

By the Committee on Law Enforcement & Public Safety and
Representatives Futch, K. Pruitt, Thrasher, Starks, Feeney,
Crist and Ritchie

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 "supplemental plan municipality";
8 redefining "compensation" or "salary" for
9 retirement purposes under these chapters;
10 clarifying the applicability of minimum
11 benefits for both chapter and local law plans;
12 revising investment provisions to permit cities
13 greater 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 for establishment of a new board and for
30 transfer of assets in certain cases; creating
31 s. 175.195, F.S.; prohibiting certain

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

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

3

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

5

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

8 175.021 Legislative declaration.--

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

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

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

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

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

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

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

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

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

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

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

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

1 income that would be payable to each firefighter if his
2 monthly retirement income were determined under s.
3 175.162(2)(a) and using the definition in this subsection.
4 (b) Any retirement trust fund or plan which now or
5 hereafter meets the requirements of this chapter shall not,
6 solely by virtue of this subsection, reduce or diminish the
7 monthly retirement income otherwise payable to each
8 firefighter covered by the retirement trust fund or plan.
9 (c) The member's compensation or salary contributed as
10 employee-elective salary reductions or deferrals to any salary
11 reduction, deferred compensation, or tax-sheltered annuity
12 program authorized under the Internal Revenue Code shall be
13 deemed to be the compensation or salary the member would
14 receive if he or she were not participating in such program
15 and shall be treated as compensation for retirement purposes
16 under this chapter.
17 (d) For any person who first becomes a member in any
18 plan year beginning on or after January 1, 1996, compensation
19 for any plan year shall not include any amounts in excess of
20 the Internal Revenue Code Section 401(a)(17) limitation [as
21 amended by the Omnibus Budget Reconciliation Act of 1993],
22 which limitation of \$150,000 shall be adjusted as required by
23 federal law for qualified government plans and shall be
24 further adjusted for changes in the cost of living in the
25 manner provided by Internal Revenue Code Section
26 401(a)(17)(B). For any person who first became a member prior
27 to the first plan year beginning on or after January 1, 1996,
28 the limitation on compensation shall be not less than the
29 maximum compensation amount that was allowed to be taken into
30 account under the plan as in effect on July 1, 1993, which
31 limitation shall be adjusted for changes in the cost of living

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

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

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

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

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

1 firefighter for some other employer as long as a firefighter
2 is not entitled to receive a benefit for such other prior
3 service as a firefighter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Protection Association Standards for Automotive Fire
2 Apparatus.

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

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

23 Section 4. Section 175.051, Florida Statutes, is
24 amended to read:

25 175.051 Actuarial deficits not state obligation.--For
26 any 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, actuarial
29 deficits, if any, arising under this chapter ~~act~~, shall not be
30 the obligation of the state.

31

1 Section 5. Section 175.061, Florida Statutes, is
2 amended to read:

3 175.061 Board of trustees; members, terms of office;
4 meetings; legal entity; costs; attorney's fees.--For any
5 municipality, special fire control district, chapter plan,
6 local law municipality, local law special fire control
7 district, or local law plan under this chapter:

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

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

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

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

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

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

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

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

14
15 With respect to any board of trustees operating a local law
16 plan on June 30, 1986, nothing in this paragraph shall permit
17 the reduction of the membership percentage of firefighters, or
18 of firefighters and police officers where a joint or mixed
19 fund exists.~~The board of trustees shall meet at least~~
20 ~~quarterly each year. Each board of trustees shall be a legal~~
21 ~~entity with, in addition to other powers and responsibilities~~
22 ~~contained herein, the power to bring and defend lawsuits of~~
23 ~~every kind, nature, and description.~~

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

30 (3) The board of trustees shall meet at least
31 quarterly each year.

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

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

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

14 Section 6. Section 175.071, Florida Statutes, is
15 amended to read:

16 175.071 General powers and duties of board of
17 trustees.--For any municipality, special fire control
18 district, chapter plan, local law municipality, local law
19 special fire control district, or local law plan under this
20 chapter:

21 (1) The board of trustees may:

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

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

31

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

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

13 3. Bonds issued by the State of Israel.

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

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

22 b. The board of trustees shall not invest more than 5
23 percent of its assets in the common stock or capital stock of
24 any one issuing company, nor shall the aggregate investment in
25 any one issuing company exceed 5 percent of the outstanding
26 capital stock of that company or the aggregate of its
27 investments under this subparagraph at cost exceed 50 ~~30~~
28 percent of the assets of the fund.

29
30 This paragraph shall apply to all boards of trustees and
31 participants. However, in the event that a municipality or

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

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

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

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

30 (2) Any and all acts and decisions shall be
31 effectuated by vote of a majority of the ~~at least three~~

1 members of the board; however, no trustee shall take part in
2 any action in connection with the trustee's own participation
3 in the fund, and no unfair discrimination shall be shown to
4 any individual firefighter participating in the fund.

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

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

18 ~~(5)(4)~~ The sole and exclusive administration of, and
19 the responsibilities for, the proper operation of the
20 firefighters' pension trust fund and for making effective the
21 provisions of this chapter are vested in the board of
22 trustees; however, nothing herein shall empower a board of
23 trustees to amend the provisions of a retirement plan without
24 the approval of the municipality or special fire control
25 district. The board of trustees shall keep in convenient form
26 such data as shall be necessary for an actuarial valuation of
27 the firefighters' pension trust fund and for checking the
28 actual experience of the fund.

29 ~~(6)(a)(5)~~ At least once every 3 years, the board of
30 trustees shall retain a professionally qualified ~~an~~
31 independent consultant who shall ~~professionally qualified to~~

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

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

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

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

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

23 4. Has 3 or more years of experience working in the
24 public sector.

25 (7) To assist the board in meeting its
26 responsibilities under this chapter, the board, if it so
27 elects, may:

28 (a) Employ independent legal counsel at the pension
29 fund's expense.

30 (b) Employ an independent actuary, as defined in s.
31 175.032(6), at the pension fund's expense.

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

4
5 If the board chooses to use the city's or special district's
6 legal counsel or actuary, or chooses to use any of the city's
7 or special district's other professional, technical, or other
8 advisers, it shall do so only under terms and conditions
9 acceptable to the board.

10 Section 7. Section 175.081, Florida Statutes, is
11 amended to read:

12 175.081 Use of annuity or insurance policies.--When
13 the board of trustees of any municipality, special fire
14 control district, chapter plan, local law municipality, local
15 law special fire control district, or local law plan purchases
16 annuity or life insurance contracts to provide all or any part
17 of the benefits as provided for by this chapter act, the
18 following principles shall be observed:

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

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

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

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

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

1 (6) Death benefit, if any, should not exceed:
2 (a) One hundred times the estimated normal retirement
3 income, based on the assumption that the present rate of
4 compensation continues without change to normal retirement
5 date, or
6 (b) Twice the annual rate of compensation as of the
7 date of termination of service, or
8 (c) The single-sum value of the accrued deferred
9 retirement income (beginning at normal retirement date) at
10 date of termination of service, whichever is greatest.
11 (7) An insurance plan may provide that the assignment
12 of insurance contract to separating firefighters shall be at
13 least equivalent to the return of the firefighters'
14 contributions used to purchase the contract. An assignment of
15 contract discharges the municipality or special fire control
16 district, as appropriate, from all further obligation to the
17 participant under the plan even though the cash value of such
18 contract may be less than the firefighters' contributions.
19 (8) Provisions shall be made, either by issuance of
20 separate policies or otherwise, that the separating
21 firefighter does not receive cash value and other benefits
22 under the policies assigned to him or her which exceed the
23 present value of his or her vested interest under the
24 firefighters' pension trust fund, inclusive of his or her
25 contribution to the plan; the contributions by the state shall
26 not be exhausted faster merely because the method of funding
27 adopted was through insurance companies.
28 (9) The firefighter shall have the right at any time
29 to give the board of trustees written instructions designating
30 the primary and contingent beneficiaries to receive death
31 benefits or proceeds and the method of settlement of the death

1 benefit or proceeds, or requesting a change in the beneficiary
2 designation or method of settlement previously made, subject
3 to the terms of the policy or policies on his or her life.
4 Upon receipt of such written instructions, the board of
5 trustees shall take necessary steps to effectuate the
6 designation or change of beneficiary or settlement option.

