

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; creating ss. 175.411 and 185.60, F.S.;
3 providing for optional participation; providing
4 an effective date.

5

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

7

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

10 175.021 Legislative declaration.--

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

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

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

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

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

25 175.032 Definitions.--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, the following words and phrases have the
29 following meanings:

30 (1)(a) "Average final compensation" for a full-time
31 firefighter means one-twelfth of the average annual

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

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

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

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

28 (a) A retirement trust fund or plan may use a
29 definition of salary other than the definition in this
30 subsection but only if the monthly retirement income payable
31 to each firefighter covered by the retirement trust fund or

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

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

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

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

1 account under the plan as in effect on July 1, 1993, which
2 limitation shall be adjusted for changes in the cost of living
3 since 1989 in the manner provided by Internal Revenue Code
4 Section 401(a)(17)(1991).

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

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

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

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

1 resolution, provide for the purchase of credit for military
2 service prior to employment as well as for prior service as a
3 firefighter for some other employer as long as a firefighter
4 is not entitled to receive a benefit for such other prior
5 service as a firefighter.

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

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

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

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

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

1 (6) "Division" means the Division of Retirement of the
2 Department of Management Services.

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

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

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

1 disqualify him or her as a volunteer. A person shall not be
2 disqualified as a volunteer firefighter solely because he or
3 she has other gainful employment. Any person who volunteers
4 assistance at a fire but is not an active member of a
5 department described herein is not a volunteer firefighter
6 within the meaning of this paragraph.

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

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

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

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

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

1 state. "Multiple peril" means a combination or package policy
2 that includes both property and casualty coverage for a single
3 premium.

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

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

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

31

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

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

11 Section 3. Section 175.041, Florida Statutes, is
12 amended to read:

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

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

30 (2) To qualify as a fire department or volunteer fire
31 department or combination thereof under the provisions of this

1 chapter, the department shall own and use apparatus for the
2 fighting of fires that was ~~is~~ in compliance with National Fire
3 Protection Association Standards for Automotive Fire Apparatus
4 at the time of purchase.

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

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

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

27 175.051 Actuarial deficits not state obligation.--For
28 any municipality, special fire control district, chapter plan,
29 local law municipality, local law special fire control
30 district, or local law plan under this chapter, actuarial
31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (1) The board of trustees may:

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

31

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

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

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

15 3. Bonds issued by the State of Israel.

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

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

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

31

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

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

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

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

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

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

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

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

31

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

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

- 20 1. Provides his or her services on a flat-fee basis.
- 21 2. Is not associated in any manner with the money
22 manager for the pension fund.
- 23 3. Makes calculations according to the American
24 Banking Institute method of calculating time-weighted rates of
25 return. All calculations must be made net of fees.
- 26 4. Has 3 or more years of experience working in the
27 public sector.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (b)1. Moneys transferred under paragraph (a) but not
29 needed to support the supplemental compensation program in a
30 given year shall be redistributed pro rata to those
31 participating municipalities and special fire control

1 districts that transfer any portion of their funds to support
2 the supplemental compensation program in that year. Such
3 additional moneys shall be used to cover or offset costs of
4 the retirement plan.

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

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

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

30 Section 13. Section 175.131, Florida Statutes, is
31 amended to read:

1 175.131 Funds received by municipality or special fire
 2 control district; deposit in firefighters' pension trust
 3 fund.--For any municipality, special fire control district,
 4 chapter plan, local law municipality, local law special fire
 5 control district, or local law plan under this chapter,all
 6 state and other funds received by any municipality or special
 7 fire control district under the provisions of this chapter
 8 shall be deposited by such municipality or special fire
 9 control district immediately, and under no circumstances more
 10 than 5 days after receipt, with the board of trustees. In
 11 lieu thereof, the municipality or special fire control
 12 district may provide authorization to the division for the
 13 direct payment of the premium tax to the board of trustees.
 14 The board shall deposit such moneys in the Firefighters'
 15 Pension Trust Fund immediately, and under no circumstances
 16 more than 5 days after receipt. Employee contributions,
 17 however, which are withheld by the employer on behalf of an
 18 employee member shall be deposited immediately after each pay
 19 period with the board of trustees of the firefighters' pension
 20 trust fund ~~at least monthly.~~ Employer contributions shall be
 21 deposited at least quarterly.

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

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

1 to the Department of Revenue ~~Insurance Commissioner and~~
2 ~~Treasurer~~ as is now provided by law.

3 Section 15. Section 175.151, Florida Statutes, is
4 amended to read:

5 175.151 Penalty for failure of insurers to comply with
6 this act.--Should any insurance company, corporation or other
7 insurer fail to comply with the provisions of this act, on or
8 before March 1 of each year as herein provided, the
9 certificate of authority issued to said insurance company,
10 corporation or other insurer to transact business in this
11 state may be canceled and revoked by the Department of
12 Insurance, and it is unlawful for any such insurance company,
13 corporation, or other insurer to transact business thereafter
14 in this state unless such insurance company, corporation, or
15 other insurer shall be granted a new certificate of authority
16 to transact any business in this state, in compliance with
17 provisions of law authorizing such certificate of authority to
18 be issued. The division is responsible for notifying the
19 Department of Insurance regarding any such failure to comply.

20 Section 16. Section 175.152, Florida Statutes, is
21 repealed.

22 Section 17. Section 175.162, Florida Statutes, is
23 amended to read:

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

1 firefighters' pension trust fund operating under a chapter
 2 plan or local law plan, is eligible for normal retirement
 3 benefits. Normal retirement under the plan is retirement from
 4 the service of the municipality or special fire control
 5 district on or after the normal retirement date. In such
 6 event, payment of retirement income will be governed by the
 7 following provisions of this section:

8 (1) The normal retirement date of each firefighter
 9 will be the first day of the month coincident with or next
 10 following the date on which he or she has completed 10 or more
 11 years of creditable service and attained age 55 or completed
 12 25 years of creditable service and attained age 52.

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

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

1 ~~contributing only 3 percent of his or her salary, the~~
2 ~~firefighter's monthly retirement income shall be an amount~~
3 ~~equal to the number of his or her years of credited service~~
4 ~~multiplied by 1.2 percent of his or her average final~~
5 ~~compensation.~~

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

27 (4) Early retirement under the plan is retirement from
28 the service of the municipality or special fire control
29 district, with the consent of the municipality or special fire
30 control district, as of the first day of any calendar month
31 which is prior to the firefighter's normal retirement date but

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

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

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

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

1 ~~within 6 months following the effective date of the plan, if~~
2 ~~later~~), and subject to the approval of the board of trustees,
3 may elect to receive a retirement income or benefit of
4 equivalent actuarial value payable in accordance with one of
5 the following options:

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

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

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

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

1 is alive when the firefighter files with the board of trustees
2 a request for such change.

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

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

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

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

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

1 made in accordance with the provisions of this section or a
2 new beneficiary is designated by the firefighter prior to
3 retirement and within 90 days after the death of the
4 beneficiary.

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

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

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

25 Section 19. Section 175.181, Florida Statutes, is
26 amended to read:

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

31

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

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

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

28 ~~(a) The spouse or dependent children of the~~
29 ~~firefighter; or~~

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

31

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

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

13 175.191 Disability retirement.--For any municipality,
14 special fire control district, chapter plan, local law
15 municipality, local law special fire control district, or
16 local law plan under this chapter:

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

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

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

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

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

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

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

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

30 (5) The benefit ~~benefits~~ payable to a firefighter who
31 retires from the service of a municipality or special fire

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

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

1 (7) If the board of trustees finds that a firefighter
2 who is receiving a disability retirement income is, ~~at any~~
3 ~~time prior to his or her normal retirement date,~~ no longer
4 disabled, as provided herein, the board of trustees shall
5 direct that the disability retirement income be discontinued.
6 "Recovery from disability" as used herein means the ability of
7 the firefighter to render useful and efficient service as a
8 firefighter.

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

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

18 175.195 False, misleading, or fraudulent statements
19 made to obtain public retirement benefits prohibited;
20 penalty.--

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

28 (2)(a) A person who violates subsection (1) commits a
29 misdemeanor of the first degree, punishable as provided in s.
30 775.082 or s. 775.083.

31

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

11 Section 22. Section 175.201, Florida Statutes, is
12 amended to read:

13 175.201 Death prior to retirement; refunds of
14 contributions; death benefits.--For any municipality, special
15 fire control district, chapter plan, local law municipality,
16 local law special fire control district, or local law plan
17 under this chapter:

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

29 (2) If a firefighter having at least 10 years of
30 credited service dies prior to retirement ~~but has at least 10~~
31 years of contributing service, his or her beneficiary is

1 entitled to the benefits otherwise payable to the firefighter
2 at early or normal retirement age.

3
4 In the event that the death benefit paid by a life insurance
5 company exceeds the limit set forth in s. 175.081, the excess
6 of the death benefit over the limit shall be paid to the
7 firefighters' pension trust fund. However, death ~~the~~ benefits
8 ~~as~~ provided pursuant to ~~in~~ s. 112.191 or any other state or
9 federal law shall not be included in the calculation of ~~as~~
10 death or retirement benefits provided under this the
11 ~~provisions of chapter 86-41, Laws of Florida.~~

12 Section 23. Section 175.211, Florida Statutes, is
13 amended to read:

14 175.211 Separation from service; refunds.--For any
15 municipality, special fire control district, chapter plan,
16 local law municipality, local law special fire control
17 district, or local law plan under this chapter:

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

26 (2) If a firefighter who has been in the service of
27 the municipality or special fire control district for at least
28 10 years ~~and has contributed to the firefighters' pension~~
29 ~~trust fund for at least 10 years~~ elects to leave his or her
30 accrued contributions, if contributions are required, in the
31 firefighters' pension trust fund, such firefighter upon

1 attaining the age of 50 years may retire at the actuarial
2 equivalent of the amount of such retirement income otherwise
3 payable to him or her, as provided in s. 175.162(4), or upon
4 attaining age 55 years may retire as provided in s.
5 175.162(1).

