

By Representative K. Pruitt

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

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

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

3

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

5

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

8           175.021 Legislative declaration.--

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

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

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

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

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

22 175.032 Definitions.--For any municipality, special  
23 fire control district, chapter plan, local law municipality,  
24 local law special fire control district, or local law plan  
25 under this chapter, the following words and phrases have the  
26 following meanings:

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

1 1953, whichever is greater. A year shall be 12 consecutive  
2 months.

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

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

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

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

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

18           (4) "Creditable service" or "credited service" means  
19 the aggregate number of years of service, and fractional parts  
20 of years of service, of any firefighter, omitting intervening  
21 years and fractional parts of years when such firefighter may  
22 not have been employed by the municipality or special fire  
23 control district, subject to the following conditions:

24           (a) No firefighter will receive credit for years or  
25 fractional parts of years of service if he or she has  
26 withdrawn his or her contributions to the fund for those years  
27 or fractional parts of years of service, unless the  
28 firefighter repays into the fund the contributions he or she  
29 has withdrawn, with interest, within 90 days after his or her  
30 reemployment.

31

1       (b) A firefighter may voluntarily leave his or her  
2 contributions in the fund for a period of 5 years after  
3 leaving the employ of the fire department, pending the  
4 possibility of being rehired by the same department, without  
5 losing credit for the time he or she has participated actively  
6 as a firefighter. If the firefighter is not reemployed as a  
7 firefighter, with the same department, within 5 years, his or  
8 her contributions shall be returned without interest.

9       (c) Credited service under this chapter shall be  
10 provided only for service as a firefighter, as defined in s.  
11 175.032(7), or for military service and shall not include  
12 credit for any other type of service. A municipality may, by  
13 local ordinance, or a special fire control district may, by  
14 resolution, provide for the purchase of military service prior  
15 to employment as well as prior service as a firefighter for  
16 some other employer as long as a firefighter is not already  
17 receiving a benefit for such other service.

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

22           1. The firefighter is in the active employ of an  
23 employer immediately prior to such service and leaves a  
24 position, other than a temporary position, for the purpose of  
25 voluntary or involuntary service in the Armed Forces of the  
26 United States.

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

30           3. The firefighter returns to his or her employment as  
31 a firefighter of the municipality or special fire control

1 district within 1 year from the date of release from such  
2 active service.

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

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

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

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

14 (10) "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 standards are met. Any such variance shall  
22 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 (11) "Local law special fire control district" is any  
26 special fire control district in which there exists a local  
27 law plan.

28 (12) "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 (13) "Special fire control district" means a special  
5 district, as defined in s. 189.403(1), established for the  
6 purposes of extinguishing fires, protecting life, and  
7 protecting property within the incorporated or unincorporated  
8 portions of any county or combination of counties, or within  
9 any combination of incorporated and unincorporated portions of  
10 any county or combination of counties. The term does not  
11 include any dependent or independent special district, as  
12 defined in s. 189.403(2) and (3), respectively, the employees  
13 of which are members of the Florida Retirement System pursuant  
14 to s. 121.051(1) or (2).

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

21 Section 3. Section 175.041, Florida Statutes, is  
22 amended to read:

23 175.041 Firefighters' Pension Trust Fund created;  
24 applicability of provisions.--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:

28 (1) There shall be established ~~is hereby created~~ a  
29 special fund exclusively for the purpose of this chapter,  
30 which in the case of chapter plans shall ~~to~~ be known as the  
31 "Firefighters' Pension Trust Fund," ~~exclusively for the~~

1 ~~purpose of this chapter,~~ in each municipality and each special  
2 fire control district of this state heretofore or hereafter  
3 created which now has or which may hereafter have a  
4 constituted fire department or an authorized volunteer fire  
5 department, or any combination thereof, ~~and which municipality~~  
6 ~~or special fire control district does not presently have~~  
7 ~~established by law, special law, or local ordinance a similar~~  
8 ~~fund.~~

9           (2) To qualify as a fire department or volunteer fire  
10 department or combination thereof under the provisions of this  
11 chapter, the department shall own and use apparatus for the  
12 fighting of fires that is in compliance with National Fire  
13 Protection Association Standards for Automotive Fire  
14 Apparatus.