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

9 175.091 Creation and maintenance of fund.--For any
10 municipality, special fire control district, chapter plan,
11 local law municipality, local law special fire control
12 district, or local law plan under this chapter:

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

16 (a) By payment to the fund of the net proceeds of the
17 1.85-percent excise or other similar tax which may be imposed
18 by the municipality or special fire control district upon fire
19 insurance companies, fire insurance associations, or other
20 property insurers on their gross receipts on premiums from
21 holders of policies, which policies cover real or personal
22 property within the corporate limits of such municipality, in
23 the case of a municipal government, and within the legally
24 defined jurisdiction of the district, in the case of a special
25 fire control district. Whenever a municipality maintains a
26 firefighters' pension trust fund under the provisions of this
27 chapter but is partially contained within the boundaries of a
28 special fire control district, that portion of the
29 1.85-percent excise, license, or other similar tax which is
30 collected for insurance policies covering property within the
31 jurisdiction of both the municipality and the special fire

1 control district shall be given to the firefighters' pension
2 trust fund of the fire service provider. Remaining revenues
3 collected pursuant to this chapter shall be distributed to the
4 municipality or special fire control district according to the
5 location of the insured property.

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

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

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

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

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

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

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

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

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

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

26 Section 9. Section 175.101, Florida Statutes, is
27 amended to read:

28 175.101 State excise tax on property insurance
29 premiums authorized; procedure.--For any municipality, special
30 fire control district, chapter plan, local law municipality,
31

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

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

1 property owner's application for insurance. Remaining
2 revenues collected pursuant to this chapter shall be
3 distributed to the municipality or special fire control
4 district according to the location of the insured property.

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

9 (3) This excise tax shall be payable annually on March
10 1 of each year after the passage of an ordinance, in the case
11 of a municipality, or resolution, in the case of a special
12 fire control district, assessing and imposing the tax
13 authorized by this section. Installments of taxes shall be
14 paid according to the provision of s. 624.5092(2)(a), (b), and
15 (c).

16 Section 10. Section 175.111, Florida Statutes, is
17 amended to read:

18 175.111 Certified copy of ordinance or resolution
19 filed; insurance companies' annual report of premiums;
20 duplicate files; book of accounts.--For any municipality,
21 special fire control district, chapter plan, local law
22 municipality, local law special fire control district, or
23 local law plan under this chapter, whenever any municipality
24 passes an ordinance, or whenever any special fire control
25 district passes a resolution establishing a chapter plan or
26 local law plan, assessing and imposing the taxes authorized in
27 s. 175.101, a certified copy of such ordinance or resolution
28 shall be deposited with the division. Thereafter every
29 insurance company, association, corporation, or other insurer
30 carrying on the business of property insurance on real or
31 personal property, on or before the succeeding March 1 after

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

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

3 175.121 Department of Revenue and Division of
4 Retirement to keep accounts of deposits; disbursements.--For
5 any municipality or special fire control district having a
6 chapter or local law plan established pursuant to this
7 chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Section 15. Section 175.151, Florida Statutes, is
2 amended to read:

3 175.151 Penalty for failure of insurers to comply with
4 this act.--Should any insurance company, corporation or other
5 insurer fail to comply with the provisions of this act, on or
6 before March 1 of 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 business thereafter
12 in this state unless such insurance company, corporation, or
13 other insurer shall be granted a new certificate of authority
14 to transact any business in this state, in compliance with
15 provisions of law authorizing such certificate of authority to
16 be issued. The division is responsible for notifying the
17 Department of Insurance regarding any such failure to comply.

18 Section 16. Section 175.152, Florida Statutes, is
19 repealed.

20 Section 17. Section 175.162, Florida Statutes, is
21 amended to read:

22 175.162 Requirements for retirement.--For any
23 municipality, special fire control district, chapter plan,
24 local law municipality, local law special fire control
25 district, or local law plan under this chapter, any
26 firefighter who completes 10 or more years of creditable
27 service as a firefighter and attains age 55, or completes 25
28 years of creditable service as a firefighter and attains age
29 52, and who for such minimum period has been a member of the
30 firefighters' pension trust fund operating under a chapter
31 plan or local law plan, is eligible for normal retirement

1 benefits. Normal retirement under the plan is retirement from
2 the service of the municipality or special fire control
3 district on or after the normal retirement date. In such
4 event, payment of retirement income will be governed by the
5 following provisions of this section:

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

11 (2)(a) The amount of monthly retirement income payable
12 to a full-time firefighter who retires on or after his or her
13 normal retirement date shall be an amount equal to the number
14 of his or her years of credited service multiplied by 2
15 percent of his or her average final compensation as a
16 full-time firefighter. ~~The retirement income shall be reduced~~
17 ~~for moneys received under the disability provisions of this~~
18 ~~chapter.~~ However, if current state contributions pursuant to
19 this chapter are not adequate to fund the additional benefits
20 to meet the minimum requirements in this chapter, only such
21 incremental increases shall be required as state moneys are
22 adequate to provide. Such increments shall be provided as
23 state moneys become available.

24 (b) The amount of monthly retirement income payable to
25 a volunteer firefighter who retires on or after his or her
26 normal retirement date shall be an amount equal to the number
27 of his or her years of credited service multiplied by 2
28 percent of his or her average final compensation as a
29 volunteer firefighter. ~~If the firefighter has been~~
30 ~~contributing only 3 percent of his or her salary, the~~
31 ~~firefighter's monthly retirement income shall be an amount~~

1 ~~equal to the number of his or her years of credited service~~
2 ~~multiplied by 1.2 percent of his or her average final~~
3 ~~compensation.~~

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

25 (4) Early retirement under the plan is retirement from
26 the service of the municipality or special fire control
27 district, with the consent of the municipality or special fire
28 control district, as of the first day of any calendar month
29 which is prior to the firefighter's normal retirement date but
30 subsequent to the date as of which he or she has both attained
31 the age of 50 years and has been a member of this fund for 10

1 continuous years. In the event of early retirement, payment
2 of retirement income shall be governed as follows: The
3 monthly amount of retirement income payable to a firefighter
4 who retires prior to his or her normal retirement date shall
5 be in the amount computed as described in subsection (2),
6 taking into account the firefighter's credited service to his
7 or her date of actual retirement and final monthly
8 compensation as of such date, such amount of retirement income
9 to be actuarially reduced to take into account the
10 firefighter's younger age and the earlier commencement of
11 retirement income benefits. The amount of monthly income
12 payable in the event of early retirement will be paid in the
13 same manner as in subsection (3). In no event shall the early
14 retirement reduction exceed 3 percent for each year by which
15 the member's age at retirement preceded the member's normal
16 retirement age, as provided in subsection (1).

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

19 175.171 Optional forms of retirement income.--For any
20 municipality, special fire control district, chapter plan,
21 local law municipality, local law special fire control
22 district, or local law plan under this chapter:

23 (1) In lieu of the amount and form of retirement
24 income payable in the event of normal or early retirement as
25 specified in s. 175.162, a firefighter, upon written request
26 to the board of trustees ~~and submission of evidence of good~~
27 ~~health (except that such evidence will not be required if such~~
28 ~~request is made at least 3 years prior to the date of~~
29 ~~commencement of retirement income or if such request is made~~
30 ~~within 6 months following the effective date of the plan, if~~
31 ~~later),~~ and subject to the approval of the board of trustees,

1 may elect to receive a retirement income or benefit of
2 equivalent actuarial value payable in accordance with one of
3 the following options:

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

6 (b) A retirement income of a modified monthly amount,
7 payable to the firefighter during the joint lifetime of the
8 firefighter and a ~~dependent~~ joint pensioner designated by the
9 firefighter, and following the death of either of them, 100
10 percent, 75 percent, ~~66 2/3~~ percent, or 50 percent of such
11 monthly amounts payable to the survivor for the lifetime of
12 the survivor.