6 Section 24. Section 175.221, Florida Statutes, is
7 amended to read:

8 175.221 Lump-sum payment of small retirement
9 income.--For any municipality, special fire control district,
10 chapter plan, local law municipality, local law special fire
11 control district, or local law plan under this chapter,
12 notwithstanding any provisions of the plan to the contrary, if
13 the monthly retirement income payable to any person entitled
14 to benefits hereunder is less than ~~\$100,000~~, or if the
15 single-sum value of the accrued retirement income is less than
16 ~~\$5,000~~~~\$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 25. Section 175.231, Florida Statutes, is
21 amended to read:

22 175.231 Diseases of firefighters suffered in line of
23 duty; presumption.--For any municipality, special fire control
24 district, chapter plan, local law municipality, local law
25 special fire control district, or local law plan under this
26 chapter, any condition or impairment of health of a
27 firefighter caused by tuberculosis, hypertension, or heart
28 disease resulting in total or partial disability or death
29 shall be presumed to have been accidental and suffered in the
30 line of duty unless the contrary is shown by competent
31 evidence, provided that~~such~~ firefighter shall have

1 successfully passed a physical examination before entering
2 into such service, which examination failed to reveal any
3 evidence of such condition. This section shall be applicable
4 to all firefighters ~~employed in Florida~~ only with reference to
5 pension and retirement benefits under this chapter.

6 Section 26. Section 175.241, Florida Statutes, is
7 amended to read:

8 175.241 Exemption from execution.--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,the pensions,
12 annuities, or other benefits accrued or accruing to any person
13 under any chapter plan or local law plan under the provisions
14 of this chapter act and the accumulated contributions and the
15 cash securities in the funds created under this chapter act
16 are hereby exempted from any state, county, or municipal tax
17 and shall not be subject to execution or attachment or to any
18 legal process whatsoever, and shall be unassignable.

19 Section 27. Section 175.251, Florida Statutes, is
20 repealed.

21 Section 28. Section 175.261, Florida Statutes, is
22 amended to read:

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

- 30 (1) With respect to chapter plans:
31

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

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

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

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

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

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

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

30 (2) With respect to local law plans:
31

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

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

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

18 3. A certified statement listing the investments of
19 the plan and a description of the methods used in valuing the
20 investments.

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

28 5. A certified statement describing the methods,
29 factors, and actuarial assumptions used in determining the
30 cost.

31

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

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

9
10 When any of the items required hereunder is identical to the
11 corresponding item submitted for a previous year, it is not
12 necessary for the trustees to submit duplicate information if
13 they make reference to the item in the previous year's report.

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

23 1. The assets shall be valued as provided in s.
24 112.625(7).

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

28 3. A report of the valuation, including actuarial
29 assumptions and type and basis of funding, shall be made to
30 the division within 3 months after the date of valuation. If
31 any benefits are insured with a commercial insurance company,

1 the report must include a statement of the relationship of the
2 retirement plan benefits to the insured benefits, the name of
3 the insurer, the basis of premium rates, and the mortality
4 table, interest rate, and method used in valuing the
5 retirement benefits.

6 Section 29. Section 175.291, Florida Statutes, is
7 repealed.

8 Section 30. Section 175.301, Florida Statutes, is
9 amended to read:

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

31

1 Section 31. Section 175.311, Florida Statutes, is
2 amended to read:

3 175.311 Municipalities, special fire control
4 districts, and boards independent of each other.--In the
5 enforcement and ~~in the~~ interpretation of the provisions of
6 this chapter for any municipality, special fire control
7 district, chapter plan, local law municipality, local law
8 special fire control district, or local law plan under this
9 chapter, each municipality and each special fire control
10 district shall be independent of any other municipality or
11 special fire control district, and the board of trustees of
12 the firefighters' pension trust fund of each municipality and
13 each special fire control district shall function for the
14 municipality or special fire control district ~~that~~ ~~which~~ it
15 serves as trustee. Each board of trustees shall be
16 independent of the municipality or special fire control
17 district for which it serves as board of trustees to the
18 extent required to accomplish the intent, requirements, and
19 responsibilities provided for in this chapter.

20 Section 32. Section 175.321, Florida Statutes, is
21 repealed.

22 Section 33. Section 175.331, Florida Statutes, is
23 repealed.

24 Section 34. Section 175.333, Florida Statutes, is
25 amended to read:

26 175.333 Discrimination in benefit formula prohibited;
27 restrictions regarding designation of joint annuitants.--For
28 any municipality, special fire control district, chapter plan,
29 local law municipality, local law special fire control
30 district, or local law plan under this chapter:

31

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

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

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

26 (3) 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 Section 35. Section 175.341, Florida Statutes, is
2 amended to read:

3 175.341 Duties of Division of Retirement; rulemaking
4 authority; investments by the State Board of Administration.--

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

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

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

24 Section 36. Section 175.351, Florida Statutes, is
25 amended to read:

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

28 175.351 Municipalities and special fire control
29 districts having their own pension plans for
30 firefighters.--For any municipality, special fire control
31 district, local law municipality, local law special fire

1 control district, or local law plan under this chapter, in
2 order for municipalities and special fire control districts
3 with their own pension plans for firefighters, or for
4 firefighters and police officers, where included, to
5 participate in the distribution of the tax fund established
6 pursuant to s. 175.101, local law plans must meet the minimum
7 benefits and minimum standards set forth in this chapter.

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

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

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

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

1 local law plans in effect on October 1, 1998, shall be
2 required to comply with the minimum benefit provisions of this
3 chapter only to the extent that additional premium tax
4 revenues become available to incrementally fund the cost of
5 such compliance as provided in s. 175.162(2)(a). For the
6 purpose of this section, "additional premium tax revenues"
7 means revenues received by a municipality or special fire
8 control district pursuant to s. 175.121 that exceed that
9 amount received for calendar year 1997. Local law plans
10 created by special act before May 23, 1939, shall be deemed to
11 comply with this chapter.

12 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No
13 retirement plan or amendment to a retirement plan shall be
14 proposed for adoption unless the proposed plan or amendment
15 contains an actuarial estimate of the costs involved. No such
16 proposed plan or proposed plan change shall be adopted without
17 the approval of the municipality, special fire control
18 district, or, where permitted, the Legislature. Copies of the
19 proposed plan or proposed plan change and the actuarial impact
20 statement of the proposed plan or proposed plan change shall
21 be furnished to the division prior to the last public hearing
22 thereon. Such statement shall also indicate whether the
23 proposed plan or proposed plan change is in compliance with s.
24 14, Art. X of the State Constitution and those provisions of
25 part VII of chapter 112 which are not expressly provided in
26 this chapter. Notwithstanding any other provision, only those
27 local law plans created by Special Act of legislation prior to
28 May 23, 1939, shall be deemed to meet the minimum benefits and
29 minimum standards only in this chapter.

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

1 (a) Section 175.032(3)(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 175.061(1)(b) shall not apply, and a local
6 law plan and a supplemental plan shall continue to be
7 administered by a board or boards of trustees numbered,
8 constituted, and selected as the board or boards were
9 numbered, constituted, and selected on January 1, 1997.

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

12 (4) The retirement plan setting forth the benefits and
13 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 thereof
16 must be made available to the participants and to the general
17 public.

18 Section 37. Section 175.361, Florida Statutes, is
19 amended to read:

20 175.361 Termination of plan and distribution of
21 fund.--For any municipality, special fire control district,
22 chapter plan, local law municipality, local law special fire
23 control district, or local law plan under this chapter, the
24 plan may be terminated by the municipality or special fire
25 control district. Upon termination of the plan by the
26 municipality or special fire control district for any reason
27 or because of a transfer, merger, or consolidation of
28 governmental units, services, or functions as provided in
29 chapter 121, or upon written notice by the municipality or
30 special fire control district to the board of trustees that
31 contributions under the plan are being permanently

1 discontinued, the rights of all employees to benefits accrued
2 to the date of such termination and the amounts credited to
3 the employees' accounts are nonforfeitable.The fund shall be
4 apportioned and distributed in accordance with the following
5 procedures:

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

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

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

24 (a) Apportionment shall first be made in respect of
25 each retired firefighter receiving a retirement income
26 hereunder on such date, each person receiving a retirement
27 income on such date on account of a retired (but since
28 deceased) firefighter, and each firefighter who has, by such
29 date, become eligible for normal retirement but has not yet
30 retired, in the amount required to provide such retirement
31 income, provided that, if such asset value is less than the

1 aggregate of such amounts, such amounts shall be
2 proportionately reduced so that the aggregate of such reduced
3 amounts will be equal to such asset value.

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

24 (c) If there is any asset value after the
25 apportionments under paragraphs (a) and (b), apportionment
26 shall lastly be made in respect of each firefighter in the
27 service of the municipality or special fire control district
28 on such date who is not entitled to an apportionment under
29 paragraphs (a) and (b) in the amount equal to the
30 firefighter's total contributions to the plan to date of
31 termination; provided that, if such remaining asset value is

1 less than the aggregate of the amounts apportioned hereunder,
2 such latter amounts shall be proportionately reduced so that
3 the aggregate of such reduced amounts will be equal to such
4 remaining asset value.

5 (d) In the event that there is asset value remaining
6 after the full apportionment specified in paragraphs (a), (b),
7 and (c), such excess shall be returned to the municipality or
8 special fire control district, less return to the state of the
9 state's contributions, provided that, if the excess is less
10 than the total contributions made by the municipality or
11 special fire control district and the state to date of
12 termination of the plan, such excess shall be divided
13 proportionately to the total contributions made by the
14 municipality or special fire control district and the state.

