 ~~assets at the beginning and end of the year.~~

6 ~~3. A certified statement listing the investments of~~
7 ~~the plan and a description of the methods used in valuing the~~
8 ~~investments.~~

9 ~~4. A statistical exhibit showing the total number of~~
10 ~~police officers, the number included in the plan, and the~~
11 ~~number ineligible classified according to the reasons for~~
12 ~~their being ineligible.~~

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

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

29 (3) Notwithstanding any other provision, with respect
30 to any supplemental plan municipality:

31

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

5 (b) Section 185.05(1)(b) shall not apply, and a local
6 law plan and a supplemental plan shall continue to be
7 administered by a board or boards of trustees numbered,
8 constituted, and selected as the board or boards were
9 numbered, constituted, and selected on January 1, 1997.

10 (c) The election set forth in paragraph (1)(b) shall
11 be deemed to have been made.

12 ~~(4)(3)~~ The retirement plan setting forth the benefits
13 and the trust agreement, if any, covering the duties and
14 responsibilities of the trustees and the regulations of the
15 investment of funds must be in writing and copies made
16 available to the participants and to the general public.

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

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

22 ~~2. If a municipality has a pension plan for police~~
23 ~~officers and firefighters, the provisions of s. 185.05 shall~~
24 ~~apply, except that two members of the board shall be police~~
25 ~~officers or firefighters who shall be elected by a majority of~~
26 ~~the police officers and firefighters who are members of the~~
27 ~~plan.~~

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

1 ~~4. If a municipality has a pension plan for police~~
2 ~~officers, firefighters, and general employees, at least one~~
3 ~~member of the board shall be a police officer or firefighter~~
4 ~~who shall be elected by a majority of the police officers and~~
5 ~~firefighters who are members of the plan.~~

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

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

14 Section 78. Section 185.36, Florida Statutes, is
15 repealed.

16 Section 79. Section 185.37, Florida Statutes, is
17 amended to read:

18 185.37 Termination of plan and distribution of
19 fund.--For any municipality, chapter plan, local law
20 municipality, or local law plan under this chapter, the plan
21 may be terminated by the municipality. Upon termination of the
22 plan by the municipality for any reason, or because of a
23 transfer, merger, or consolidation of governmental units,
24 services, or functions as provided in chapter 121, or upon
25 written notice to the board of trustees by the municipality
26 that contributions under the plan are being permanently
27 discontinued, the rights of all employees to benefits accrued
28 to the date of such termination or discontinuance and the
29 amounts credited to the employees' accounts are
30 nonforfeitable. The fund shall be apportioned and distributed
31 in accordance with the following procedures:

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

4 (2) The board of trustees shall determine the method
5 of distribution of the asset value, that is, whether
6 distribution shall be by payment in cash, by the maintenance
7 of another or substituted trust fund, by the purchase of
8 insured annuities, or otherwise, for each police officer
9 entitled to benefits under the plan, as specified in
10 subsection (3).

11 (3) The board of trustees shall apportion the asset
12 value as of the date of termination in the manner set forth in
13 this subsection, on the basis that the amount required to
14 provide any given retirement income shall mean the actuarially
15 computed single-sum value of such retirement income, except
16 that if the method of distribution determined under subsection
17 (2) involves the purchase of an insured annuity, the amount
18 required to provide the given retirement income shall mean the
19 single premium payable for such annuity.

20 (a) Apportionment shall first be made in respect of
21 each retired police officer receiving a retirement income
22 hereunder on such date, each person receiving a retirement
23 income on such date on account of a retired (but since
24 deceased) police officer, and each police officer who has, by
25 such date, become eligible for normal retirement but has not
26 yet retired, in the amount required to provide such retirement
27 income, provided that, if such asset value is less than the
28 aggregate of such amounts, such amounts shall be
29 proportionately reduced so that the aggregate of such reduced
30 amounts will be equal to such asset value.