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

16 1. The firefighter upon electing any option of this
17 section will designate the joint pensioner or beneficiary (or
18 beneficiaries) to receive the benefit, if any, payable under
19 the plan in the event of his or her death, and will have the
20 power to change such designation from time to time, but any
21 such change shall be deemed a new election and will be subject
22 to approval by the board of trustees. Such designation will
23 name a joint pensioner or one or more primary beneficiaries
24 where applicable. If a firefighter has elected an option with
25 a joint pensioner or beneficiary and his or her retirement
26 income benefits have commenced, the firefighter may thereafter
27 change the designated joint pensioner or beneficiary, but only
28 if the board of trustees consents to such change and if the
29 joint pensioner last previously designated by the firefighter
30 is alive when the firefighter files with the board of trustees
31 a request for such change.

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

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

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

19 (a) If a firefighter dies prior to his or her normal
20 retirement date or early retirement date, whichever first
21 occurs, no retirement benefit will be payable under the option
22 to any person, but the benefits, if any, will be determined
23 under s. 175.201.

24 (b) If the designated beneficiary (or beneficiaries)
25 or joint pensioner dies before the firefighter's retirement
26 under the plan, the option elected will be canceled
27 automatically and a retirement income of the normal form and
28 amount will be payable to the firefighter upon retirement as
29 if the election had not been made, unless a new election is
30 made in accordance with the provisions of this section or a
31 new beneficiary is designated by the firefighter prior to

1 retirement and within 90 days after the death of the
2 beneficiary.

3 (c) If both the retired firefighter and the
4 beneficiary (or beneficiaries) designated by him or her die
5 before the full payment has been effected under any option
6 providing for payments for a period certain and life
7 thereafter, made pursuant to the provisions of paragraph
8 (1)(c), the board of trustees may, in its discretion, direct
9 that the commuted value of the remaining payments be paid in a
10 lump sum and in accordance with s. 175.181.

11 (d) If a firefighter continues beyond his or her
12 normal retirement date pursuant to the provisions of s.
13 175.162(1) and dies prior to actual retirement and while an
14 option made pursuant to the provisions of this section is in
15 effect, monthly retirement income payments will be made, or a
16 retirement benefit will be paid, under the option to a
17 beneficiary (or beneficiaries) designated by the firefighter
18 in the amount or amounts computed as if the firefighter had
19 retired under the option on the date on which death occurred.

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

23 Section 19. Section 175.181, Florida Statutes, is
24 amended to read:

25 175.181 Beneficiaries.--For any municipality, special
26 fire control district, chapter plan, local law municipality,
27 local law special fire control district, or local law plan
28 under this chapter:

29 (1) Each firefighter may, on a form provided for that
30 purpose, signed and filed with the board of trustees,
31 designate a choice of one or more persons, named sequentially

1 or jointly, as his or her beneficiary (or beneficiaries) to
2 receive the benefit, if any, which may be payable in the event
3 of his or her death; and each designation may be revoked by
4 such firefighter by signing and filing with the board of
5 trustees a new designation-of-beneficiary form.

6 (2) If no beneficiary is named in the manner provided
7 by subsection (1), or if no beneficiary designated by the
8 member survives him,~~a deceased firefighter fails to name a~~
9 ~~beneficiary in the manner prescribed in subsection (1), or if~~
10 ~~the beneficiary (or beneficiaries) named by a deceased~~
11 ~~firefighter predecease the firefighter,~~the death benefit, if
12 any, which may be payable under the plan with respect to such
13 deceased firefighter shall may be paid by, in the discretion
14 ~~of the board of trustees, either to the estate of such~~
15 deceased firefighter, provided that the board of trustees, in
16 its discretion, may direct that the commuted value of the
17 remaining monthly income payments be paid in a lump sum.~~+~~

18
19 Any payment made to any person pursuant to this subsection
20 shall operate as a complete discharge of all obligations under
21 the plan with regard to the deceased firefighter and any other
22 persons with rights under the plan and shall not be subject to
23 review by anyone but shall be final, binding, and conclusive
24 on all persons ever interested hereunder.

25 ~~(a) The spouse or dependent children of the~~
26 ~~firefighter; or~~

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

28 (3) Notwithstanding any other provision of law to the
29 contrary, the surviving spouse of any pension participant
30 member killed in the line of duty shall not lose survivor
31 retirement benefits if the spouse remarries. The surviving

1 spouse of such deceased member whose benefit terminated
2 because of remarriage shall have the benefit reinstated as of
3 July 1, 1994, at an amount that would have been payable had
4 such benefit not been terminated. ~~This paragraph shall apply~~
5 ~~to all municipalities which receive state excise tax moneys as~~
6 ~~provided in s. 175.101.~~

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

9 175.191 Disability retirement.--For any municipality,
10 special fire control district, chapter plan, local law
11 municipality, local law special fire control district, or
12 local law plan under this chapter:

13 (1) A firefighter having 10 or more ~~continuous~~ years
14 of credited service or a firefighter who becomes totally and
15 permanently disabled in the line of duty, regardless of length
16 of service, and having contributed to the firefighters'
17 ~~pension trust fund for 10 years or more~~ may retire from the
18 service of the municipality or special fire control district
19 under the plan if, ~~prior to his or her normal retirement date,~~
20 the firefighter becomes totally and permanently disabled as
21 defined in subsection (2) by reason of any cause other than a
22 cause set out in subsection (3) on or after the effective date
23 of the plan. Such retirement shall herein be referred to as
24 "disability retirement." ~~The provisions for disability other~~
25 ~~than line-of-duty disability shall not apply to a member who~~
26 ~~has reached early or normal retirement age.~~

27 (2) A firefighter will be considered totally disabled
28 if, in the opinion of the board of trustees, he or she is
29 wholly prevented from rendering useful and efficient service
30 as a firefighter; and a firefighter will be considered
31 permanently disabled if, in the opinion of the board of

1 trustees, he or she is likely to remain so disabled
2 continuously and permanently from a cause other than is
3 specified in subsection (3).

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

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

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

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

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

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

25 (5) The benefit ~~benefits~~ payable to a firefighter who
26 retires from the service of a municipality or special fire
27 control district due to total and permanent disability as a
28 direct result of a disability ~~commencing prior to his or her~~
29 ~~normal retirement date~~ is the monthly income payable for 10
30 years certain and life for which, if the firefighter's
31 disability occurred in the line of duty, his or her monthly

1 benefit shall be the accrued retirement benefit, but shall not
2 be less than 42 percent of his or her average monthly salary
3 at the time of disability. If after 10 years of service the
4 disability is other than in the line of duty, the
5 firefighter's monthly benefit shall be the accrued normal
6 retirement benefit, but shall not be less than 25 percent of
7 his or her average monthly salary at the time of disability.

8 (6) The monthly retirement income to which a
9 firefighter is entitled in the event of his or her disability
10 retirement shall be payable on the first day of the first
11 month after the board of trustees determines such entitlement.
12 However, the monthly retirement income shall be payable as of
13 the date the board determines such entitlement, and any
14 portion due for a partial month shall be paid together with
15 the first payment. The last payment will be, if the
16 firefighter recovers from the disability ~~prior to his or her~~
17 ~~normal retirement date~~, the payment due next preceding the
18 date of such recovery or, if the firefighter dies without
19 recovering from the disability, the payment due next preceding
20 his or her death or the 120th monthly payment, whichever is
21 later. In lieu of the benefit payment as provided in this
22 paragraph, a firefighter may select an optional form as
23 provided in s. 175.171. Any monthly retirement income payments
24 due after the death of a disabled firefighter shall be paid to
25 the firefighter's designated beneficiary (or beneficiaries) as
26 provided in ss. 175.181 and 175.201.

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

1 "Recovery from disability" as used herein means the ability of
2 the firefighter to render useful and efficient service as a
3 firefighter.