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

18
19 If, after a period of 24 months after the date on which the
20 plan terminated or the date on which the board received
21 written notice that the contributions thereunder were being
22 permanently discontinued, the municipality or special fire
23 control district or the board of trustees of the firefighters'
24 pension trust fund affected has not complied with all the
25 provisions in this section, the division shall effect the
26 termination of the fund in accordance with this section.

27 Section 38. Section 175.371, Florida Statutes, is
28 amended to read:

29 175.371 Transfer to another state retirement system;
30 benefits payable.--For any municipality, special fire control
31 district, chapter plan, local law municipality, local law

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

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

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

27 Section 39. Section 175.381, Florida Statutes, is
28 amended to read:

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

31

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

17 Section 40. Section 175.391, Florida Statutes, is
18 repealed.

19 Section 41. Section 175.401, Florida Statutes, is
20 amended to read:

21 175.401 Retiree health insurance subsidy.--For any
22 municipality, special fire control district, chapter plan,
23 local law municipality, local law special fire control
24 district, or local law plan under this chapter, under the
25 broad grant of home rule powers under the Florida Constitution
26 and chapter 166, municipalities have the authority to
27 establish and administer locally funded health insurance
28 subsidy programs. In addition, special fire control districts
29 may, by resolution, establish and administer locally funded
30 health insurance subsidy programs. Pursuant thereto:

31

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

11 (2) RETIREE HEALTH INSURANCE SUBSIDY TRUST FUNDS;
12 ESTABLISHMENT AND TERMINATION.--

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

26 (b) Prior to the second reading of the ordinance
27 before the municipal legislative body, or of the resolution
28 before the governing body of the special fire control
29 district, an actuarial valuation must be performed by an
30 enrolled actuary as provided in s. 112.63, and copies of the
31

1 valuation and the proposed implementing ordinance or
2 resolution shall be furnished to the division.

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

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

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

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

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

29
30 Such contributions and payments shall be submitted to the
31 board of trustees of the firefighters' pension trust fund, or

1 the plan trustees in the case of local law plans established
2 under s. 175.351, and deposited in the firefighters' retiree
3 health insurance subsidy trust fund, in the same manner and
4 subject to the same time constraints as provided under s.
5 175.131.

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

23 (5) RETIREE HEALTH INSURANCE SUBSIDY
24 AMOUNT.--Beginning on the effective date established in the
25 implementing ordinance or resolution, each eligible retiree,
26 or beneficiary who is a spouse or financial dependent thereof,
27 shall receive a monthly retiree health insurance subsidy
28 payment equal to the aggregate number of years of service, as
29 defined in s. 175.032, completed at the time of retirement
30 multiplied by an amount determined in the implementing
31 ordinance or resolution, but no less than \$3 for each year of

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

6 (6) PAYMENT OF RETIREE HEALTH INSURANCE

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

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

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

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

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

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

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

27 (10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS;
 28 AUDITS; RULES; ADMINISTRATIVE COSTS.--The board of trustees of
 29 the firefighters' pension trust fund, or the plan trustees in
 30 the case of local law plans established under s. 175.351,
 31

1 shall be solely responsible for administering the health
2 insurance subsidy trust fund. Pursuant thereto:

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

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

22 (c) The trustees may adopt such rules and regulations
23 as are necessary for the effective and efficient
24 administration of this section.

25 (d) At the discretion of the plan sponsor, the cost of
26 administration may be appropriated from the trust fund or paid
27 directly by the plan sponsor.

28 (11) BENEFITS.--Subsidy payments shall be payable
29 under the firefighters' retiree health insurance subsidy
30 program only to participants in the program or their
31 beneficiaries. Such subsidy payments shall not be subject to

1 assignment, execution, or attachment or to any legal process
2 whatsoever, and shall be in addition to any other benefits to
3 which eligible recipients are entitled under any workers'
4 compensation law, pension law, collective bargaining
5 agreement, municipal or county ordinance, or any other state
6 or federal statute.

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

22 Section 42. Section 185.01, Florida Statutes, is
23 amended to read:

24 185.01 Legislative declaration.--

25 (1) It is hereby found and declared by the Legislature
26 that police officers as hereinafter defined perform both state
27 and municipal functions; that they make arrests for violations
28 of state traffic laws on public highways; that they keep the
29 public peace; that they conserve both life and property; and
30 that their activities are vital to public welfare of this
31 state. Therefore the Legislature declares that it is a proper

1 and legitimate state purpose to provide a uniform retirement
 2 system for the benefit of police officers as hereinafter
 3 defined and intends, in implementing the provisions of s. 14,
 4 Art. X of the State Constitution as they relate to municipal
 5 police officers' retirement trust fund systems and plans, that
 6 such retirement systems or plans be managed, administered,
 7 operated, and funded in such manner as to maximize the
 8 protection of police officers' retirement trust funds.
 9 Therefore, the Legislature hereby determines and declares that
 10 the provisions of this act fulfill an important state
 11 interest.

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

25 Section 43. Section 185.02, Florida Statutes, is
 26 amended to read:

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

29 185.02 Definitions.--For any municipality, chapter
 30 plan, local law municipality, or local law plan under this
 31 chapter, the following words and phrases as used in this

1 chapter shall have the following meanings, unless a different
2 meaning is plainly required by the context:

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

7 (2) "Casualty insurance" means automobile public
8 liability and property damage insurance to be applied at the
9 place of residence of the owner, or if the subject is a
10 commercial vehicle, to be applied at the place of business of
11 the owner; automobile collision insurance; fidelity bonds;
12 burglary and theft insurance; and plate glass insurance.

13 "Multiple peril" means a combination or package policy that
14 includes both property coverage and casualty coverage for a
15 single premium.

16 (3) "Chapter plan" means a separate defined benefit
17 pension plan for police officers which incorporates by
18 reference the provisions of this chapter and has been adopted
19 by the governing body of a municipality as provided in s.
20 185.08. Except as may be specifically authorized in this
21 chapter, provisions of a chapter plan may not differ from the
22 plan provisions set forth in ss. 185.01-185.341 and
23 185.36-185.42. Actuarial valuations of chapter plans shall be
24 conducted by the division as provided by s. 185.221(1)(b).

25 (4) "Compensation" or "salary" means the total cash
26 remuneration including "overtime" paid by the primary employer
27 to a police officer for services rendered, but not including
28 any payments for extra duty or a special detail work performed
29 on behalf of a second party employer. However, a local law
30 plan may limit the amount of overtime payments which can be
31 used for retirement benefit calculation purposes, but in no

1 event shall such overtime limit be less than 300 hours per
2 officer per calendar year.

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

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

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

31

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

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

9 (a) No police officer 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 police
13 officer repays into the fund the amount he or she has
14 withdrawn, plus interest as determined by the board. The
15 member shall have at least 90 days after his or her
16 reemployment to make repayment.

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

26 (c) Credited service under this chapter shall be
27 provided only for service as a police officer, as defined in
28 s. 185.02(7), or for military service and shall not include
29 credit for any other type of service. A municipality may, by
30 local ordinance, provide for the purchase of credit for
31 military service occurring prior to employment as well as

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

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

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

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

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

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

29 (7) "Division" means the Division of Retirement of the
30 Department of Management Services.

31

1 (8) "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 (9) "Local law municipality" is any municipality in
6 which there exists a local law plan.

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

18 (11) "Police officer" means any person who is elected,
19 appointed, or employed full time by any municipality, who is
20 certified or required to be certified as a law enforcement
21 officer in compliance with s. 943.1395, who is vested with
22 authority to bear arms and make arrests, and whose primary
23 responsibility is the prevention and detection of crime or the
24 enforcement of the penal, criminal, traffic, or highway laws
25 of the state. This definition includes all certified
26 supervisory and command personnel whose duties include, in
27 whole or in part, the supervision, training, guidance, and
28 management responsibilities of full-time law enforcement
29 officers, part-time law enforcement officers, or auxiliary law
30 enforcement officers, but does not include part-time law
31 enforcement officers or auxiliary law enforcement officers as

1 the same are defined in s. 943.10(6) and (8), respectively.
2 For the purposes of this chapter only, "police officer" also
3 shall include a public safety officer who is responsible for
4 performing both police and fire services. Any plan may provide
5 that the police chief shall have an option to participate, or
6 not, in that plan.

7 (12) "Police Officers' Retirement Trust Fund" means a
8 trust fund, by whatever name known, as provided under s.
9 185.03 for the purpose of assisting municipalities in
10 establishing and maintaining a retirement plan for police
11 officers.

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

22 (14) "Retirement" means a police officer's separation
23 from city employment as a police officer with immediate
24 eligibility for receipt of benefits under the plan. For
25 purposes of a plan that includes a Deferred Retirement Option
26 Plan (DROP), "retirement" means the date a police officer
27 enters the DROP.

28 (15) "Supplemental plan" means a plan to which
29 deposits of the premium tax moneys as provided in s. 185.08
30 are made to provide extra benefits to police officers, or
31 police officers and firefighters where included, under this

1 chapter. Such a plan is an element of a local law plan and
2 exists in conjunction with a defined benefit plan that meets
3 the minimum benefits and minimum standards of this chapter.