15           (3) The provisions of this chapter shall apply only to  
16 municipalities organized and established pursuant to the laws  
17 of the state and to special fire control districts, and said  
18 provisions shall not apply to the unincorporated areas of any  
19 county or counties except with respect to special fire control  
20 districts that include unincorporated areas, nor shall the  
21 provisions hereof apply to any governmental entity employing  
22 firefighters who ~~whose employees~~ participate in the Florida  
23 Retirement System, unless such firefighters were members of  
24 the Florida Retirement System prior to establishment of a  
25 pension plan under this chapter and simply maintained that  
26 membership. Special fire control districts that include, or  
27 consist exclusively of, unincorporated areas of one or more  
28 counties may levy and impose the tax and participate in the  
29 retirement programs enabled by this chapter.

30           (4) No municipality shall establish more than one  
31 retirement plan for public safety officers which is supported

1 in whole or in part by the distribution of premium tax funds  
2 as provided by this chapter or chapter 185, nor shall any  
3 municipality establish a retirement plan for public safety  
4 officers which receives premium tax funds from both this  
5 chapter and chapter 185.

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

9 Section 4. Section 175.051, Florida Statutes, is  
10 amended to read:

11 175.051 Actuarial deficits not state obligation.--For  
12 any municipality, special fire control district, chapter plan,  
13 local law municipality, local law special fire control  
14 district, or local law plan under this chapter, actuarial  
15 deficits, if any, arising under this chapter act, shall not be  
16 the obligation of the state.

17 Section 5. Section 175.061, Florida Statutes, is  
18 amended to read:

19 175.061 Board of trustees; members, terms of office;  
20 meetings; legal entity; costs; attorney's fees.--For any  
21 municipality, special fire control district, chapter plan,  
22 local law municipality, local law special fire control  
23 district, or local law plan under this chapter:

24 (1) In each municipality and in each special fire  
25 control district there is hereby created a board of trustees  
26 of the firefighters' pension trust fund, which shall be solely  
27 responsible for administering the trust fund. Effective July  
28 1, 1997 ~~October 1, 1986~~, and thereafter:~

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

1 of the municipality or special fire control district, who  
2 shall be appointed by the governing body of the municipality  
3 or special fire control district, and two of whom shall be  
4 full-time firefighters as defined in s. 175.032 who shall be  
5 elected by a majority of the active firefighters who are  
6 members of such plan. With respect to any plan that, on  
7 January 1, 1997, allowed retired firefighters to vote in such  
8 elections, retirees may continue to vote in such elections.  
9 The fifth member shall be chosen by a majority of the previous  
10 four members as provided for herein, and such person's name  
11 shall be submitted to the governing body of the municipality  
12 or special fire control district. Upon receipt of the fifth  
13 person's name, the governing body of the municipality or  
14 special fire control district shall, as a ministerial duty,  
15 appoint such person to the board of trustees as its fifth  
16 member. The fifth member shall have the same rights as each of  
17 the other four members appointed or elected as herein  
18 provided, shall serve as trustee for a period of 2 years, and  
19 may succeed himself or herself in office. Each resident  
20 member shall serve as trustee for a period of 2 years, unless  
21 sooner replaced by the governing body at whose pleasure he or  
22 she shall serve, and may succeed himself or herself as a  
23 trustee. Each firefighter member shall serve as trustee for a  
24 period of 2 years, unless he or she sooner leaves the  
25 employment of the municipality or special fire control  
26 district as a firefighter, whereupon a successor shall be  
27 chosen in the same manner as an original appointment. Each  
28 firefighter may succeed himself or herself in office.  
29 (b) The membership of boards of trustees for local law  
30 plans shall be as follows:  
31

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

4           2. If a municipality has a pension plan for  
5 firefighters and police officers, the provisions of paragraph  
6 (a) shall apply, except that one member of the board shall be  
7 a firefighter as defined in s. 175.032 and one member of the  
8 board shall be a police officer as defined in s. 185.02,  
9 respectively elected by a majority of the active firefighters  
10 or police officers who are members of the plan.