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

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

13 175.195 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 22. Section 175.201, Florida Statutes, is
6 amended to read:

7 175.201 Death prior to retirement; refunds of
8 contributions; death benefits.--For any municipality, special
9 fire control district, chapter plan, local law municipality,
10 local law special fire control district, or local law plan
11 under this chapter:

12 (1) If a firefighter dies before being eligible to
13 retire ~~under the provisions of this act~~, the heirs, legatees,
14 beneficiaries, or personal representatives of such deceased
15 firefighter shall be entitled to a refund of 100 percent,
16 without interest, of the contributions made to the
17 firefighters' pension trust fund by such deceased firefighter
18 or, in the event an annuity or life insurance contract has
19 been purchased by the board of trustees on such firefighter,
20 then to the death benefits available under such life insurance
21 or annuity contract subject to the limitations on such death
22 benefits set forth in s. 175.081, whichever amount is greater.

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

28
29 In the event that the death benefit paid by a life insurance
30 company exceeds the limit set forth in s. 175.081, the excess
31 of the death benefit over the limit shall be paid to the

1 firefighters' pension trust fund. However, death ~~the~~ benefits
2 ~~as~~ provided pursuant to in s. 112.191 or any other state or
3 federal law shall not be included in the calculation of ~~as~~
4 death or retirement benefits provided under this the
5 ~~provisions of chapter 86-41, Laws of Florida.~~

6 Section 23. Section 175.211, Florida Statutes, is
7 amended to read:

8 175.211 Separation from service; refunds.--For any
9 municipality, special fire control district, chapter plan,
10 local law municipality, local law special fire control
11 district, or local law plan under this chapter:

12 (1) If a firefighter leaves the service of the
13 municipality or special fire control district before
14 accumulating aggregate time of 10 years toward retirement and
15 before being eligible to retire under the provisions of this
16 chapter, the firefighter shall be entitled to a refund of all
17 of his or her contributions made to the firefighters' pension
18 trust fund after July 1, 1963, without interest, less any
19 disability benefits paid to him or her after July 1, 1963.

20 (2) If a firefighter who has been in the service of
21 the municipality or special fire control district for at least
22 10 years ~~and has contributed to the firefighters' pension~~
23 ~~trust fund for at least 10 years~~ elects to leave his or her
24 accrued contributions, if contributions are required, in the
25 firefighters' pension trust fund, such firefighter upon
26 attaining the age of 50 years may retire at the actuarial
27 equivalent of the amount of such retirement income otherwise
28 payable to him or her, as provided in s. 175.162(4), or upon
29 attaining age 55 years may retire as provided in s.
30 175.162(1).

31

1 Section 24. Section 175.221, Florida Statutes, is
2 amended to read:
3 175.221 Lump-sum payment of small retirement
4 income.--For any municipality, special fire control district,
5 chapter plan, local law municipality, local law special fire
6 control district, or local law plan under this chapter,
7 notwithstanding any provisions of the plan to the contrary, if
8 the monthly retirement income payable to any person entitled
9 to benefits hereunder is less than ~~\$100~~^{\$30}, or if the
10 single-sum value of the accrued retirement income is less than
11 ~~\$5,000~~^{\$750}, as of the date of retirement or termination of
12 service, whichever is applicable, the board of trustees, in
13 the exercise of its discretion, may specify that the actuarial
14 equivalent of such retirement income be paid in a lump sum.

15 Section 25. Section 175.231, Florida Statutes, is
16 amended to read:
17 175.231 Diseases of firefighters suffered in line of
18 duty; presumption.--For any municipality, special fire control
19 district, chapter plan, local law municipality, local law
20 special fire control district, or local law plan under this
21 chapter, any condition or impairment of health of a
22 firefighter caused by tuberculosis, hypertension, or heart
23 disease resulting in total or partial disability or death
24 shall be presumed to have been accidental and suffered in the
25 line of duty unless the contrary is shown by competent
26 evidence, provided ~~that~~, such firefighter shall have
27 successfully passed a physical examination before entering
28 into such service, which examination failed to reveal any
29 evidence of such condition. This section shall be applicable
30 to all firefighters ~~employed in Florida~~ only with reference to
31 pension and retirement benefits under this chapter.

1 Section 26. Section 175.241, Florida Statutes, is
2 amended to read:

3 175.241 Exemption from execution.--For any
4 municipality, special fire control district, chapter plan,
5 local law municipality, local law special fire control
6 district, or local law plan under this chapter,the pensions,
7 annuities, or other benefits accrued or accruing to any person
8 under any chapter plan or local law plan under the provisions
9 of this chapter act and the accumulated contributions and the
10 cash securities in the funds created under this chapter act
11 are hereby exempted from any state, county, or municipal tax
12 and shall not be subject to execution or attachment or to any
13 legal process whatsoever, and shall be unassignable.

14 Section 27. Section 175.251, Florida Statutes, is
15 repealed.

16 Section 28. Section 175.261, Florida Statutes, is
17 amended to read:

18 175.261 Annual report to Division of Retirement;
19 actuarial valuations reports.--For any municipality, special
20 fire control district, chapter plan, local law municipality,
21 local law special fire control district, or local law plan
22 under this chapter, the board of trustees for every chapter
23 plan and local law plan shall submit the following reports to
24 the division:

25 (1) With respect to chapter plans:

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

30
31

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

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

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

22 4.(d) A statement of the amount the municipality or
23 special fire control district, or other income source, has
24 contributed to the retirement fund for the most recent plan
25 ~~fiscal~~ year and the amount the municipality or special fire
26 control district will contribute to the retirement fund during
27 its current plan fiscal year.

28 5.(e) If any benefits are insured with a commercial
29 insurance company, the report should include a statement of
30 the relationship of the insured benefits to the benefits
31 provided by this chapter as well as the name of the insurer

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

4 (b)(2) In addition to annual reports provided under
5 paragraph (a), by February 1 of each triennial year, an
6 actuarial valuation of the chapter plan must be made by the
7 division at least once every 3 years, as provided in s.
8 112.63, commencing 3 years from the last actuarial valuation
9 of the plan or system for existing plans, or commencing 3
10 years from issuance of the initial actuarial impact statement
11 submitted under s. 112.63 for newly created plans.~~beginning~~
12 ~~with February 1, 1986, and at least every 3 years commencing~~
13 ~~from the last actuarial report of the plan or system or from~~
14 ~~February 1, 1987, if no actuarial report has been issued~~
15 ~~within the 3-year period prior to February 1, 1986,~~To that
16 end, the chair of the board of trustees for each firefighters'
17 pension trust fund operating under a chapter plan shall report
18 to the division such data as ~~that~~ it needs to complete an
19 actuarial valuation of each fund. The forms for each
20 municipality and special fire control district shall be
21 supplied by the division. The expense of this actuarial
22 valuation shall be borne by the firefighters' pension trust
23 fund established by ss. 175.041 and 175.121. The requirements
24 of this section are supplemental to the actuarial valuations
25 necessary to comply with ss. 11.45 and 218.32.