31

1 (b) If there is any asset value remaining after the
2 apportionment under paragraph (a), apportionment shall next be
3 made in respect of each police officer in the service of the
4 municipality on such date who has completed at least 10 years
5 of credited service, in ~~who has contributed~~ to the municipal
6 police officers' retirement trust fund for at least 10 years,
7 and who is not entitled to an apportionment under paragraph
8 (a), in the amount required to provide the actuarial
9 equivalent of the accrued normal retirement income, based on
10 the police officer's credited service and earnings to such
11 date, and each former participant then entitled to a benefit
12 under the provisions of s. 185.19 who has not by such date
13 reached his or her normal retirement date, in the amount
14 required to provide the actuarial equivalent of the accrued
15 normal retirement income to which he or she is entitled under
16 s. 185.19, provided that, if such remaining asset value is
17 less than the aggregate of the amounts apportioned hereunder,
18 such latter amounts shall be proportionately reduced so that
19 the aggregate of such reduced amounts will be equal to such
20 remaining asset value.

21 (c) If there is an asset value after the
22 apportionments under paragraphs (a) and (b), apportionment
23 shall lastly be made in respect of each police officer in the
24 service of the municipality on such date who is not entitled
25 to an apportionment under paragraphs (a) and (b) in the amount
26 equal to the police officer's total contributions to the plan
27 to date of termination, provided that, if such remaining asset
28 value is less than the aggregate of the amounts apportioned
29 hereunder, such latter amounts shall be proportionately
30 reduced so that the aggregate of such reduced amounts will be
31 equal to such remaining asset value.

1 (d) In the event that there is asset value remaining
2 after the full apportionment specified in paragraphs (a), (b),
3 and (c), such excess shall be returned to the municipality,
4 less return to the state of the state's contributions,
5 provided that, if the excess is less than the total
6 contributions made by the municipality and the state to date
7 of termination of the plan, such excess shall be divided
8 proportionately to the total contributions made by the
9 municipality and the state.

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

13
14 If, after a period of 24 months after the date on which the
15 plan terminated or the date on which the board received
16 written notice that the contributions thereunder were being
17 permanently discontinued, the municipality or the board of
18 trustees of the municipal police officers' retirement trust
19 fund affected has not complied with all the provisions in this
20 section, the division shall effect the termination of the fund
21 in accordance with this section.

22 Section 80. Section 185.38, Florida Statutes, is
23 amended to read:

24 185.38 Transfer to another state retirement system;
25 benefits payable.--For any municipality, chapter plan, local
26 law municipality, or local law plan under this chapter:

27 (1) Any police officer who has a vested right to
28 benefits under a pension plan created pursuant to the
29 provisions of this chapter and who elects to participate in
30 another state retirement system may not receive a benefit
31 under the provisions of the latter retirement system for any

1 year's service for which benefits are paid under the
2 provisions of the pension plan created pursuant to this
3 chapter.

4 (2) When every active participant in any pension plan
5 created pursuant to this chapter elects to transfer to another
6 state retirement system, the pension plan created pursuant to
7 this chapter shall be terminated and the assets distributed in
8 accordance with s. 185.37. If some participants in a pension
9 plan created pursuant to this chapter elect to transfer to
10 another state retirement system and other participants elect
11 to remain in the existing plan created pursuant to this
12 chapter, the plan created pursuant to this chapter shall
13 continue to receive state premium tax moneys ~~remain in effect~~
14 until fully funded. "Fully funded" means that the present
15 value of all benefits, accrued and projected, is less than the
16 available assets and the present value of future member
17 contributions and future plan sponsor contributions on an
18 actuarial entry age cost funding basis. The plan shall remain
19 in effect until the last active participant has terminated and
20 shall then be terminated in accordance with s. 185.37.

21 Section 81. Section 185.39, Florida Statutes, is
22 amended to read:

23 (Substantial rewording of section. See
24 s. 185.39, F.S., for present text.)
25 185.39 Applicability.--This act applies to all
26 municipalities, chapter plans, local law municipalities, or
27 local law plans presently existing or to be created pursuant
28 to this chapter. Those plans presently existing pursuant to
29 s. 185.35 and not in compliance with the provisions of this
30 act must comply no later than December 31, 1998. However, the
31 plan sponsor of any plan established by special act of the

1 Legislature shall have until July 1, 1999, to comply with the
2 provisions of this act, except as otherwise provided in this
3 act with regard to establishment and election of board
4 members. The provisions of this act shall be construed to
5 establish minimum standards and minimum benefit levels, and
6 nothing contained in this act or in chapter 185 shall operate
7 to reduce presently existing rights or benefits of any police
8 officer, directly, indirectly, or otherwise.