11           3. Any board of trustees operating a local law plan on  
12 July 1, 1997, which is combined with a plan for general  
13 employees shall hold an election of the firefighters, or  
14 firefighters and police officers, if included, to determine  
15 whether a plan is to be established for firefighters only, or  
16 for firefighters and police officers, where included. Based  
17 on the election results, a new board shall be established as  
18 provided in subparagraph 1. or 2., as appropriate. The newly  
19 established board shall take whatever action is necessary to  
20 determine the amount of assets which is attributable to  
21 firefighters, or firefighters and police officers, where  
22 included. Such assets shall include all employer, employee,  
23 and state contributions made by or on behalf of firefighters,  
24 or firefighters and police officers, where included, and any  
25 investment income derived from such contributions. All such  
26 moneys shall be transferred into the newly established  
27 retirement plan, as directed by the board.

28  
29 With respect to any board of trustees operating a local law  
30 plan on June 30, 1986, nothing in this paragraph shall permit  
31 the reduction of the membership percentage of firefighters, or

1 firefighters and police officers, where a joint or mixed fund  
2 exists.~~The board of trustees shall meet at least quarterly~~  
3 ~~each year. 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 (2) The trustees shall by a majority vote elect from  
8 their number a chair and a secretary. The secretary of the  
9 board shall keep a complete minute book of the actions,  
10 proceedings, or hearings of the board. The trustees shall not  
11 receive any compensation as such, but may receive expenses and  
12 per diem as provided by Florida law.

13 (3) The board of trustees shall meet at least  
14 quarterly each year.

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

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

24 (6) The provisions of this section may not be altered  
25 by a participating municipality or special fire control  
26 district operating a chapter plan or local law plan under this  
27 chapter.

28 Section 6. Section 175.071, Florida Statutes, is  
29 amended to read:

30 175.071 General powers and duties of board of  
31 trustees.--For any municipality, special fire control

1 district, chapter plan, local law municipality, local law  
2 special fire control district, or local law plan under this  
3 chapter:  
4       (1) The board of trustees may:  
5       (a) Invest and reinvest the assets of the  
6 firefighters' pension trust fund in annuity and life insurance  
7 contracts of life insurance companies in amounts sufficient to  
8 provide, in whole or in part, the benefits to which all of the  
9 participants in the firefighters' pension 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  
13 firefighters' pension 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, building, and loan  
17 association insured by the Savings Association Insurance Fund  
18 which are administered by the Federal Deposit Insurance  
19 Corporation ~~Federal Savings and Loan Insurance Corporation~~.  
20       2. Obligations of the United States or obligations  
21 guaranteed as to principal and interest by the Government of  
22 the United States.  
23       3. Bonds issued by the State of Israel.  
24       4. Bonds, stocks, or other evidences of indebtedness  
25 issued or guaranteed by a corporation organized under the laws  
26 of the United States, any state or organized territory of the  
27 United States, or the District of Columbia, provided:  
28       a. The corporation is listed on any one or more of the  
29 recognized national stock exchanges and holds a rating in one  
30 of the three highest classifications by a major rating  
31 service; and



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

8  
9 This paragraph shall apply to all boards of trustees and  
10 participants. However, in the event that a municipality or  
11 special fire control district has a duly enacted pension plan  
12 pursuant to, and in compliance with, s. 175.351, and the  
13 trustees thereof desire to vary the investment procedures  
14 herein, the trustees of such plan shall request a variance of  
15 the investment procedures as outlined herein only through a  
16 municipal ordinance, special act of the Legislature, or  
17 resolution by the governing body of the special fire control  
18 district; where a special act, or a municipality by ordinance  
19 adopted prior to July 1, 1997 ~~October 1, 1986~~, permits a  
20 greater than 50-percent ~~30-percent~~ equity investment, such  
21 municipality shall not be required to comply with the  
22 aggregate equity investment provisions of this paragraph. Up  
23 to 10 percent of the plan's assets may be invested in foreign  
24 investments without restrictions. The money manager must, on a  
25 quarterly basis, disclose the ratings of these investments to  
26 the Board of Trustees. ~~Investments shall not be made in any~~  
27 ~~stocks, bonds, or other securities owned or controlled by a~~  
28 ~~government other than that of the United States or the several~~  
29 ~~states.~~

30           (c) Issue drafts upon the firefighters' pension trust  
31 fund pursuant to this act and rules and regulations prescribed

1 by the board of trustees. All such drafts shall be  
2 consecutively numbered, be signed by the chair and secretary,  
3 and state upon their faces the purpose for which the drafts  
4 are drawn. The treasurer or depository of each municipality  
5 or special fire control district shall retain such drafts when  
6 paid, as permanent vouchers for disbursements made, and no  
7 money shall be otherwise drawn from the fund.