26 (2) With respect to local law plans:

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

- 1 1. A certified copy of each and every instrument
2 constituting or evidencing the plan. This includes the formal
3 plan, including all amendments, the trust agreement, copies of
4 all insurance contracts, and formal announcement material.
- 5 2. An independent audit by a certified public
6 accountant if the fund has \$250,000 or more in assets, or a
7 certified statement of accounting if the fund has less than
8 \$250,000 in assets, for the most recent plan year, showing a
9 detailed listing of assets and a statement of all income and
10 disbursements during the year. Such income and disbursements
11 must be reconciled with the assets at the beginning and end of
12 the year.
- 13 3. A certified statement listing the investments of
14 the plan and a description of the methods used in valuing the
15 investments.
- 16 4. A statistical exhibit showing the total number of
17 firefighters, the number included in the plan, and the number
18 ineligible classified according to the reasons for their being
19 ineligible, and the number of disabled and retired
20 firefighters and their beneficiaries receiving pension
21 payments and the amounts of annual retirement income or
22 pension payments being received by them.
- 23 5. A certified statement describing the methods,
24 factors, and actuarial assumptions used in determining the
25 cost.
- 26 6. A certified statement by an enrolled actuary
27 showing the results of the latest actuarial valuation of the
28 plan and a copy of the detailed worksheets showing the
29 computations used in arriving at the results.
- 30 7. A statement of the amount the municipality or
31 special fire control district, or other income source, has

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

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

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

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

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

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

31

1 Section 29. Section 175.291, Florida Statutes, is
2 repealed.

3 Section 30. Section 175.301, Florida Statutes, is
4 amended to read:

5 175.301 Depository for pension funds.--For any
6 municipality, special fire control district, chapter plan,
7 local law municipality, local law special fire control
8 district, or local law plan under this chapter, all funds and
9 securities of the firefighters' pension trust fund of any
10 chapter plan or local law plan under this chapter may be
11 deposited by the board of trustees with the treasurer of the
12 municipality or special fire control district, acting in a
13 ministerial capacity only, who shall be liable in the same
14 manner and to the same extent as he or she is liable for the
15 safekeeping of funds for the municipality or special fire
16 control district. However, any funds ~~and securities~~ so
17 deposited with the treasurer of the municipality or special
18 fire control district shall be kept in a separate fund by the
19 treasurer or clearly identified as such funds ~~and securities~~
20 of the firefighters' pension trust fund. In lieu thereof, the
21 board of trustees shall deposit the funds ~~and securities~~ of
22 the firefighters' pension trust fund in a qualified public
23 depository as defined in s. 280.02, which depository with
24 regard to such funds ~~and securities~~ shall conform to and be
25 bound by all of the provisions of chapter 280.

26 Section 31. Section 175.311, Florida Statutes, is
27 amended to read:

28 175.311 Municipalities, special fire control
29 districts, and boards independent of each other.--In the
30 enforcement and ~~in the~~ interpretation of the provisions of
31 this chapter 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, each municipality and each special fire control
4 district shall be independent of any other municipality or
5 special fire control district, and the board of trustees of
6 the firefighters' pension trust fund of each municipality and
7 each special fire control district shall function for the
8 municipality or special fire control district that ~~which~~ it
9 serves as trustee. Each board of trustees shall be
10 independent of the municipality or special fire control
11 district for which it serves as board of trustees to the
12 extent required to accomplish the intent, requirements, and
13 responsibilities provided for in this chapter.

14 Section 32. Section 175.321, Florida Statutes, is
15 repealed.

16 Section 33. Section 175.331, Florida Statutes, is
17 repealed.

18 Section 34. Section 175.333, Florida Statutes, is
19 amended to read:

20 175.333 Discrimination in benefit formula prohibited;
21 restrictions regarding designation of joint annuitants.--For
22 any 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) No plan established under the provisions of this
26 chapter and participating in the distribution of premium tax
27 moneys as provided in this chapter shall discriminate in its
28 benefit formula based on color, national origin, sex, or
29 marital status. ~~however,~~

30 (2)(a) If a plan offers a joint annuitant option and
31 the member selects such option, or if a the plan specifies

1 that the member's spouse is to receive the benefits that ~~which~~
2 continue to be payable upon the death of the member, then, in
3 both of these cases, after retirement ~~the~~ benefits have
4 commenced, a retired member may change his or her designation
5 of joint annuitant or beneficiary only twice.

6 (b) Any ~~if said~~ retired member who desires to change
7 his or her joint annuitant or beneficiary, ~~the member~~ shall
8 file with the board of trustees of his or her plan a notarized
9 notice of such change either by registered letter or on such a
10 form as is provided by the administrator of the plan. Upon
11 receipt of a completed change of joint annuitant form or such
12 other notice, the board of trustees shall adjust the member's
13 monthly benefit by the application of actuarial tables and
14 calculations developed to ensure that the benefit paid is the
15 actuarial equivalent of the present value of the member's
16 current benefit. Nothing herein shall preclude a plan from
17 actuarially adjusting benefits or offering options based upon
18 sex, age, early retirement, or disability.

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

- 23 1. Length of service and compensation; or
24 2. Length of service.

25 Section 35. Section 175.341, Florida Statutes, is
26 amended to read:

27 175.341 Duties of Division of Retirement; rulemaking
28 authority; investments by the State Board of Administration.--

29 (1) The division shall be responsible for the daily
30 oversight and monitoring for actuarial soundness of the
31 firefighters' pension plans, whether chapter or local law

1 plans, established under this chapter, for receiving and
2 holding the premium tax moneys collected under this chapter,
3 and, upon determining compliance with the provisions of this
4 chapter, for disbursing those moneys to the firefighters'
5 pension plans. The funds necessary to pay expenses for such
6 administration shall be annually appropriated from the
7 interest and investment income earned on moneys deposited in
8 the trust fund.

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

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

17 Section 36. Section 175.351, Florida Statutes, is
18 amended to read:

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

21 175.351 Municipalities and special fire control
22 districts having their own pension plans for
23 firefighters.--For any municipality, special fire control
24 district, local law municipality, local law special fire
25 control district, or local law plan under this chapter, in
26 order for municipalities and special fire control districts
27 with their own pension plans for firefighters, or for
28 firefighters and police officers, where included, to
29 participate in the distribution of the tax fund established
30 pursuant to s. 175.101, local law plans must meet the minimum
31 benefits and minimum standards set forth in this chapter.

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

8 (a) Place the income from the premium tax in s.
9 175.101 in such pension plan for the sole and exclusive use of
10 its firefighters, or for firefighters and police officers,
11 where included, where it shall become an integral part of that
12 pension plan and shall be used to pay extra benefits to the
13 firefighters included in that pension plan; or

14 (b) Place the income from the premium tax in s.
15 175.101 in a separate supplemental plan to pay extra benefits
16 to firefighters, or to firefighters and police officers where
17 included, participating in such separate supplemental plan.

18
19 Anything to the contrary notwithstanding, the premium tax
20 provided by this chapter shall in all cases be used in its
21 entirety to provide extra benefits to firefighters, or to
22 firefighters and police officers where included. For purposes
23 of this chapter, the term "extra benefits" means benefits in
24 addition to or greater than those provided to general
25 employees of the municipality.

26 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No
27 retirement plan or amendment to a retirement plan shall be
28 proposed for adoption unless the proposed plan or amendment
29 contains an actuarial estimate of the costs involved. No such
30 proposed plan or proposed plan change shall be adopted without
31 the approval of the municipality, special fire control

1 district, or, where permitted, the Legislature. Copies of the
2 proposed plan or proposed plan change and the actuarial impact
3 statement of the proposed plan or proposed plan change shall
4 be furnished to the division prior to the last public hearing
5 thereon. Such statement shall also indicate whether the
6 proposed plan or proposed plan change is in compliance with s.
7 14, Art. X of the State Constitution and those provisions of
8 part VII of chapter 112 which are not expressly provided in
9 this chapter. Notwithstanding any other provision, only those
10 local law plans created by Special Act of legislation prior to
11 May 23, 1939, shall be deemed to meet the minimum benefits and
12 minimum standards only in this chapter.

13 (3) Notwithstanding any other provision, with respect
14 to any supplemental plan municipality:

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

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

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

26 (4) The retirement plan setting forth the benefits and
27 the trust agreement, if any, covering the duties and
28 responsibilities of the trustees and the regulations of the
29 investment of funds must be in writing, and copies thereof
30 must be made available to the participants and to the general
31 public.

1 Section 37. Section 175.361, Florida Statutes, is
2 amended to read:

3 175.361 Termination of plan and distribution of
4 fund.--For any municipality, special fire control district,
5 chapter plan, local law municipality, local law special fire
6 control district, or local law plan under this chapter, the
7 plan may be terminated by the municipality or special fire
8 control district. Upon termination of the plan by the
9 municipality or special fire control district for any reason
10 or because of a transfer, merger, or consolidation of
11 governmental units, services, or functions as provided in
12 chapter 121, or upon written notice by the municipality or
13 special fire control district to the board of trustees that
14 contributions under the plan are being permanently
15 discontinued, the rights of all employees to benefits accrued
16 to the date of such termination and the amounts credited to
17 the employees' accounts are nonforfeitable.The fund shall be
18 apportioned and distributed in accordance with the following
19 procedures:

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

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

29 (3) The board of trustees shall apportion the asset
30 value as of the date of termination in the manner set forth in
31 this subsection, on the basis that the amount required to

1 provide any given retirement income shall mean the actuarially
2 computed single-sum value of such retirement income, except
3 that if the method of distribution determined under subsection
4 (2) involves the purchase of an insured annuity, the amount
5 required to provide the given retirement income shall mean the
6 single premium payable for such annuity.