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

7 Section 44. Section 185.03, Florida Statutes, is
8 amended to read:

9 185.03 Municipal police officers' retirement trust
10 funds; creation; applicability of provisions; participation by
11 public safety officers.--For any municipality, chapter plan,
12 local law municipality, or local law plan under this chapter:

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

26 (2) The provisions of this chapter act shall apply
27 only to municipalities organized and established pursuant to
28 the laws of the state, and said provisions shall not apply to
29 the unincorporated areas of any county or counties nor shall
30 the provisions hereof apply to any governmental entity whose
31 police officers ~~employees~~ are eligible to participate for

1 ~~membership in the Florida Retirement System a state or state~~
2 ~~and county retirement system.~~

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

10 Section 45. Section 185.04, Florida Statutes, is
11 amended to read:

12 185.04 Actuarial deficits not state obligations.--For
13 any municipality, chapter plan, local law municipality, or
14 local law plan under this chapter, actuarial deficits, if any,
15 arising under this chapter are ~~shall not be~~ the obligation of
16 the state.

17 Section 46. Section 185.05, Florida Statutes, is
18 amended to read:

19 185.05 Board of trustees; members, terms of office;
20 meetings; legal entity; costs; attorney's fees.--For any
21 municipality, chapter plan, local law municipality, or local
22 law plan under this chapter:

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

28 (a) The membership of the board of trustees for
29 chapter plans shall consist of five members, two of whom,
30 unless otherwise prohibited by law, shall be legal residents
31 of the municipality, who shall be appointed by the legislative

1 body of the municipality, and two of whom shall be police
2 officers as defined in s. 185.02 who shall be elected by a
3 majority of the active police officers who are members of such
4 plan. With respect to any chapter plan or local law plan that,
5 on January 1, 1997, allowed retired police officers to vote in
6 such elections, retirees may continue to vote in such
7 elections.The fifth member shall be chosen by a majority of
8 the previous four members, and such person's name shall be
9 submitted to the legislative body of the municipality. Upon
10 receipt of the fifth person's name, the legislative body of
11 the municipality shall, as a ministerial duty, appoint such
12 person to the board of trustees as its fifth member. The
13 fifth member shall have the same rights as each of the other
14 four members appointed or elected as herein provided, shall
15 serve as trustee for a period of 2 years,and may succeed
16 himself or herself in office. Each resident member shall serve
17 as trustee for a period of 2 years, unless sooner replaced by
18 the legislative body at whose pleasure the member shall serve,
19 and may succeed himself or herself as a trustee. ~~However, the~~
20 ~~terms of the mayor, or corresponding chief executive officer~~
21 ~~of the municipality, and the chief of the police department as~~
22 ~~members of the board of trustees as provided in chapter 28230,~~
23 ~~Laws of Florida, 1953, as amended, together with any city~~
24 ~~manager and member of the legislative body of the municipality~~
25 ~~as members of the board of trustees shall terminate on~~
26 ~~September 30, 1986.~~Each police officer member shall serve as
27 trustee for a period of 2 years, unless he or she sooner
28 leaves the employment of the municipality as a police officer,
29 whereupon the legislative body of the municipality shall
30 choose a successor in the same manner as an original
31 appointment. Each police officer may succeed himself or

1 herself in office. ~~The board of trustees shall meet at least~~
2 ~~quarterly each year. Each board of trustees shall be a legal~~
3 ~~entity with, in addition to other powers and responsibilities~~
4 ~~contained herein, the power to bring and defend lawsuits of~~
5 ~~every kind, nature, and description.~~

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

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

10 2. If a municipality has a pension plan for police
11 officers and firefighters, the provisions of paragraph (a)
12 shall apply, except that one member of the board shall be a
13 police officer as defined in s. 185.02 and one member shall be
14 a firefighter as defined in s. 175.032, respectively, elected
15 by a majority of the active firefighters and police officers
16 who are members of the plan.

17 3. Any board of trustees operating a local law plan on
18 July 1, 1998, which is combined with a plan for general
19 employees shall hold an election of the police officers, or
20 police officers and firefighters if included, to determine
21 whether a plan is to be established for police officers only,
22 or for police officers and firefighters where included. Based
23 on the election results, a new board shall be established as
24 provided in subparagraph 1. or 2., as appropriate. The
25 municipality shall enact an ordinance to implement the new
26 board by October 1, 1998. The newly established board shall
27 take whatever action is necessary to determine the amount of
28 assets which is attributable to police officers, or police
29 officers and firefighters where included. Such assets shall
30 include all employer, employee, and state contributions made
31 by or on behalf of police officers, or police officers and

1 firefighters where included, and any investment income derived
2 from such contributions. All such moneys shall be transferred
3 into the newly established retirement plan, as directed by the
4 board.

5
6 With respect to any board of trustees operating a local law
7 plan on June 30, 1986, nothing in this paragraph shall permit
8 the reduction of the membership percentage of police officers
9 or police officers and firefighters.

10 (2) The trustees shall by majority vote elect from its
11 members a chair and a secretary. The secretary of the board
12 shall keep a complete minute book of the actions, proceedings,
13 or hearings of the board. The trustees shall not receive any
14 compensation as such, but may receive expenses and per diem as
15 provided by Florida law.

16 (3) The board of trustees shall meet at least
17 quarterly each year.

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

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

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

30 Section 47. Section 185.06, Florida Statutes, is
31 amended to read:

1 185.06 General powers and duties of board of
2 trustees.--For any municipality, chapter plan, local law
3 municipality, or local law plan under this chapter:

4 (1) The board of trustees may:

5 (a) Invest and reinvest the assets of the retirement
6 trust fund in annuity and life insurance contracts of life
7 insurance companies in amounts sufficient to provide, in whole
8 or in part, the benefits to which all of the participants in
9 the municipal police officers' retirement trust fund shall be
10 entitled under the provisions of this chapter, and pay the
11 initial and subsequent premiums thereon.

12 (b) Invest and reinvest the assets of the retirement
13 trust fund in:

14 1. Time or savings accounts of a national bank, a
15 state bank insured by the Bank Insurance Fund ~~Federal Deposit~~
16 ~~Insurance Corporation~~, or a savings and loan association
17 insured by the Savings Association Insurance Fund which are
18 administered by the Federal Deposit Insurance Corporation or a
19 state or federal chartered Credit Union whose share accounts
20 are insured by the National Credit Union Share Insurance Fund
21 ~~Federal Savings and Loan Insurance Corporation.~~

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

24 3. Bonds issued by the State of Israel.

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

29 a. The corporation is listed on any one or more of the
30 recognized national stock exchanges and, in the case of bonds
31

1 only, holds a rating in one of the three highest
2 classifications by a major rating service; and

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

10

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

28 (c) Issue drafts upon the municipal police officers'
29 retirement trust fund pursuant to this act and rules and
30 regulations prescribed by the board of trustees. All such
31 drafts shall be consecutively numbered, be signed by the chair

1 and secretary, and state upon their faces the purposes for
2 which the drafts are drawn. The city treasurer or other
3 depository shall retain such drafts when paid, as permanent
4 vouchers for disbursements made, and no money shall otherwise
5 be drawn from the fund.

6 (d) Finally decide all claims to relief under the
7 board's rules and regulations and pursuant to the provisions
8 of this act.

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

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

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

18 (3) The secretary of the board of trustees shall keep
19 a record of all persons receiving retirement payments under
20 the provisions of this chapter, in which shall be noted the
21 time when the pension is allowed and when the pension shall
22 cease to be paid. In this record, the secretary shall keep a
23 list of all police officers employed by the municipality. The
24 record shall show the name, address, and time of employment of
25 such police officer and when he or she ceases to be employed
26 by the municipality.

27 (4)~~(3)~~ The sole and exclusive administration of, and
28 the responsibilities for, the proper operation of the
29 retirement trust fund and for making effective the provisions
30 of this chapter are vested in the board of trustees; however,
31 nothing herein shall empower a board of trustees to amend the

1 provisions of a retirement plan without the approval of the
2 municipality. The board of trustees shall keep in convenient
3 form such data as shall be necessary for an actuarial
4 valuation of the retirement trust fund and for checking the
5 actual experience of the fund.

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

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

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

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

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

30 4. Has 3 or more years of experience working in the
31 public sector.

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

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

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

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

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

16 Section 48. Section 185.061, Florida Statutes, is
17 amended to read:

18 185.061 Use of annuity or insurance policies.--When
19 the board of trustees of any municipality, chapter plan, local
20 law municipality, or local law plan purchases annuity or life
21 insurance contracts to provide all or part of the benefits
22 promised by this chapter, the following principles shall be
23 observed:

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

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

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

31

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

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

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

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

12 (b) Twice the annual rate of compensation as of the
13 date of termination of service, or

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

17 (7) An insurance plan may provide that the assignment
18 of insurance contract to separating officer shall be at least
19 equivalent to the return of the officer's contributions used
20 to purchase the contract. An assignment of contract
21 discharges the municipality from all further obligation to the
22 participant under the plan even though the cash value of such
23 contract may be less than the employee's contributions.

24 (8) Provisions shall be made, either by issuance of
25 separate policies, or otherwise, that the separating officer
26 does not receive cash values and other benefits under the
27 policies assigned to the officer which exceed the present
28 value of his or her vested interest under the retirement plan,
29 inclusive of the officer's contribution to the plan, the
30 contributions by the state shall not be exhausted faster

31

1 merely because the method of funding adopted was through
2 insurance companies.

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

14 Section 49. Section 185.07, Florida Statutes, is
15 amended to read:

16 185.07 Creation and maintenance of fund.--For any
17 municipality, chapter plan, local law municipality, or local
18 law plan under this chapter:

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

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

28 (b) Except as reduced or increased contributions are
29 authorized by subsection (2), by the payment to the fund of 5
30 percent of the salary of each full-time police officer duly
31 appointed and enrolled as a member of such police department,

1 which 5 percent shall be deducted by the municipality from the
2 compensation due to the police officer and paid over to the
3 board of trustees of the retirement trust fund wherein such
4 police officer is employed, ~~provided that no deductions shall~~
5 ~~be made after an officer has passed his or her normal~~
6 ~~retirement date.~~ No police officer shall have any right to
7 the said money so paid into the said fund except as provided
8 in this chapter.