9 Section 82. Section 185.40, Florida Statutes, is
10 repealed.

11 Section 83. Section 185.50, Florida Statutes, is
12 amended to read:

13 185.50 Retiree health insurance subsidy.--For any
14 municipality, chapter plan, local law municipality, or local
15 law plan under this chapter, under the broad grant of home
16 rule powers under the Florida Constitution and chapter 166,
17 municipalities have the authority to establish and administer
18 locally funded health insurance subsidy programs. Pursuant
19 thereto:

20 (1) PURPOSE.--The purpose of this section is to allow
21 municipalities the option to use premium tax moneys, as
22 provided for under this chapter, to establish and administer
23 health insurance subsidy programs which will provide a monthly
24 subsidy payment to retired members of any municipal police
25 officers' pension trust fund system or plan as provided under
26 this chapter, or to beneficiaries who are spouses or financial
27 dependents entitled to receive benefits under such a plan, in
28 order to assist such retired members or beneficiaries in
29 paying the costs of health insurance.

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

1 (a) Any municipality having a municipal police
2 officers' pension trust fund system or plan as provided under
3 this chapter may, in its discretion, establish by ordinance a
4 trust fund to be known as the municipal police officers'
5 retiree health insurance subsidy trust fund. This fund may be
6 a separate account established for such purpose in the
7 existing municipal police officers' pension fund, provided
8 that all funds deposited in such account are segregated from,
9 and not commingled with, pension funds or other public moneys
10 and that the account otherwise conforms to the requirements of
11 subsection (8). The trust fund shall be used to account for
12 all moneys received and disbursed pursuant to this section.

13 (b) Prior to the second reading of the ordinance
14 before the municipal legislative body, an actuarial valuation
15 must be performed by an enrolled actuary as defined in s.
16 185.02, and copies of the valuation and the proposed
17 implementing ordinance shall be furnished to the division.

18 (c) The subsidy program may, at the discretion of the
19 municipal governing body, be permanently discontinued by
20 municipal ordinance at any time, subject to the requirements
21 of any applicable collective bargaining agreement, in the same
22 manner and subject to the same conditions established for plan
23 termination and fund distribution under s. 185.37.

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

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

30 (b) By no less than one-half of 1 percent of the base
31 salary of each police officer, for so long as the police

1 officer is employed and covered by a pension plan established
2 pursuant to this chapter. The municipality, with approval of
3 the board of trustees, may increase member contributions if
4 needed to fund benefits greater than the minimums established
5 in this section.

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

10

11 Such contributions and payments shall be submitted to the
12 board of trustees of the police officers' pension trust fund,
13 or the plan trustees in the case of local law plans
14 established under s. 185.35, and deposited in the Municipal
15 Police Officers' Retiree Health Insurance Subsidy Trust Fund,
16 in the same manner and subject to the same time constraints as
17 provided under s. 185.11.

18

19 (4) ELIGIBILITY FOR RETIREE HEALTH INSURANCE
20 SUBSIDY.--A person who has contributed to the Retiree Health
21 Insurance Subsidy Trust Fund and retires under a municipal
22 police officers' pension trust fund system or plan as provided
23 under this chapter, including any local law plan as provided
24 under s. 185.35, or a beneficiary who is a spouse or financial
25 dependent entitled to receive benefits under such a plan, is
26 eligible for health insurance subsidy payments provided under
27 this section. However, the fund, with approval of the board
28 of trustees and the municipality, may provide coverage to
29 retirees and beneficiaries when the retirees have not
30 contributed to the fund as provided in subsection (3).
31 Payment of the retiree health insurance subsidy shall be made
only after coverage for health insurance for the retiree or

1 beneficiary has been certified in writing to the board of
2 trustees of the municipal police officers' pension trust fund.

3 (5) RETIREE HEALTH INSURANCE SUBSIDY

4 AMOUNT.--Beginning on the effective date established in the
5 implementing ordinance, each eligible retiree, or beneficiary
6 who is a spouse or financial dependent thereof, shall receive
7 a monthly retiree health insurance subsidy payment equal to
8 the aggregate number of years of service with the
9 municipality, as defined in s. 185.02, completed at the time
10 of retirement multiplied by an amount determined in the
11 implementing ordinance, but no less than \$3 for each year of
12 service. Nothing herein shall be construed to restrict the
13 plan sponsor from establishing, in the implementing ordinance,
14 a cap of no less than 30 years upon the number of years'
15 service for which credit will be given toward a health
16 insurance subsidy or a maximum monthly subsidy amount.