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

18 (b) If there is any asset value remaining after the
19 apportionment under paragraph (a), apportionment shall next be
20 made in respect of each firefighter in the service of the
21 municipality or special fire control district on such date who
22 has completed at least 10 years of credited service, in who
23 ~~has contributed to~~ the firefighters' pension trust fund for at
24 least 10 years, and who is not entitled to an apportionment
25 under paragraph (a), in the amount required to provide the
26 actuarial equivalent of the accrued normal retirement income,
27 based on the firefighter's credited service and earnings to
28 such date, and each former participant then entitled to a
29 benefit under the provisions of s. 175.211 who has not by such
30 date reached his or her normal retirement date, in the amount
31 required to provide the actuarial equivalent of the accrued

1 normal retirement income to which he or she is entitled under
2 s. 175.211; provided that, if such remaining asset value is
3 less than the aggregate of the amounts apportioned hereunder,
4 such latter amounts shall be proportionately reduced so that
5 the aggregate of such reduced amounts will be equal to such
6 remaining asset value.

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

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

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

1
2 If, after a period of 24 months after the date on which the
3 plan terminated or the date on which the board received
4 written notice that the contributions thereunder were being
5 permanently discontinued, the municipality or special fire
6 control district or the board of trustees of the firefighters'
7 pension trust fund affected has not complied with all the
8 provisions in this section, the division shall effect the
9 termination of the fund in accordance with this section.

10 Section 38. Section 175.371, Florida Statutes, is
11 amended to read:

12 175.371 Transfer to another state retirement system;
13 benefits payable.--For any municipality, special fire control
14 district, chapter plan, local law municipality, local law
15 special fire control district, or local law plan under this
16 chapter:

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

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

1 chapter, the plan created pursuant to this chapter shall
2 continue to receive state premium tax moneys ~~remain in effect~~
3 until fully funded. "Fully funded" means that the present
4 value of all benefits, accrued and projected, is less than the
5 available assets and the present value of future member
6 contributions and future plan sponsor contributions on an
7 actuarial entry age cost funding basis. The plan shall remain
8 in effect until the last active participant has terminated and
9 shall then be terminated in accordance with s. 175.361.

10 Section 39. Section 175.381, Florida Statutes, is
11 amended to read:

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

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

30 Section 40. Section 175.391, Florida Statutes, is
31 repealed.

1 Section 41. Section 175.401, Florida Statutes, is
2 amended to read:

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

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

23 (2) RETIREE HEALTH INSURANCE SUBSIDY TRUST FUNDS;
24 ESTABLISHMENT AND TERMINATION.--

25 (a) Any municipality or special fire control district
26 having a firefighters' pension trust fund system or plan as
27 provided under this chapter may, in its discretion, establish
28 by ordinance or resolution, as appropriate, a trust fund to be
29 known as the firefighters' retiree health insurance subsidy
30 trust fund. This fund may be a separate account established
31 for such purpose in the existing firefighters' pension fund,

1 provided that all funds deposited in such account are
2 segregated from, and not commingled with, pension funds or
3 other public moneys and that the account otherwise conforms to
4 the requirements of subsection (8). The trust fund shall be
5 used to account for all moneys received and disbursed pursuant
6 to this section.

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

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

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

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

29 (b) By no less than one-half of 1 percent of the base
30 salary of each firefighter, for so long as the firefighter is
31 employed and covered by a pension plan established pursuant to

1 this chapter. The municipality or special fire control
2 district, with approval of the board of trustees, may increase
3 member contributions if needed to fund benefits greater than
4 the minimums established in this section.

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

9
10 Such contributions and payments shall be submitted to the
11 board of trustees of the firefighters' pension trust fund, or
12 the plan trustees in the case of local law plans established
13 under s. 175.351, and deposited in the firefighters' retiree
14 health insurance subsidy trust fund, in the same manner and
15 subject to the same time constraints as provided under s.
16 175.131.

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

1 certified in writing to the board of trustees of the
2 firefighters' pension trust fund.

3 (5) RETIREE HEALTH INSURANCE SUBSIDY
4 AMOUNT.--Beginning on the effective date established in the
5 implementing ordinance or resolution, each eligible retiree,
6 or beneficiary who is a spouse or financial dependent thereof,
7 shall receive a monthly retiree health insurance subsidy
8 payment equal to the aggregate number of years of service, as
9 defined in s. 175.032, completed at the time of retirement
10 multiplied by an amount determined in the implementing
11 ordinance or resolution, 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 or resolution, a cap of no less than 30 years upon the number
15 of years' service for which credit will be given toward a
16 health 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 or resolution, any monthly retiree
20 health insurance subsidy amount due and payable under this
21 section shall be paid to retired members, or their eligible
22 beneficiaries, by the board of trustees of the firefighters'
23 pension trust fund, or the plan trustees in the case of local
24 law plans established under s. 175.351, in the same manner as
25 provided by s. 175.071(1)(c) for drafts upon the pension fund.

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

1 hereunder to the investment of firefighters' pension funds
2 under s. 175.071.

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

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

1 was eligible to make such contributions, may, in his or her
2 discretion, elect to leave his or her accrued contributions in
3 the fund, whereupon, such firefighter shall, upon retiring and
4 commencing to draw retirement benefits, receive a health
5 insurance subsidy based upon his or her aggregate number of
6 years of service, as defined in s. 175.032.

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

13 (a) As part of its administrative duties, no less
14 frequently than every 3 years, the board shall have an
15 actuarial valuation of the firefighters' retiree health
16 insurance subsidy trust fund prepared as provided in s. 112.63
17 by an enrolled actuary, covering the same reporting period or
18 plan year used for the firefighters' pension plan, and shall
19 submit a report of the valuation, including actuarial
20 assumptions and type and basis of funding, 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 or special fire control district~~, showing a
28 detailed listing of assets and methods used to value them and
29 a statement of all income and disbursements during the year.
30 Such income and disbursements shall be reconciled with the
31 assets at the beginning of and 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 firefighters' retiree health insurance subsidy
9 program only to participants in the program or their
10 beneficiaries. Such subsidy payments shall not be subject to
11 assignment, execution, or attachment or to any legal process
12 whatsoever, and shall be in addition to any other benefits to
13 which eligible recipients are entitled under any workers'
14 compensation law, pension law, collective bargaining
15 agreement, municipal or county ordinance, or any other state
16 or federal statute.

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

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

3 185.01 Legislative declaration.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 Section 45. Section 185.04, Florida Statutes, is
23 amended to read:

24 185.04 Actuarial deficits not state obligations.--For
25 any municipality, chapter plan, local law municipality, or
26 local law plan under this chapter, actuarial deficits, if any,
27 arising under this chapter are ~~shall~~ not ~~be~~ the obligation of
28 the state.

29 Section 46. Section 185.05, Florida Statutes, is
30 amended to read:

31

1 185.05 Board of trustees; members, terms of office;
2 meetings; legal entity; costs; attorney's fees.--For any
3 municipality, chapter plan, local law municipality, or local
4 law plan under this chapter:

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

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

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

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

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

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

30 3. Any board of trustees operating a local law plan on
31 July 1, 1998, which is combined with a plan for general

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

18
19 With respect to any board of trustees operating a local law
20 plan on June 30, 1986, nothing in this paragraph shall permit
21 the reduction of the membership percentage of police officers
22 or police officers and firefighters.

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

29 (3) The board of trustees shall meet at least
30 quarterly each year.