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

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

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

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

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

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

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

31

1 (b) Police officer member contributions may be
2 increased by consent of the members' collective bargaining
3 representative or, if none, by majority consent of police
4 officer members of the fund to provide greater benefits.

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

11 Section 50. Section 185.08, Florida Statutes, is
12 amended to read:

13 185.08 State excise tax on casualty insurance premiums
14 authorized; procedure.--For any municipality, chapter plan,
15 local law municipality, or local law plan under this chapter:

16 (1) Each incorporated municipality in this state
17 described and classified in s. 185.03, as well as each other
18 city or town of this state which on July 31, 1953, had a
19 lawfully established municipal police officers' retirement
20 trust fund or city fund, by whatever name known, providing
21 pension or relief benefits to police officers as provided
22 under this chapter ~~by whatever name known~~, may assess and
23 impose on every insurance company, corporation, or other
24 insurer now engaged in or carrying on, or who shall hereafter
25 engage in or carry on, the business of casualty insurance as
26 shown by records of the Department of Insurance, an excise tax
27 in addition to any lawful license or excise tax now levied by
28 each of the said municipalities, respectively, amounting to
29 .85 percent of the gross amount of receipts of premiums from
30 policyholders on all premiums collected on casualty insurance
31 policies covering property within the corporate limits of such

1 municipalities, respectively. The tax shall apply to all
2 insurers, whether authorized or not, transacting business in
3 this state.

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

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

13 Section 51. Section 185.09, Florida Statutes, is
14 amended to read:

15 185.09 Report of premiums paid; date tax payable.--For
16 any municipality, chapter plan, local law municipality, or
17 local law plan under this chapter, whenever any municipality
18 passes an ordinance establishing a chapter plan or local law
19 plan and assessing and imposing the tax authorized in s.
20 185.08, a certified copy of such ordinance shall be deposited
21 with the division; and thereafter every insurance company,
22 corporation, or other insurer carrying on the business of
23 casualty insuring, on or before the succeeding March 1 after
24 date of the passage of the ordinance, shall report fully in
25 writing to the division and the Department of Revenue a just
26 and true account of all premiums received by such insurer for
27 casualty insurance policies covering or insuring any property
28 located within the corporate limits of such municipality
29 during the period of time elapsing between the date of the
30 passage of the ordinance and the end of the calendar year
31 ~~succeeding March 1~~. The aforesaid insurer shall annually

1 thereafter, on March 1, file with the division and the
2 Department of Revenue a similar report covering the preceding
3 year's premium receipts. Every such insurer shall, at the
4 time of making such report, pay to the Department of Revenue
5 the amount of the tax heretofore mentioned. Every insurer
6 engaged in carrying on a general casualty insurance business
7 in the state shall keep accurate books of account of all such
8 business done by it within the limits of such incorporated
9 municipality in such a manner as to be able to comply with the
10 provisions of this chapter. Based on the insurers' reports of
11 premium receipts, the division shall prepare a consolidated
12 premium report and shall furnish to any municipality
13 requesting the same a copy of the relevant section of that
14 report.

15 Section 52. Section 185.10, Florida Statutes, is
16 amended to read:

17 185.10 Department of Revenue and Division of
18 Retirement to keep accounts of deposits; disbursements.--For
19 any municipality having a chapter plan or local law plan under
20 this chapter:

21 (1) The Department of Revenue shall keep a separate
22 account of all moneys collected for each municipality under
23 the provisions of this chapter. All moneys so collected must
24 be transferred to the Police and Firefighters' Premium Tax
25 Trust Fund and shall be separately accounted for by the
26 division. The moneys budgeted as necessary to pay the expenses
27 of the division for the daily oversight and monitoring of the
28 police officers' retirement plans under this chapter and for
29 the oversight and actuarial reviews conducted under part VII
30 of chapter 112 are annually appropriated from the interest and
31 investment income earned on the moneys collected for each

1 municipality or special fire control district and deposited in
 2 the Police and Firefighters' Premium Tax Trust Fund. Interest
 3 and investment income remaining thereafter in the trust fund
 4 which is unexpended and otherwise unallocated by law shall
 5 revert to the General Revenue Fund on June 30 of each year.

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

26 Section 53. Section 185.11, Florida Statutes, is
 27 amended to read:

28 185.11 Funds received by municipalities, deposit in
 29 retirement trust fund.--For any municipality, chapter plan,
 30 local law municipality, or local law plan under this chapter,
 31 all state and other funds received by any municipality under

1 the provisions of this chapter shall be deposited by the said
2 municipality immediately, and under no circumstances more than
3 5 days after receipt, with the board of trustees. In lieu
4 thereof, the municipality may provide authorization to the
5 division for the direct payment of the premium tax to the
6 board of trustees. The board shall deposit such moneys in the
7 Municipal Police Officers' Retirement Trust Fund immediately,
8 and under no circumstances more than 5 days after receipt.
9 Employee contributions, however, which are withheld by the
10 employer on behalf of an employee member shall be deposited
11 immediately after each pay period with the board of trustees
12 of the municipal police officers' retirement trust fund.
13 Employer contributions shall be deposited at least quarterly
14 at least monthly.

15 Section 54. Section 185.12, Florida Statutes, is
16 amended to read:

17 185.12 Payment of excise tax credit on similar state
18 excise or license tax.--The tax herein authorized shall in
19 nowise be additional to the similar state excise or license
20 tax imposed by part IV, chapter 624, but the payor of the tax
21 hereby authorized shall receive credit therefor on his or her
22 ~~said~~ state excise or license tax and the balance of said state
23 excise or license tax shall be paid to the Department of
24 Revenue Insurance Commissioner and Treasurer as is now
25 provided by law.

26 Section 55. Section 185.13, Florida Statutes, is
27 amended to read:

28 185.13 Failure of insurer to comply with chapter;
29 penalty.--Should any insurance company, corporation or other
30 insurer fail to comply with the provisions of this chapter, on
31 or before March 1 in each year as herein provided, the

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

13 Section 56. Section 185.14, Florida Statutes, is
14 repealed.

15 Section 57. Section 185.15, Florida Statutes, is
16 repealed.

17 Section 58. Section 185.16, Florida Statutes, is
18 amended to read:

19 185.16 Requirements for retirement.--For any
20 municipality, chapter plan, local law municipality, or local
21 law plan under this chapter,any police officer who completes
22 10 or more years of creditable service as a police officer and
23 attains age 55, or completes 25 years of creditable service as
24 a police officer and attains age 52, and for such period has
25 been a member of the retirement fund is eligible for normal
26 retirement benefits. Normal retirement under the plan is
27 retirement from the service of the city on or after the normal
28 retirement date. In such event, for chapter plans and local
29 law plans,payment of retirement income will be governed by
30 the following provisions of this section:
31

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

6 ~~A police officer who retires after his or her normal~~
7 ~~retirement date will upon actual retirement be entitled to~~
8 ~~receive the same amount of monthly retirement income that the~~
9 ~~police officer would have received had he or she retired on~~
10 ~~his or her normal retirement date.~~

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

16 However, if current state contributions pursuant to this
17 chapter are not adequate to fund the additional benefits to
18 meet the minimum requirements in this chapter, only increment
19 increases shall be required as state moneys are adequate to
20 provide. Such increments shall be provided as state moneys
21 become available. ~~The retirement income will be reduced for~~
22 ~~moneys received under the disability provisions of this~~
23 ~~chapter.~~

24 (3) The monthly retirement income payable in the event
25 of normal retirement will be payable on the first day of each
26 month. The first payment will be made on the police officer's
27 normal retirement date, or on the first day of the month
28 coincident with or next following the police officer's actual
29 retirement, if later, and the last payment will be the payment
30 due next preceding the police officer's death; except that, in
31 the event the police officer dies after retirement but before

1 receiving retirement benefits for a period of 10 years, the
2 same monthly benefit will be paid to the beneficiary (or
3 beneficiaries) as designated by the police officer for the
4 balance of such 10-year period, or, if no beneficiary is
5 designated, to the ~~surviving spouse, descendants, heirs at~~
6 ~~law,~~ or estate of the police officer, as provided in s.
7 185.162. If a police officer continues in the service of the
8 city beyond his or her normal retirement date and dies prior
9 to the date of actual retirement, without an option made
10 pursuant to s. 185.161 being in effect, monthly retirement
11 income payments will be made for a period of 10 years to a
12 beneficiary (or beneficiaries) designated by the police
13 officer as if the police officer had retired on the date on
14 which death occurred, or, if no beneficiary is designated, to
15 the ~~surviving spouse, descendants, heirs at law,~~ or estate of
16 the police officer, as provided in s. 185.162.

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

25 (a) The early retirement date shall be the first day
26 of the calendar month coincident with or immediately following
27 the date a police officer retires from the service of the city
28 under the provisions of this section prior to his or her
29 normal retirement date.

30 (b) The monthly amount of retirement income payable to
31 a police officer who retires prior to his or her normal

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

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

24 Section 59. Section 185.161, Florida Statutes, is
25 amended to read:

26 185.161 Optional forms of retirement income.--For any
27 municipality, chapter plan, local law municipality, or local
28 law plan under this chapter:

29 (1)(a) In lieu of the amount and form of retirement
30 income payable in the event of normal or early retirement as
31 specified in s. 185.16, a police officer, upon written request

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

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

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

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

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

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

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

25 (a) If a police officer dies prior to his or her
26 normal retirement date or early retirement date, whichever
27 first occurs, no benefit will be payable under the option to
28 any person, but the benefits, if any, will be determined under
29 s. 185.21.