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

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

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

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

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

30 ~~(5)(4)~~ The sole and exclusive administration of, and  
31 the responsibilities for, the proper operation of the

1 firefighters' pension trust fund and for making effective the  
2 provisions of this chapter are vested in the board of  
3 trustees; however, nothing herein shall empower a board of  
4 trustees to amend the provisions of a retirement plan without  
5 the approval of the municipality or special fire control  
6 district. The board of trustees shall keep in convenient form  
7 such data as shall be necessary for an actuarial valuation of  
8 the firefighters' pension trust fund and for checking the  
9 actual experience of the fund.

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

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

- 29 1. Provides his or her services on a flat-fee basis.  
30 2. Is not associated in any manner with the money  
31 manager for the pension fund.

1           3. Makes calculations according to the American  
2 Banking Institute method of calculating time-weighted rates of  
3 return.

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

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

9           (a) Employ independent legal counsel at the pension  
10 fund's expense.

11           (b) Employ an independent actuary, as defined in s.  
12 175.032(6), at the pension fund's expense.

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

16  
17 If the board chooses to use the city's or special district's  
18 legal counsel or actuary, or chooses to use any of the city's  
19 or special district's other professional, technical, or other  
20 advisers, it shall do so only under terms and conditions  
21 acceptable to the board.

22           Section 7. Section 175.081, Florida Statutes, is  
23 amended to read:

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

31

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

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

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

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

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

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

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

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

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

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

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

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

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

22           175.091 Creation and maintenance of fund.--~~For any~~  
23 municipality, special fire control district, chapter plan,  
24 local law municipality, local law special fire control  
25 district, or local law plan under this chapter:

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

29           (a) By payment to the fund of the net proceeds of the  
30 1.85-percent excise or other similar tax which may be imposed  
31 by the municipality or special fire control district upon fire

1 insurance companies, fire insurance associations, or other  
2 property insurers on their gross receipts on premiums from  
3 holders of policies, which policies cover real or personal  
4 property within the corporate limits of such municipality, in  
5 the case of a municipal government, and within the legally  
6 defined jurisdiction of the district, in the case of a special  
7 fire control district. Whenever a municipality maintains a  
8 firefighters' pension trust fund under the provisions of this  
9 chapter but is partially contained within the boundaries of a  
10 special fire control district, that portion of the  
11 1.85-percent excise, license, or other similar tax which is  
12 collected for insurance policies covering property within the  
13 jurisdiction of both the municipality and the special fire  
14 control district shall be given to the firefighters' pension  
15 trust fund of the fire service provider. Remaining revenues  
16 collected pursuant to this chapter shall be distributed to the  
17 municipality or special fire control district according to the  
18 location of the insured property.

19 (b) Except as reduced or increased contributions are  
20 authorized by subsection (2), by the payment to the fund of 5  
21 percent of the salary of each uniformed firefighter who is a  
22 member or duly enrolled in the fire department of any  
23 municipality or special fire control district, which 5 percent  
24 shall be deducted by the municipality or special fire control  
25 district from the compensation due to the firefighter and paid  
26 over to the board of trustees of the firefighters' pension  
27 trust fund wherein such firefighter is employed. ~~A~~  
28 ~~firefighter participating in the old age survivors insurance~~  
29 ~~of the federal Social Security Law may limit his contribution~~  
30 ~~to the firefighters' pension trust fund to 3 percent of his~~  
31 ~~annual compensation and receive reduced benefits as set forth~~

1 ~~in ss. 175.191(5) and 175.211.~~ No firefighter shall have any  
2 right to the money so paid into the fund except as provided in  
3 this chapter.

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

7 (d) By mandatory payment by the municipality or  
8 special fire control district of a sum equal to the normal  
9 cost of and the amount required to fund ~~over a period of 40~~  
10 ~~years or on a 40-year basis,~~ any actuarial deficiency shown by  
11 a triennial ~~quinquennial~~ actuarial valuation as provided in  
12 part VII of chapter 112. ~~The first such actuarial valuation~~  
13 ~~shall be conducted for the calendar year ending December 31,~~  
14 ~~1967.~~

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

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

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

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

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

30  
31



1           (b) Member contributions may be increased by majority  
2 consent of the members of the fund to provide greater  
3 benefits.