17 (6) PAYMENT OF RETIREE HEALTH INSURANCE

18 SUBSIDY.--Beginning on the effective date established in the
19 implementing ordinance, any monthly retiree health insurance
20 subsidy amount due and payable under this section shall be
21 paid to retired members, or their eligible beneficiaries, by
22 the board of trustees of the police officers' pension trust
23 fund, or the plan trustees in the case of local law plans
24 established under s. 185.35, in the same manner as provided by
25 s. 185.06(1)(c) for drafts upon the pension fund.

26 (7) INVESTMENT OF THE TRUST FUND.--The trustees of the

27 police officers' pension trust fund, or the plan trustees in
28 the case of local law plans established under s. 185.35, are
29 hereby authorized to invest and reinvest the funds of the
30 Municipal Police Officers' Retiree Health Insurance Subsidy
31 Trust Fund in the same manner and subject to the same

1 conditions as apply hereunder to the investment of municipal
2 police officers' pension funds under s. 185.06.

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

20 (9) SEPARATION FROM SERVICE; REFUNDS.--Any police
21 officer who terminates employment with a municipality having a
22 Municipal Retiree Health Insurance Subsidy Trust Fund system
23 or plan as provided under this section shall be entitled to a
24 refund of all employee contributions he or she made to that
25 trust fund, without interest, regardless of whether he or she
26 has vested for purposes of retirement. Any police officer who
27 has vested for purposes of retirement in the service of the
28 municipality, and has contributed to the Municipal Police
29 Officers' Retiree Health Insurance Subsidy Trust Fund for so
30 long as he or she was eligible to make such contributions,
31 may, in his or her discretion, elect to leave his or her

1 accrued contributions in the fund, whereupon, such police
2 officer shall, upon retiring and commencing to draw retirement
3 benefits, receive a health insurance subsidy based upon his or
4 her aggregate number of years of service with the
5 municipality, as defined in s. 185.02.

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

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

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

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 municipal police officers' retiree health insurance
9 subsidy 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 in the same manner as provided
22 under this chapter for police officers' pension funds. Once a
23 health insurance subsidy plan has been implemented by a
24 municipality under this section, in order for the municipality
25 to participate in the distribution of premium tax dollars
26 authorized under this section, all provisions of this section,
27 including state acceptance pursuant to part VII of chapter
28 112, shall be complied with, and said premium tax dollars may
29 be withheld for noncompliance.

30 Section 84. Section 185.60, Florida Statutes, is
31 created to read:

1 185.60 Local law plan compliance; optional
2 participation.--A municipality may opt into or out of a
3 pension plan established pursuant to this chapter at its
4 discretion.

5 Section 85. This act shall take effect October 1 of
6 the year in which it is enacted.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 270
4 Expands the list of institutions in which the trustees may
5 invest the pension funds to include a state or federal
6 chartered credit union whose share accounts are insured by the
7 National Credit Union Share Insurance Fund;
8 Authorizes the trustees to invest pension funds in the stock
9 of a corporation which does not hold a rating in one of the
10 three highest classifications by a major rating service -- the
11 amendment limits this investment restriction to bonds only;
12 In determining the "aggregate" investment of the fund, the
13 amendment retains the term "cost," rather than replacing it
14 with "market," and deletes new language which provided that
15 exceeding the stated limit does not necessarily require
16 liquidation;
17 Authorizes direct payment of the premium tax funds from the
18 Department of Revenue to the trustees of the pension or
19 retirement fund;
20 Deletes language requiring a vote to retain an existing cap on
21 benefit accruals;
22 Deletes language providing a minimum retirement benefit for
23 volunteer firefighters;
24 Clarifies that eligibility for retirement must be based upon
25 length of service or attained age or both, and benefits must
26 be determined by a non-discriminatory formula based upon:
27 length of service and compensation, or length of service
28 alone;
29 Clarifies that supplemental plan municipalities must place
30 premium tax funds into a separate supplemental plan;
31 Provides a definition of "fully funded" as used to determine
 when a plan out of which members have transferred will be
 terminated;
 Provides an opt out provision for municipalities and special
 fire control districts; and
 Removes payments from a second party employer from the
 definition of "overtime."