30 (b) If the designated beneficiary (or beneficiaries)
31 or joint pensioner dies before the police officer's retirement

1 under the plan, the option elected will be canceled
2 automatically and a retirement income of the normal form and
3 amount will be payable to the police officer upon his or her
4 retirement as if the election had not been made, unless a new
5 election is made in accordance with the provisions of this
6 section or a new beneficiary is designated by the police
7 officer prior to his or her retirement and within 90 days
8 after the death of the beneficiary.

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

17 (d) If a police officer continues beyond his or her
18 normal retirement date pursuant to the provisions of s.
19 185.16(1) and dies prior to actual retirement and while an
20 option made pursuant to the provisions of this section is in
21 effect, monthly retirement income payments will be made, or a
22 retirement benefit will be paid, under the option to a
23 beneficiary (or beneficiaries) designated by the police
24 officer in the amount or amounts computed as if the police
25 officer had retired under the option on the date on which
26 death occurred.

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

30 Section 60. Section 185.162, Florida Statutes, is
31 amended to read:

1 185.162 Beneficiaries.--For any municipality, chapter
2 plan, local law municipality, or local law plan under this
3 chapter:

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

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

21 ~~(a) Any one or more of the persons comprising the~~
22 ~~group consisting of the police officer's spouse, the police~~
23 ~~officer's descendants, the police officer's parents, or the~~
24 ~~police officer's heirs at law, and the board of trustees may~~
25 ~~pay the entire benefit to any member of such group or~~
26 ~~apportion such benefit among any two or more of them in such~~
27 ~~shares as the board of trustees, in its sole discretion, shall~~
28 ~~determine, or~~

29 ~~(b) the estate of such deceased police officer,~~
30 provided that in any of such cases the board of trustees, in
31 its discretion, may direct that the commuted value of the

1 remaining monthly income payments be paid in a lump sum. Any
 2 payment made to any person pursuant to this subsection ~~the~~
 3 ~~power and discretion conferred upon the board of trustees by~~
 4 ~~the preceding sentence~~ shall operate as a complete discharge
 5 of all obligations under the plan with regard to such deceased
 6 police officer and shall not be subject to review by anyone,
 7 but shall be final, binding and conclusive on all persons ever
 8 interested hereunder.

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

19 Section 61. Section 185.18, Florida Statutes, is
 20 amended to read:

21 185.18 Disability retirement.--For any municipality,
 22 chapter plan, local law municipality, or local law plan under
 23 this chapter:

24 (1) A police officer having 10 or more years of
 25 credited service, or a police officer who becomes totally and
 26 permanently disabled in the line of duty, regardless of length
 27 of service, and having contributed to the municipal police
 28 officers' retirement trust fund for 10 years or more may
 29 retire from the service of the city under the plan if, ~~prior~~
 30 ~~to the police officer's normal retirement date,~~ he or she
 31 becomes totally and permanently disabled as defined in

1 subsection (2) by reason of any cause other than a cause set
2 out in subsection (3) on or after the effective date of the
3 plan. Such retirement shall herein be referred to as
4 disability retirement. ~~The provisions for disability other~~
5 ~~than line of duty disability shall not apply to a member who~~
6 ~~has reached early or normal retirement age.~~

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

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

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

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

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

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

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

30 (4) No police officer shall be permitted to retire
31 under the provisions of this section until examined by a duly

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

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

24 (6)~~(a)~~ The monthly retirement income to which a police
25 officer is entitled in the event of his or her disability
26 retirement shall be payable on the first day of the first
27 month after the board of trustees determines such entitlement.
28 However, the monthly retirement income shall be payable as of
29 the date the board determines such entitlement, and any
30 portion due for a partial month shall be paid together with
31 the first payment.

1 **(b)** The last payment will be +
2 ~~1.~~ if the police officer recovers from the disability
3 ~~prior to his or her normal retirement date,~~ the payment due
4 next preceding the date of such recovery~~7~~or,
5 ~~2.~~ if the police officer dies without recovering from
6 his or her disability ~~or attains his or her normal retirement~~
7 ~~date while still disabled,~~ the payment due next preceding
8 death or the 120th monthly payment, whichever is later. In
9 lieu of the benefit payment as provided in this subsection, a
10 police officer may select an optional form as provided in s.
11 185.161.

12 **(c)** Any monthly retirement income payments due after
13 the death of a disabled police officer shall be paid to the
14 police officer's designated beneficiary (or beneficiaries) as
15 provided in ss. 185.162 and 185.21.

16 (7) If the board of trustees finds that a police
17 officer who is receiving a disability retirement income is ~~at~~
18 ~~any time prior to the police officer's normal retirement date,~~
19 no longer disabled, as provided herein, the board of trustees
20 shall direct that the disability retirement income be
21 discontinued. Recovery from disability as used herein shall
22 mean the ability of the police officer to render useful and
23 efficient service as a police officer.

24 (8) If the police officer recovers from disability and
25 reenters the service of the city as a police officer, his or
26 her service will be deemed to have been continuous, but the
27 period beginning with the first month for which the police
28 officer received a disability retirement income payment and
29 ending with the date he or she reentered the service of the
30 city may ~~will~~ not be considered as credited service for the
31 purposes of the plan.

1 Section 62. Section 185.185, Florida Statutes, is
2 created to read:

3 185.185 False, misleading, or fraudulent statements
4 made to obtain public retirement benefits prohibited;
5 penalty.--

6 (1) It is unlawful for a person to willfully and
7 knowingly make, or cause to be made, or to assist, conspire
8 with, or urge another to make, or cause to be made, any false,
9 fraudulent, or misleading oral or written statement or
10 withhold or conceal material information to obtain any benefit
11 available under a retirement plan receiving funding under this
12 chapter.

13 (2)(a) A person who violates subsection (1) commits a
14 misdemeanor of the first degree, punishable as provided in s.
15 775.082 or s. 775.083.

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

26 Section 63. Section 185.19, Florida Statutes, is
27 amended to read:

28 185.19 Separation from municipal service;
29 refunds.--For any municipality, chapter plan, local law
30 municipality, or local law plan under this chapter:

31

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

9 (2) If ~~Should~~ any police officer who has been in the
10 service of the municipality for at least 10 years elects ~~and~~
11 ~~has contributed to the municipal police officers' retirement~~
12 ~~trust fund for at least 10 years~~ elect to leave his or her
13 accrued contributions, if contributions are required, in the
14 municipal police officers' retirement trust fund, such police
15 officer upon attaining age 50 years or more may retire at the
16 actuarial equivalent of the amount of such retirement income
17 otherwise payable to him or her, as provided in s. 185.16(4),
18 or, upon attaining age 55 years, may retire as provided in s.
19 185.16(2).

20 Section 64. Section 185.191, Florida Statutes, is
21 amended to read:

22 185.191 Lump-sum payment of small retirement
23 income.--For any municipality, chapter plan, local law
24 municipality, or local law plan under this chapter,
25 notwithstanding any provision of the plan to the contrary, if
26 the monthly retirement income payable to any person entitled
27 to benefits hereunder is less than \$100~~\$30~~ or if the
28 single-sum value of the accrued retirement income is less than
29 \$2,500~~\$750~~ as of the date of retirement or termination of
30 service, whichever is applicable, the board of trustees, in
31

1 the exercise of its discretion, may specify that the actuarial
2 equivalent of such retirement income be paid in a lump sum.

3 Section 65. Section 185.21, Florida Statutes, is
4 amended to read:

5 185.21 Death prior to retirement; refunds of
6 contributions or payment of death benefits.--For any
7 municipality, chapter plan, local law municipality, or local
8 law plan under this chapter:

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

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

26
27 In the event that a the death benefit paid by a life insurance
28 company exceeds the limit set forth in s. 185.061(6), the
29 excess of the death benefit over the limit shall be paid to
30 the municipal police officers' retirement trust fund.
31 However, death the benefits as provided pursuant to in s.

1 112.19 or any other state or federal law shall not be included
2 in the calculation of as death or retirement benefits provided
3 under the provisions of this chapter.

4 Section 66. Section 185.221, Florida Statutes, is
5 amended to read:

6 185.221 Annual report to Division of Retirement;
7 actuarial valuations reports.--For any municipality, chapter
8 plan, local law municipality, or local law plan under this
9 chapter, the board of trustees for every chapter plan and
10 local law plan shall submit the following reports to the
11 division:

12 (1) With respect to chapter plans:

13 (a)(1) Each year by February 1, the chair or secretary
14 of each municipal police officers' retirement trust fund
15 operating a chapter plan shall file a report with the division
16 which contains:

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

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

28 3.(c) A statistical exhibit showing the total number
29 of police officers on the force of the municipality, the
30 number included in the retirement plan and the number
31 ineligible classified according to the reasons for their being

1 ineligible, and the number of disabled and retired police
 2 officers and their beneficiaries receiving pension payments
 3 and the amounts of annual retirement income or pension
 4 payments being received by them.

5 4.(d) A statement of the amount the municipality, or
 6 other income source, has contributed to the retirement plan
 7 for the most recent plan year ~~ending with the preceding~~
 8 ~~December 31~~ and the amount the municipality will contribute to
 9 the retirement plan for the current plan ~~calendar~~ year.

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

16 (b)(2) In addition to annual reports provided under
 17 paragraph (a), by February 1 of each triennial year, an
 18 actuarial valuation of the chapter plan must be made by the
 19 division at least once every 3 years, as provided in s.
 20 112.63, commencing 3 years from the last actuarial valuation
 21 of the plan or system for existing plans, or commencing 3
 22 years from the issuance of the initial actuarial impact
 23 statement submitted under s. 112.63 for newly created plans.
 24 ~~To that end~~ ~~By February 1 of each triennial year beginning~~
 25 ~~with February 1, 1986, and at least every 3 years commencing~~
 26 ~~from the last actuarial report of the plan or system or from~~
 27 ~~February 1, 1987, if no actuarial report has been issued~~
 28 ~~within the 3-year period prior to February 1, 1986, the chair~~
 29 of the board of trustees for each municipal police officers'
 30 retirement trust fund operating under a chapter plan shall
 31 report to the division such data as ~~that~~ the division needs to

1 complete an actuarial valuation of each fund. The forms for
2 each municipality shall be supplied by the division. The
3 expense of the actuarial valuation shall be borne by the
4 municipal police officers' retirement trust fund established
5 by s. 185.10. The requirements of this section are
6 supplemental to the actuarial valuations necessary to comply
7 with ss. 11.45 and 218.32.