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

10           Section 9. Section 175.101, Florida Statutes, is  
11 amended to read:

12           175.101 State excise tax on property insurance  
13 premiums authorized; procedure.--For any municipality, special  
14 fire control district, chapter plan, local law municipality,  
15 local law special fire control district, or local law plan  
16 under this chapter:

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

1 collected on property insurance policies covering property  
2 within the corporate limits of such municipalities or within  
3 the legally defined boundaries of special fire control  
4 districts, respectively. This tax shall apply to all insurers,  
5 whether authorized or not, transacting business in this state.  
6 Whenever the boundaries of a special fire control district  
7 that has lawfully established a firefighters' pension trust  
8 fund encompass a portion of the corporate territory of a  
9 municipality that has also lawfully established a  
10 firefighters' pension trust fund, that portion of the tax  
11 receipts attributable to insurance policies covering property  
12 situated both within the municipality and the special fire  
13 control district shall be given to the fire service provider.  
14 The agent shall identify the fire service provider on the  
15 property owner's application for insurance. Remaining  
16 revenues collected pursuant to this chapter shall be  
17 distributed to the municipality or special fire control  
18 district according to the location of the insured property.  
19       (2) In the case of multiple peril policies with a  
20 single premium for both the property and casualty coverages in  
21 such policies, 70 percent of such premium shall be used as the  
22 basis for the 1.85-percent tax.  
23       (3) This excise tax shall be payable annually on March  
24 1 of each year after the passage of an ordinance, in the case  
25 of a municipality, or resolution, in the case of a special  
26 fire control district, assessing and imposing the tax  
27 authorized by this section. Installments of taxes shall be  
28 paid according to the provision of s. 624.5092(2)(a), (b), and  
29 (c).  
30       Section 10. Section 175.111, Florida Statutes, is  
31 amended to read:

1           175.111 Certified copy of ordinance or resolution  
2 filed; insurance companies' annual report of premiums;  
3 duplicate files; book of accounts.--For any municipality,  
4 special fire control district, chapter plan, local law  
5 municipality, local law special fire control district, or  
6 local law plan under this chapter, whenever any municipality  
7 passes an ordinance, or whenever any special fire control  
8 district passes a resolution establishing a chapter plan or  
9 local law plan, assessing and imposing the taxes authorized in  
10 s. 175.101, a certified copy of such ordinance or resolution  
11 shall be deposited with the division. Thereafter every  
12 insurance company, association, corporation, or other insurer  
13 carrying on the business of property insurance on real or  
14 personal property, on or before the succeeding March 1 after  
15 date of the passage of the ordinance or resolution, shall  
16 report fully in writing and under oath to the division and the  
17 Department of Revenue a just and true account of all premiums  
18 by such insurer received for property insurance policies  
19 covering or insuring any real or personal property located  
20 within the corporate limits of each such municipality or  
21 special fire control district during the period of time  
22 elapsing between the date of the passage of the ordinance or  
23 resolution and the end of the calendar year ~~succeeding March~~  
24 †. The report shall include the code designation as  
25 prescribed by the division for each piece of insured property,  
26 real or personal, located within the corporate limits of each  
27 municipality and within the legally defined boundaries of each  
28 special fire control district. The aforesaid insurer shall  
29 annually thereafter, on March 1, file with the division and  
30 the Department of Revenue a similar report covering the  
31 preceding year's premium receipts, and every such insurer at

1 the same time of making such reports shall pay to the  
2 Department of Revenue the amount of the tax hereinbefore  
3 mentioned. Every insurer engaged in carrying on such  
4 insurance business in the state shall keep accurate books of  
5 accounts of all such business done by it within the corporate  
6 limits of each such municipality and within the legally  
7 defined boundaries of each such special fire control district,  
8 and in such manner as to be able to comply with the provisions  
9 of this chapter. Based on the insurers' reports of premium  
10 receipts, the division shall prepare a consolidated premium  
11 report and shall furnish to any municipality or special fire  
12 control district requesting the same a copy of the relevant  
13 section of that report.

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

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

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

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

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

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

1 control district not having qualified in any given year, or  
2 portion thereof, shall be transferred to the Firefighters'  
3 Supplemental Compensation Trust Fund administered by the  
4 Department of Revenue, as provided in s. 633.382.