31

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

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

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

13 Section 47. Section 185.06, Florida Statutes, is
14 amended to read:

15 185.06 General powers and duties of board of
16 trustees.--For any municipality, chapter plan, local law
17 municipality, or local law plan under this chapter:

18 (1) The board of trustees may:

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

26 (b) Invest and reinvest the assets of the retirement
27 trust fund in:

28 1. Time or savings accounts of a national bank, a
29 state bank insured by the Bank Insurance Fund ~~Federal Deposit~~
30 ~~Insurance Corporation~~, or a savings and loan association
31 insured by the Savings Association Insurance Fund which are

1 administered by the Federal Deposit Insurance Corporation or a
2 state or federal chartered Credit Union whose share accounts
3 are insured by the National Credit Union Share Insurance Fund
4 ~~Federal Savings and Loan Insurance Corporation.~~

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

7 3. Bonds issued by the State of Israel.

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

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

16 b. The board of trustees shall not invest more than 5
17 percent of its assets in the common stock or capital stock of
18 any one issuing company, nor shall the aggregate investment in
19 any one issuing company exceed 5 percent of the outstanding
20 capital stock of the company or the aggregate of its
21 investments under this subparagraph at cost exceed 50 ~~30~~
22 percent of the fund's assets.

23
24 This paragraph shall apply to all boards of trustees and
25 participants. However, in the event that a municipality has a
26 duly enacted pension plan pursuant to, and in compliance with,
27 s. 185.35 and the trustees thereof desire to vary the
28 investment procedures herein, the trustees of such plan shall
29 request a variance of the investment procedures as outlined
30 herein only through a municipal ordinance or special act of
31 the Legislature; where a special act, or a municipality by

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

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

19 (d) Finally decide all claims to relief under the
20 board's rules and regulations and pursuant to the provisions
21 of this act.

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

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

25 (2) Any and all acts and decisions shall be
26 effectuated by vote of a majority of the ~~at least three~~
27 members of the board; however, no trustee shall take part in
28 any action in connection with his or her own participation in
29 the fund, and no unfair discrimination shall be shown to any
30 individual employee participating in the fund.
31

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

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

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

1 ~~of general circulation in the municipality at least 10 days~~
2 ~~prior to the date of the hearing.~~

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

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

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

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

14 4. Has 3 or more years of experience working in the
15 public sector.

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

19 (a) Employ independent legal counsel at the pension
20 fund's expense.

21 (b) Employ an independent actuary, as defined in s.
22 185.02(7), at the pension fund's expense.

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

26
27 If the board chooses to use the city's or special district's
28 legal counsel or actuary, or chooses to use any of the city's
29 other professional, technical, or other advisers, it shall do
30 so only under terms and conditions acceptable to the board.
31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30
31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

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

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

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

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

1 Premium Tax Trust Fund. The warrants of the Comptroller shall
2 be payable to the respective municipalities entitled to
3 receive them and shall be remitted annually by the division to
4 the respective municipalities. In lieu thereof, the
5 municipality may provide authorization to the division for the
6 direct payment of the premium tax to the board of trustees.

7 In order for a municipality and its retirement fund to
8 participate in the distribution of premium tax moneys under
9 this chapter, all the provisions shall be complied with
10 annually, including state acceptance pursuant to part VII of
11 chapter 112.

12 Section 53. Section 185.11, Florida Statutes, is
13 amended to read:

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

1 Section 54. Section 185.12, Florida Statutes, is
2 amended to read:

3 185.12 Payment of excise tax credit on similar state
4 excise or license tax.--The tax herein authorized shall in
5 nowise be additional to the similar state excise or license
6 tax imposed by part IV, chapter 624, but the payor of the tax
7 hereby authorized shall receive credit therefor on his or her
8 ~~said~~ state excise or license tax and the balance of said state
9 excise or license tax shall be paid to the Department of
10 Revenue Insurance Commissioner and Treasurer as is now
11 provided by law.

12 Section 55. Section 185.13, Florida Statutes, is
13 amended to read:

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

30 Section 56. Section 185.14, Florida Statutes, is
31 repealed.

1 Section 57. Section 185.15, Florida Statutes, is
2 repealed.

3 Section 58. Section 185.16, Florida Statutes, is
4 amended to read:

5 185.16 Requirements for retirement.--For any
6 municipality, chapter plan, local law municipality, or local
7 law plan under this chapter,any police officer who completes
8 10 or more years of creditable service as a police officer and
9 attains age 55, or completes 25 years of creditable service as
10 a police officer and attains age 52, and for such period has
11 been a member of the retirement fund is eligible for normal
12 retirement benefits. Normal retirement under the plan is
13 retirement from the service of the city on or after the normal
14 retirement date. In such event, for chapter plans and local
15 law plans,payment of retirement income will be governed by
16 the following provisions of this section:

17 (1) The normal retirement date of each police officer
18 will be the first day of the month coincident with or next
19 following the date on which the police officer has completed
20 10 or more years of creditable service and attained age 55 or
21 completed 25 years of creditable service and attained age 52.
22 ~~A police officer who retires after his or her normal~~
23 ~~retirement date will upon actual retirement be entitled to~~
24 ~~receive the same amount of monthly retirement income that the~~
25 ~~police officer would have received had he or she retired on~~
26 ~~his or her normal retirement date.~~

27 (2) The amount of the monthly retirement income
28 payable to a police officer who retires on or after his or her
29 normal retirement date shall be an amount equal to the number
30 of the police officer's years of credited service multiplied
31 by 2 percent of his or her average final compensation.

1 However, if current state contributions pursuant to this
2 chapter are not adequate to fund the additional benefits to
3 meet the minimum requirements in this chapter, only increment
4 increases shall be required as state moneys are adequate to
5 provide. Such increments shall be provided as state moneys
6 become available. ~~The retirement income will be reduced for~~
7 ~~moneys received under the disability provisions of this~~
8 ~~chapter.~~

9 (3) The monthly retirement income payable in the event
10 of normal retirement will be payable on the first day of each
11 month. The first payment will be made on the police officer's
12 normal retirement date, or on the first day of the month
13 coincident with or next following the police officer's actual
14 retirement, if later, and the last payment will be the payment
15 due next preceding the police officer's death; except that, in
16 the event the police officer dies after retirement but before
17 receiving retirement benefits for a period of 10 years, the
18 same monthly benefit will be paid to the beneficiary (or
19 beneficiaries) as designated by the police officer for the
20 balance of such 10-year period, or, if no beneficiary is
21 designated, to the ~~surviving spouse, descendants, heirs at~~
22 ~~law, or~~ estate of the police officer, as provided in s.
23 185.162. If a police officer continues in the service of the
24 city beyond his or her normal retirement date and dies prior
25 to the date of actual retirement, without an option made
26 pursuant to s. 185.161 being in effect, monthly retirement
27 income payments will be made for a period of 10 years to a
28 beneficiary (or beneficiaries) designated by the police
29 officer as if the police officer had retired on the date on
30 which death occurred, or, if no beneficiary is designated, to
31

1 the ~~surviving spouse, descendants, heirs at law, or estate of~~
2 the police officer, as provided in s. 185.162.

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

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

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

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

1 early retirement date and the last payment will be the payment
2 due next preceding the retired police officer's death; except
3 that, in the event the police officer dies before receiving
4 retirement benefits for a period of 10 years, the same monthly
5 benefit will be paid to the beneficiary designated by the
6 police officer for the balance of such 10-year period, or, if
7 no designated beneficiary is surviving, the same monthly
8 benefit for the balance of such 10-year period shall be
9 payable as provided in s. 185.162.

10 Section 59. Section 185.161, Florida Statutes, is
11 amended to read:

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

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

- 27 1. A retirement income of larger monthly amount,
28 payable to the police officer for his or her lifetime only.
29 2. A retirement income of a modified monthly amount,
30 payable to the police officer during the joint lifetime of the
31 police officer and a joint pensioner designated by the police

1 officer, and following the death of either of them, 100
2 percent, 75 percent, ~~66 2/3~~ percent, or 50 percent of such
3 monthly amount payable to the survivor for the lifetime of the
4 survivor.