8 (2) With respect to local law plans:

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

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

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

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

29 4. A statistical exhibit showing the total number of
30 police officers, the number included in the plan, and the
31 number ineligible classified according to the reasons for

1 their being ineligible, and the number of disabled and retired
2 police officers and their beneficiaries receiving pension
3 payments and the amounts of annual retirement income or
4 pension payments being received by them.

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

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

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

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

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

30 1. The assets shall be valued as provided in s.
31 112.625(7).

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

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

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

15 185.23 Duties of Division of Retirement; rulemaking;
16 investment by State Board of Administration.--

17 (1) The division shall be responsible for the daily
18 oversight and monitoring for actuarial soundness of the
19 municipal police officers' retirement plans, whether chapter
20 or local law plans, established under this chapter, for
21 receiving and holding the premium tax moneys collected under
22 this chapter, and, upon determining compliance with the
23 provisions on this chapter, for disbursing those moneys to the
24 municipal police officers' retirement plans. The funds to pay
25 the expenses for such administration shall be annually
26 appropriated from the interest and investment income earned on
27 moneys deposited in the trust fund.

28 Section 68. Section 185.25, Florida Statutes, is
29 amended to read:

30 185.25 Exemption from execution.--For any
31 municipality, chapter plan, local law municipality, or local

1 law plan under this chapter, the pensions, annuities, or any
 2 other benefits accrued or accruing to any person under any
 3 municipality, chapter plan, local law municipality, or local
 4 law plan under the provisions of this chapter and the
 5 accumulated contributions and the cash securities in the funds
 6 created under this chapter are ~~hereby~~ exempted from any state,
 7 county or municipal tax of the state and shall not be subject
 8 to execution or attachment or to any legal process whatsoever
 9 and shall be unassignable.

10 Section 69. Section 185.27, Florida Statutes, is
 11 repealed.

12 Section 70. Section 185.29, Florida Statutes, is
 13 repealed.

14 Section 71. Section 185.30, Florida Statutes, is
 15 amended to read:

16 185.30 Depository for retirement fund.--For any
 17 municipality, chapter plan, local law municipality, or local
 18 law plan under this chapter, all funds ~~and securities~~ of the
 19 municipal police officers' retirement trust fund of any
 20 municipality, chapter plan, local law municipality, or local
 21 law plan under this chapter may be deposited by the board of
 22 trustees with the treasurer of the municipality acting in a
 23 ministerial capacity only, who shall be liable in the same
 24 manner and to the same extent as he or she is liable for the
 25 safekeeping of funds for the municipality. However, any funds
 26 ~~and securities~~ so deposited with the treasurer of the
 27 municipality shall be kept in a separate fund by the municipal
 28 treasurer or clearly identified as such funds ~~and securities~~
 29 of the municipal police officers' retirement trust fund. In
 30 lieu thereof, the board of trustees shall deposit the funds
 31 ~~and securities~~ of the municipal police officers' retirement

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

5 Section 72. Section 185.31, Florida Statutes, is
6 amended to read:

7 185.31 Municipalities and boards independent of other
8 municipalities and boards and of each other.--In the
9 enforcement and ~~in the~~ interpretation of the provisions of
10 this chapter for any municipality, chapter plan, local law
11 municipality, or local law plan under this chapter, each
12 municipality shall be independent of any other municipality,
13 and the board of trustees of the municipal police officers'
14 retirement trust fund of each municipality shall function for
15 the municipality which they are to serve as trustees. Each
16 board of trustees shall be independent of each municipality
17 for which it serves as board of trustees to the extent
18 required to accomplish the intent, requirements, and
19 responsibilities provided for in this chapter.

20 Section 73. Section 185.32, Florida Statutes, is
21 repealed.

22 Section 74. Section 185.34, Florida Statutes, is
23 amended to read:

24 185.34 Disability in line of duty.--For any
25 municipality, chapter plan, local law municipality, or local
26 law plan under this chapter, any condition or impairment of
27 health of any and all police officers employed in the state
28 caused by tuberculosis, hypertension, heart disease, or
29 hardening of the arteries, resulting in total or partial
30 disability or death, shall be presumed to be accidental and
31 suffered in line of duty unless the contrary be shown by

1 competent evidence. Any condition or impairment of health
 2 caused directly or proximately by exposure, which exposure
 3 occurred in the active performance of duty at some definite
 4 time or place without willful negligence on the part of the
 5 police officer, resulting in total or partial disability,
 6 shall be presumed to be accidental and suffered in the line of
 7 duty, provided that such police officer shall have
 8 successfully passed a physical examination upon entering such
 9 service, which physical examination including
 10 electrocardiogram failed to reveal any evidence of such
 11 condition, and, further, that such presumption shall not apply
 12 to benefits payable under or granted in a policy of life
 13 insurance or disability insurance. This section shall be
 14 applicable to all police officers ~~employed in this state~~ only
 15 with reference to pension and retirement benefits under this
 16 chapter.

17 Section 75. Section 185.341, Florida Statutes, is
 18 amended to read:

19 185.341 Discrimination in benefit formula prohibited;
 20 restrictions regarding designation of joint annuitants.--For
 21 any municipality, chapter plan, local law municipality, or
 22 local law plan under this chapter:

23 (1) ~~No plan established under the provisions of this~~
 24 ~~chapter and participating in the distribution of premium tax~~
 25 ~~moneys as provided in this chapter shall discriminate in its~~
 26 ~~benefit formula based on color, national origin, sex, or~~
 27 ~~marital status, however,~~

28 (2)(a) If a plan offers a joint annuitant option and
 29 the member selects such option, or if a ~~the~~ plan specifies
 30 that the member's spouse is to receive the benefits that ~~which~~
 31 continue to be payable upon the death of the member, then, in

1 both of these cases, after retirement ~~the~~ benefits have
2 commenced, a retired member may change the designation of
3 joint annuitant or beneficiary only twice.

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

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

- 21 1. Length of service and compensation; or
- 22 2. Length of service.

23 Section 76. Section 185.35, Florida Statutes, is
24 amended to read:

25 185.35 Municipalities having their own pension plans
26 for police officers.--For any municipality, chapter plan,
27 local law municipality, or local law plan under this chapter,

28 ~~(1)~~ in order for municipalities with their own pension
29 plans for police officers or for police officers, and
30 firefighters where included, ~~other employees~~ to participate in
31 the distribution of the tax fund established pursuant to s. in

1 ~~ss. 185.07, 185.08, local law plans and 185.09, their~~
2 ~~retirement funds~~ must meet the minimum benefits and minimum
3 standards set forth in this chapter ~~each of the following~~
4 ~~standards:~~

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

12 (a) Place the income from the premium tax in s. 185.08
13 in such pension plan for the sole and exclusive use of its
14 police officers, or its police officers and firefighters where
15 included, where it shall become an integral part of that
16 pension plan and shall be used to pay extra benefits to the
17 police officers included in that pension plan; or

18 (b) May place the income from the premium tax in s.
19 185.08 in a separate supplemental plan to pay extra benefits
20 to the police officers, or police officers and firefighters
21 where included, participating in such separate supplemental
22 plan.

23
24 The premium tax provided by this chapter shall in all cases be
25 used in its entirety to provide extra benefit to police
26 officers, or to police officers and firefighters, where
27 included. For purposes of this chapter, the term "extra
28 benefits" means benefits in addition to or greater than those
29 provided to general employees of the municipality. However,
30 local law plans in effect on October 1, 1998, shall be
31 required to comply with the minimum benefit provisions of this

1 chapter only to the extent that additional premium tax
 2 revenues become available to incrementally fund the cost of
 3 such compliance as provided in s. 185.16(2). For the purpose
 4 of this section, "additional premium tax revenues" means
 5 revenues received by a municipality pursuant to s. 185.10 that
 6 exceed the amount received for calendar year 1997. Local law
 7 plans created by special act before May 23, 1939, shall be
 8 deemed to comply with this chapter.