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

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

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

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

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

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

9 175.131 Funds received by municipality or special fire  
10 control district; deposit in firefighters' pension trust  
11 fund.--For any municipality, special fire control district,  
12 chapter plan, local law municipality, local law special fire  
13 control district, or local law plan under this chapter, all  
14 state and other funds received by any municipality or special  
15 fire control district under the provisions of this chapter  
16 shall be deposited by such municipality or special fire  
17 control district immediately, and under no circumstances more  
18 than 5 days after receipt, with the board of trustees.  
19 Employee contributions, however, which are withheld by the  
20 employer on behalf of an employee member shall be deposited  
21 immediately after each pay period with the board of trustees  
22 of the firefighters' pension trust fund ~~at least monthly~~.  
23 Employer contributions shall be deposited at least quarterly.

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

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

1 therefor on his or her said state excise or license tax and  
2 the balance of said state excise or license tax shall be paid  
3 to the Department of Revenue ~~Insurance Commissioner and~~  
4 ~~Treasurer~~ as ~~is now~~ provided by law.

5 Section 15. Section 175.151, Florida Statutes, is  
6 amended to read:

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

22 Section 16. Section 175.152, Florida Statutes, is  
23 repealed.

24 Section 17. Section 175.162, Florida Statutes, is  
25 amended to read:

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



1 years of creditable service as a firefighter and attains age  
2 52, and who for such minimum period has been a member of the  
3 firefighters' pension trust fund operating under a chapter  
4 plan or local law plan, is eligible for normal retirement  
5 benefits. Normal retirement under the plan is retirement from  
6 the service of the municipality or special fire control  
7 district on or after the normal retirement date. In such  
8 event, payment of retirement income will be governed by the  
9 following provisions of this section:

10 (1) The normal retirement date of each firefighter  
11 will be the first day of the month coincident with or next  
12 following the date on which he or she has completed 10 or more  
13 years of creditable service and attained age 55 or completed  
14 25 years of creditable service and attained age 52.

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

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

31

1           ~~1. be an amount equal to~~ The number of his or her  
2 years of credited service multiplied by 2 percent of his or  
3 her average final compensation as a volunteer firefighter; or

4           2. The sum of \$20 for each of the first 20 years of  
5 credited service and \$5 for each additional year of credited  
6 service. ~~If the firefighter has been contributing only 3~~  
7 ~~percent of his or her salary, the firefighter's monthly~~  
8 ~~retirement income shall be an amount equal to the number of~~  
9 ~~his or her years of credited service multiplied by 1.2 percent~~  
10 ~~of his or her average final compensation.~~

11  
12 Pursuant to a local ordinance or resolution adopted by the  
13 governing body of the municipality or special fire control  
14 district, any plan may provide a benefit accrual rate that is  
15 higher than the minimum 2 percent credit for each year of  
16 service required under this chapter.

17           (3) The monthly retirement income payable in the event  
18 of normal retirement will be payable on the first day of each  
19 month. The first payment will be made on the firefighter's  
20 normal retirement date, or on the first day of the month  
21 coincident with or next following his or her actual  
22 retirement, if later, and the last payment will be the payment  
23 due next preceding the firefighter's death; except that, in  
24 the event the firefighter dies after retirement but before he  
25 or she has received retirement benefits for a period of 10  
26 years, the same monthly benefit will be paid to the  
27 beneficiary (or beneficiaries) as designated by the  
28 firefighter for the balance of such 10-year period. If a  
29 firefighter continues in the service of the municipality or  
30 special fire control district beyond his or her normal  
31 retirement date and dies prior to his or her date of actual

1 retirement, without an option made pursuant to s. 175.171  
2 being in effect, monthly retirement income payments will be  
3 made for a period of 10 years to a beneficiary (or  
4 beneficiaries) designated by the firefighter as if the  
5 firefighter had retired on the date on which his or her death  
6 occurred.

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

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

1           175.171 Optional forms of retirement income.--For any  
2 municipality, special fire control district, chapter plan,  
3 local law municipality, local law special fire control  
4 district, or local law plan under this chapter:

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

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

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

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

29           1. The firefighter upon electing any option of this  
30 section will designate the joint pensioner or beneficiary (or  
31 beneficiaries) to receive the benefit, if any, payable under

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

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

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

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

1           (a) If a firefighter dies prior to his or her normal  
2 retirement date or early retirement date, whichever first  
3 occurs, no retirement benefit will be payable under the option  
4 to any person, but the benefits, if any, will be determined  
5 under s. 175.201.

