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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:~

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:

31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 municipalities and special fire control districts to which the  
2 moneys must be paid and the net amount collected for and to be  
3 paid to each municipality or special fire control district,  
4 respectively, subject to the limitation on disbursement under  
5 s. 175.122. The sum payable to each municipality or special  
6 fire control district is appropriated annually out of the  
7 Police and Firefighters' Premium Tax Trust Fund. The warrants  
8 of the Comptroller shall be payable to the respective  
9 municipalities and special fire control districts entitled to  
10 receive them and shall be remitted annually by the division to  
11 the respective municipalities and special fire control  
12 districts. In 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.~~

31

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\$30~~, 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, ~~; 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. ~~7 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. 18

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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