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

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

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

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

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

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

28 ~~(f) Death or survivor benefits and disability benefits~~
 29 ~~may be incorporated into the plan as the municipality wishes~~
 30 ~~but in no event should the single-sum value of such benefits~~

31

1 ~~as of the date of termination of service because of death or~~
2 ~~disability exceed:~~

3 1. ~~One hundred times the estimated normal monthly~~
4 ~~retirement income, based on the assumption that the present~~
5 ~~rate of compensation continues without change to normal~~
6 ~~retirement date,~~

7 2. ~~Twice the annual rate of compensation as of the~~
8 ~~date of termination of service, or~~

9 3. ~~The single sum value of the accrued deferred~~
10 ~~retirement income (beginning at normal retirement date) at~~
11 ~~date of termination of service,~~

12
13 ~~whichever is greatest; however, nothing in this paragraph~~
14 ~~shall require any reduction in death or disability benefits~~
15 ~~provided by a retirement plan in effect on July 1, 1959.~~

16 (g) ~~Eligibility for coverage under the plan must be~~
17 ~~based upon length of service, or attained age, or both, and~~
18 ~~benefits must be determined by a nondiscriminatory formula~~
19 ~~based upon:~~

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

21 2. ~~Length of service.~~

22
23 ~~The retirement plan shall require participants to contribute~~
24 ~~toward the cost of the plan an amount which shall not be less~~
25 ~~than 1 percent of salary, and it must set forth the~~
26 ~~termination rights, if any, of an employee in the event of the~~
27 ~~separation or withdrawal of an employee before retirement.~~

28 (h) ~~An actuarial valuation of the retirement plan must~~
29 ~~be made at least once in every 5 years commencing with~~
30 ~~December 31, 1963, and at least every 3 years commencing from~~
31 ~~the last actuarial report of the plan or system or from~~

1 ~~October 1, 1986, if no actuarial report has been issued within~~
2 ~~the 3 years prior to October 1, 1983. Such valuation shall be~~
3 ~~prepared by an enrolled actuary.~~

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

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

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

22 ~~(j)~~ No retirement plan or amendment to a retirement
23 plan shall be proposed for adoption unless the proposed plan
24 or amendment contains an actuarial estimate of the costs
25 involved. No such proposed plan or proposed plan change shall
26 be adopted without the approval of the municipality or, where
27 permitted, the Legislature. Copies of the proposed plan or
28 proposed plan change and the actuarial impact statement of the
29 proposed plan or proposed plan change shall be furnished to
30 the division prior to the last public hearing thereon. Such
31 statement shall also indicate whether the proposed plan or

1 proposed plan change is in compliance with s. 14, Art. X of
2 the State Constitution and those provisions of part VII of
3 chapter 112 which are not expressly provided in this chapter.
4 Notwithstanding any other provision, only those local law
5 plans created by Special Act of legislation prior to May 23,
6 1939, shall be deemed to meet the minimum benefits and minimum
7 standards only in this chapter.

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

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

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

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

30 ~~4. A statistical exhibit showing the total number of~~
31 ~~police officers, the number included in the plan, and the~~

1 ~~number ineligible classified according to the reasons for~~
2 ~~their being ineligible.~~

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

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

19 (3) Notwithstanding any other provision, with respect
20 to any supplemental plan municipality:

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

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

30 (c) The election set forth in paragraphs (1)(b) shall
31 be deemed to have been made.

1 (4)~~(3)~~ The retirement plan setting forth the benefits
2 and the trust agreement, if any, covering the duties and
3 responsibilities of the trustees and the regulations of the
4 investment of funds must be in writing and copies made
5 available to the participants and to the general public.

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

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

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

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

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

30
31

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

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

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

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

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

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

1 another state retirement system and other participants elect
2 to remain in the existing plan created pursuant to this
3 chapter, the plan created pursuant to this chapter shall
4 continue to receive state premium tax moneys ~~remain in effect~~
5 until fully funded. "Fully funded" means that the present
6 value of all benefits, accrued and projected, is less than the
7 available assets and the present value of future member
8 contributions and future plan sponsor contributions on an
9 actuarial entry age cost funding basis. The plan shall remain
10 in effect until the last active participant has terminated and
11 shall then be terminated in accordance with s. 185.37.

12 Section 80. Section 185.39, Florida Statutes, is
13 amended to read:

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

31

1 Section 81. Section 185.40, Florida Statutes, is
2 repealed.

3 Section 82. Section 185.50, Florida Statutes, is
4 amended to read:

5 185.50 Retiree health insurance subsidy.--For any
6 municipality, chapter plan, local law municipality, or local
7 law plan under this chapter, under the broad grant of home
8 rule powers under the Florida Constitution and chapter 166,
9 municipalities have the authority to establish and administer
10 locally funded health insurance subsidy programs. Pursuant
11 thereto:

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

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

24 (a) Any municipality having a municipal police
25 officers' pension trust fund system or plan as provided under
26 this chapter may, in its discretion, establish by ordinance a
27 trust fund to be known as the municipal police officers'
28 retiree health insurance subsidy trust fund. This fund may be
29 a separate account established for such purpose in the
30 existing municipal police officers' pension fund, provided
31 that all funds deposited in such account are segregated from,

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

5 (b) Prior to the second reading of the ordinance
6 before the municipal legislative body, an actuarial valuation
7 must be performed by an enrolled actuary as defined in s.
8 185.02, and copies of the valuation and the proposed
9 implementing ordinance shall be furnished to the division.

10 (c) The subsidy program may, at the discretion of the
11 municipal governing body, be permanently discontinued by
12 municipal ordinance at any time, subject to the requirements
13 of any applicable collective bargaining agreement, in the same
14 manner and subject to the same conditions established for plan
15 termination and fund distribution under s. 185.37.

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

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

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

29 (c) By payment by the municipality, on at least a
30 quarterly basis, of whatever sum is determined necessary to
31

1 maintain the actuarial soundness of the fund in accordance
2 with s. 112.64.

3
4 Such contributions and payments shall be submitted to the
5 board of trustees of the police officers' pension trust fund,
6 or the plan trustees in the case of local law plans
7 established under s. 185.35, and deposited in the Municipal
8 Police Officers' Retiree Health Insurance Subsidy Trust Fund,
9 in the same manner and subject to the same time constraints as
10 provided under s. 185.11.

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

27 (5) RETIREE HEALTH INSURANCE SUBSIDY
28 AMOUNT.--Beginning on the effective date established in the
29 implementing ordinance, each eligible retiree, or beneficiary
30 who is a spouse or financial dependent thereof, shall receive
31 a monthly retiree health insurance subsidy payment equal to

1 the aggregate number of years of service with the
 2 municipality, as defined in s. 185.02, completed at the time
 3 of retirement multiplied by an amount determined in the
 4 implementing ordinance, but no less than \$3 for each year of
 5 service. Nothing herein shall be construed to restrict the
 6 plan sponsor from establishing, in the implementing ordinance,
 7 a cap of no less than 30 years upon the number of years'
 8 service for which credit will be given toward a health
 9 insurance subsidy or a maximum monthly subsidy amount.

10 (6) PAYMENT OF RETIREE HEALTH INSURANCE

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

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

20 police officers' pension trust fund, or the plan trustees in
 21 the case of local law plans established under s. 185.35, are
 22 hereby authorized to invest and reinvest the funds of the
 23 Municipal Police Officers' Retiree Health Insurance Subsidy
 24 Trust Fund in the same manner and subject to the same
 25 conditions as apply hereunder to the investment of municipal
 26 police officers' pension funds under s. 185.06.

27 (8) DEPOSIT OF PENSION FUNDS.--All funds ~~and~~

28 ~~securities~~ of the health insurance subsidy fund may be
 29 deposited by the board of trustees with the treasurer of the
 30 municipality, acting in a ministerial capacity only, who shall
 31 be liable in the same manner and to the same extent as he or

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

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

30 (10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS;
 31 AUDITS; RULES; ADMINISTRATIVE COSTS.--The board of trustees of

1 the police officers' pension trust fund, or the plan trustees
2 in the case of local law plans established under s. 185.35,
3 shall be solely responsible for administering the health
4 insurance subsidy trust fund. Pursuant thereto:

5 (a) As part of its administrative duties, no less
6 frequently than every 3 years, the board shall have an
7 actuarial valuation of the municipal police officers' retiree
8 health insurance subsidy trust fund prepared as provided in s.
9 112.63 by an enrolled actuary, covering the same reporting
10 period or plan year used for the municipal police officers'
11 pension plan, and shall submit a report of the valuation,
12 including actuarial assumptions and type and basis of funding,
13 to the division.

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

25 (c) The trustees may adopt such rules and regulations
26 as are necessary for the effective and efficient
27 administration of this section.

28 (d) At the discretion of the plan sponsor, the cost of
29 administration may be appropriated from the trust fund or paid
30 directly by the plan sponsor.

31

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

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

24 Section 83. Section 175.411, Florida Statutes, is
25 created to read:

26 175.411 Optional participation.--A municipality or
27 special fire control district may revoke its participation
28 under chapter 175 by rescinding the legislative act, ordinance
29 or resolution which assesses and imposes the taxes authorized
30 in s. 175.101, and by furnishing a certified copy of such
31 legislative act, ordinance or resolution to the division.

1 Thereafter, the municipality or special fire control district
2 shall be prohibited from participating under chapter 175, and
3 shall not be eligible for future premium tax moneys. Premium
4 tax moneys previously received shall continue to be used for
5 the sole and exclusive benefit of firefighters, or
6 firefighters and police officers where included, and no
7 amendment, legislative act, ordinance or resolution shall be
8 adopted which shall have the effect of reducing the then
9 vested accrued benefits of the firefighters, retirees, or
10 their beneficiaries. The municipality or special fire control
11 district shall continue to furnish an annual report to the
12 division as provided in s. 175.261. If the municipality or
13 special fire control district subsequently terminates the
14 defined benefit plan, they shall do so in compliance with the
15 provisions of s. 175.361.

16 Section 84. Section 185.60, Florida Statutes, is
17 created to read:

18 185.60 Optional participation.--A municipality may
19 revoke its participation under chapter 185 by rescinding the
20 legislative act, or ordinance which assesses and imposes taxes
21 authorized in s. 185.08, and by furnishing a certified copy of
22 such legislative act, or ordinance to the division.
23 Thereafter, the municipality shall be prohibited from
24 participating under chapter 185, and shall not be eligible for
25 future premium tax moneys. Premium tax moneys previously
26 received shall continue to be used for the sole and exclusive
27 benefit of police officers, or police officers and
28 firefighters where included, and no amendment, legislative
29 act, or ordinance shall be adopted which shall have the effect
30 of reducing the then vested accrued benefits of the police
31 officers, retirees, or their beneficiaries. The municipality

1 shall continue to furnish an annual report to the division as
2 provided in s. 185.221. If the municipality subsequently
3 terminates the defined benefit plan they shall do so in
4 compliance with the provisions of s. 185.37.

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

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