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

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

24           (d) If a firefighter continues beyond his or her  
25 normal retirement date pursuant to the provisions of s.  
26 175.162(1) and dies prior to actual retirement and while an  
27 option made pursuant to the provisions of this section is in  
28 effect, monthly retirement income payments will be made, or a  
29 retirement benefit will be paid, under the option to a  
30 beneficiary (or beneficiaries) designated by the firefighter  
31

1 in the amount or amounts computed as if the firefighter had  
2 retired under the option on the date on which death occurred.

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

6 Section 19. Section 175.181, Florida Statutes, is  
7 amended to read:

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

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

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

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

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

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

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

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

23 175.191 Disability retirement.--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:

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



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

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

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

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

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

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

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

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

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

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

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

1 date of such recovery or, if the firefighter dies without  
2 recovering from the disability, the payment due next preceding  
3 his or her death or the 120th monthly payment, whichever is  
4 later. In lieu of the benefit payment as provided in this  
5 paragraph, a firefighter may select an optional form as  
6 provided in s. 175.171. Any monthly retirement income payments  
7 due after the death of a disabled firefighter shall be paid to  
8 the firefighter's designated beneficiary (or beneficiaries) as  
9 provided in ss. 175.181 and 175.201.

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

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

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

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

30 (1) It is unlawful for a person to willfully and  
31 knowingly make, or cause to be made, or to assist, conspire

1 with, or urge another to make, or cause to be made, any false,  
2 fraudulent, or misleading oral or written statement to obtain  
3 any benefit available under a retirement plan receiving  
4 funding under this chapter.

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

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

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

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

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

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

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

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

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

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

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

31

1 trust fund after July 1, 1963, without interest, less any  
2 disability benefits paid to him or her after July 1, 1963.  
3 (2) If a firefighter who has been in the service of  
4 the municipality or special fire control district for at least  
5 10 years ~~and has contributed to the firefighters' pension~~  
6 ~~trust fund for at least 10 years~~ elects to leave his or her  
7 accrued contributions, if contributions are required, in the  
8 firefighters' pension trust fund, such firefighter upon  
9 attaining the age of 50 years may retire at the actuarial  
10 equivalent of the amount of such retirement income otherwise  
11 payable to him or her, as provided in s. 175.162(4), or upon  
12 attaining age 55 years may retire as provided in s.  
13 175.162(1).

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

16 175.221 Lump-sum payment of small retirement  
17 income.--For any municipality, special fire control district,  
18 chapter plan, local law municipality, local law special fire  
19 control district, or local law plan under this chapter,  
20 notwithstanding any provisions of the plan to the contrary, if  
21 the monthly retirement income payable to any person entitled  
22 to benefits hereunder is less than ~~\$100~~<sup>\$30</sup>, or if the  
23 single-sum value of the accrued retirement income is less than  
24 ~~<U>\$2,500~~<sup>\$750</sup>, as of the date of retirement or termination of  
25 service, whichever is applicable, the board of trustees, in  
26 the exercise of its discretion, may specify that the actuarial  
27 equivalent of such retirement income be paid in a lump sum.

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

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

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

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

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

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

29 Section 28. Section 175.261, Florida Statutes, 1996  
30 Supplement, is amended to read:

31

1           175.261 Annual report to Division of Retirement;  
2 actuarial valuations reports.--For any municipality, special  
3 fire control district, chapter plan, local law municipality,  
4 local law special fire control district, or local law plan  
5 under this chapter, the board of trustees for every chapter  
6 plan and local law plan shall submit the following reports to  
7 the division:

8           (1) With respect to chapter plans:

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

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

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

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



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

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

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

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

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

7 (2) With respect to local law plans:

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

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

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

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

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

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

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

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

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

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

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

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

31

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

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

13           Section 29. Section 175.291, Florida Statutes, as  
14 amended by section 929 of chapter 95-147, Laws of Florida, is  
15 repealed.

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

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

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

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

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

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

29 Section 33. Section 175.331, Florida Statutes, as  
30 amended by section 931 of chapter 95-147, Laws of Florida, is  
31 repealed.