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

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

1 the police officer. Each such designation will be made in
2 writing on a form prepared by the board of trustees, and on
3 completion will be filed with the board of trustees. In the
4 event that no designated beneficiary survives the police
5 officer, such benefits as are payable in the event of the
6 death of the police officer subsequent to his or her
7 retirement shall be paid as provided in s. 185.162.

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

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

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

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

1 value of the remaining payments be paid in a lump sum and in
2 accordance with s. 185.162.

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

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

16 Section 60. Section 185.162, Florida Statutes, is
17 amended to read:

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

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

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

1 ~~name a beneficiary in the manner above prescribed, or if the~~
2 ~~beneficiary (or beneficiaries) named by a deceased police~~
3 ~~officer predeceases the police officer, the death benefit, if~~
4 any, which may be payable under the plan with respect to such
5 deceased police officer shall ~~may~~ be paid by, ~~in the~~
6 ~~discretion of the board of trustees, either to:~~

7 ~~(a) Any one or more of the persons comprising the~~
8 ~~group consisting of the police officer's spouse, the police~~
9 ~~officer's descendants, the police officer's parents, or the~~
10 ~~police officer's heirs at law, and the board of trustees may~~
11 ~~pay the entire benefit to any member of such group or~~
12 ~~apportion such benefit among any two or more of them in such~~
13 ~~shares as the board of trustees, in its sole discretion, shall~~
14 ~~determine, or~~

15 ~~(b) the estate of such deceased police officer,~~
16 provided that in any of such cases the board of trustees, in
17 its discretion, may direct that the commuted value of the
18 remaining monthly income payments be paid in a lump sum. Any
19 payment made to any person pursuant to this subsection ~~the~~
20 ~~power and discretion conferred upon the board of trustees by~~
21 ~~the preceding sentence~~ shall operate as a complete discharge
22 of all obligations under the plan with regard to such deceased
23 police officer and shall not be subject to review by anyone,
24 but shall be final, binding and conclusive on all persons ever
25 interested hereunder.

26 (3) Notwithstanding any other provision of law to the
27 contrary, the surviving spouse of any pension participant
28 member killed in the line of duty shall not lose survivor
29 retirement benefits if the spouse remarries. The surviving
30 spouse of such deceased member whose benefit terminated
31 because of remarriage shall have the benefit reinstated as of

1 July 1, 1994, at an amount that would have been payable had
2 such benefit not been terminated. ~~This paragraph shall apply~~
3 ~~to all municipalities which receive state excise tax moneys as~~
4 ~~provided in s. 185.08.~~

5 Section 61. Section 185.18, Florida Statutes, is
6 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

18 ~~(b)~~ The last payment will be +

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

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (1) With respect to chapter plans:

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

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

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

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

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

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

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

1 about the insurer, basis of premium rates and mortality table,
2 interest rate and method used in valuing retirement benefits.
3 (b)(2) In addition to annual reports provided under
4 paragraph (a), by February 1 of each triennial year, an
5 actuarial valuation of the chapter plan must be made by the
6 division at least once every 3 years, as provided in s.
7 112.63, commencing 3 years from the last actuarial valuation
8 of the plan or system for existing plans, or commencing 3
9 years from the issuance of the initial actuarial impact
10 statement submitted under s. 112.63 for newly created plans.
11 ~~To that end By February 1 of each triennial year beginning~~
12 ~~with February 1, 1986, and at least every 3 years commencing~~
13 ~~from the last actuarial report of the plan or system or from~~
14 ~~February 1, 1987, if no actuarial report has been issued~~
15 ~~within the 3-year period prior to February 1, 1986, the chair~~
16 ~~of the board of trustees for each municipal police officers'~~
17 ~~retirement trust fund operating under a chapter plan shall~~
18 ~~report to the division such data as that the division needs to~~
19 ~~complete an actuarial valuation of each fund. The forms for~~
20 ~~each municipality shall be supplied by the division. The~~
21 ~~expense of the actuarial valuation shall be borne by the~~
22 ~~municipal police officers' retirement trust fund established~~
23 ~~by s. 185.10. The requirements of this section are~~
24 ~~supplemental to the actuarial valuations necessary to comply~~
25 ~~with ss. 11.45 and 218.32.~~
26 (2) With respect to local law plans:
27 (a) Each year, on or before March 15, the trustees of
28 the retirement plan shall submit the following information to
29 the division in order for the retirement plan of such
30 municipality to receive a share of the state funds for the
31 then-current calendar year:

- 1 1. A certified copy of each and every instrument
2 constituting or evidencing the plan. This includes the formal
3 plan, including all amendments, the trust agreement, copies of
4 all insurance contracts, and formal announcement materials.
- 5 2. An independent audit by a certified public
6 accountant if the fund has \$250,000 or more in assets, or a
7 certified statement of accounting if the fund has less than
8 \$250,000 in assets, for the most recent plan year, showing a
9 detailed listing of assets and a statement of all income and
10 disbursements during the year. Such income and disbursements
11 must be reconciled with the assets at the beginning and end of
12 the year.
- 13 3. A certified statement listing the investments of
14 the plan and a description of the methods used in valuing the
15 investments.
- 16 4. A statistical exhibit showing the total number of
17 police officers, the number included in the plan, and the
18 number ineligible classified according to the reasons for
19 their being ineligible, and the number of disabled and retired
20 police officers and their beneficiaries receiving pension
21 payments and the amounts of annual retirement income or
22 pension payments being received by them.
- 23 5. A certified statement describing the methods,
24 factors, and actuarial assumptions used in determining the
25 cost.
- 26 6. A certified statement by an enrolled actuary
27 showing the results of the latest actuarial valuation of the
28 plan and a copy of the detailed worksheets showing the
29 computations used in arriving at the results.
- 30 7. A statement of the amount the municipality, or
31 other income source, has contributed toward the plan for the

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

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

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

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

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

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

31

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (3) Eligibility for coverage under the plan must be
7 based upon length of service, or attained age, or both, and
8 benefits must be determined by a nondiscriminatory formula
9 based upon:

- 10 1. Length of service and compensation; or
11 2. Length of service.

12 Section 76. Section 185.35, Florida Statutes, is
13 amended to read:

14 185.35 Municipalities having their own pension plans
15 for police officers.--For any municipality, chapter plan,
16 local law municipality, or local law plan under this chapter,
17 ~~(1)~~ in order for municipalities with their own pension
18 plans for police officers or for police officers, and
19 firefighters where included, other employees to participate in
20 the distribution of the tax fund established pursuant to s.in
21 ~~ss. 185.07, 185.08, local law plans and 185.09, their~~
22 retirement funds must meet the minimum benefits and minimum
23 standards set forth in this chapter ~~each of the following~~
24 ~~standards:~~

25 (1) PREMIUM TAX INCOME.--If a municipality has a
26 pension plan for police officers, or for police officers and
27 firefighters where included, which, in the opinion of the
28 division, meets the minimum benefits and minimum standards set
29 forth in this chapter, the board of trustees of the pension
30 plan, as approved by a majority of police officers of the
31 municipality, may:

1 (a) Place the income from the premium tax in s. 185.08
2 in such pension plan for the sole and exclusive use of its
3 police officers, or its police officers and firefighters where
4 included, where it shall become an integral part of that
5 pension plan and shall be used to pay extra benefits to the
6 police officers included in that pension plan; or

7 (b) May place the income from the premium tax in s.
8 185.08 in a separate supplemental plan to pay extra benefits
9 to the police officers, or police officers and firefighters
10 where included, participating in such separate supplemental
11 plan.

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

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, only those local law
15 plans created by Special Act of legislation prior to May 23,
16 1939, shall be deemed to meet the minimum benefits and minimum
17 standards only in 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 paragraphs (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 77. Section 185.36, Florida Statutes, is
15 repealed.

16 Section 78. 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 79. 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 80. 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 81. Section 185.40, Florida Statutes, is
10 repealed.

11 Section 82. 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 83. This act shall take effect October 1 of
31 the year in which enacted.