1           Section 34. Section 175.333, Florida Statutes, is  
2 amended to read:

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

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

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

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

31

1 Nothing herein shall preclude a plan from actuarially  
2 adjusting benefits or offering options based upon sex, age,  
3 early retirement, or disability.

4 Section 35. Section 175.341, Florida Statutes, is  
5 amended to read:

6 175.341 Duties of Division of Retirement; rulemaking  
7 authority; investments by the State Board of Administration.--

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

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

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

27 Section 36. Section 175.351, Florida Statutes, is  
28 amended to read:

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

31

1           175.351 Municipalities and special fire control  
2 districts having their own pension plans for  
3 firefighters.--For any municipality, special fire control  
4 district, local law municipality, local law special fire  
5 control district, or local law plan under this chapter, in  
6 order for municipalities and special fire control districts  
7 with their own pension plans for firefighters, or for  
8 firefighters and police officers, where included, to  
9 participate in the distribution of the tax fund established  
10 pursuant to s. 175.101, local law plans must meet the minimum  
11 benefits and standards set forth in this chapter.

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

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

25           (b) Place the income from the premium tax in s.  
26 175.101 in a separate supplemental pension plan to pay extra  
27 benefits to firefighters, or to firefighters and police  
28 officers, where included, participating in such separate  
29 supplemental pension plan.

30  
31



1 Anything to the contrary notwithstanding, the premium tax  
2 provided by this chapter shall in all cases be used in its  
3 entirety to provide extra benefits to firefighters, or to  
4 firefighters and police officers, where included. For purposes  
5 of this chapter, the term "extra benefits" means benefits in  
6 addition to or greater than those provided to general  
7 employees of the municipality.

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

22 (3) The retirement plan setting forth the benefits and  
23 the trust agreement, if any, covering the duties and  
24 responsibilities of the trustees and the regulations of the  
25 investment of funds must be in writing, and copies thereof  
26 must be made available to the participants and to the general  
27 public.

28 Section 37. Section 175.361, Florida Statutes, is  
29 amended to read:

30 175.361 Termination of plan and distribution of  
31 fund.--For any municipality, special fire control district,

1 chapter plan, local law municipality, local law special fire  
2 control district, or local law plan under this chapter, the  
3 plan may be terminated by the municipality or special fire  
4 control district. Upon termination of the plan by the  
5 municipality or special fire control district for any reason  
6 or because of a transfer, merger, or consolidation of  
7 governmental units, services, or functions as provided in  
8 chapter 121, or upon written notice by the municipality or  
9 special fire control district to the board of trustees that  
10 contributions under the plan are being permanently  
11 discontinued, the rights of all employees to benefits accrued  
12 to the date of such termination, to the extent then funded, or  
13 the amounts credited to the employees' accounts are  
14 nonforfeitable and the fund shall be apportioned and  
15 distributed in accordance with the following procedures:  
16       (1) The board of trustees shall determine the date of  
17 distribution and the asset value to be distributed, after  
18 taking into account the expenses of such distribution.  
19       (2) The board of trustees shall determine the method  
20 of distribution of the asset value, that is, whether  
21 distribution shall be by payment in cash, by the maintenance  
22 of another or substituted trust fund, by the purchase of  
23 insured annuities, or otherwise, for each firefighter entitled  
24 to benefits under the plan as specified in subsection (3).  
25       (3) The board of trustees shall apportion the asset  
26 value as of the date of termination in the manner set forth in  
27 this subsection, on the basis that the amount required to  
28 provide any given retirement income shall mean the actuarially  
29 computed single-sum value of such retirement income, except  
30 that if the method of distribution determined under subsection  
31 (2) involves the purchase of an insured annuity, the amount

1 required to provide the given retirement income shall mean the  
2 single premium payable for such annuity.

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

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

1 the aggregate of such reduced amounts will be equal to such  
2 remaining asset value.

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

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

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

28  
29 If, after a period of 24 months after the date on which the  
30 plan terminated or the date on which the board received  
31 written notice that the contributions thereunder were being

1 permanently discontinued, the municipality or special fire  
2 control district or the board of trustees of the firefighters'  
3 pension trust fund affected has not complied with all the  
4 provisions in this section, the division shall effect the  
5 termination of the fund in accordance with this section.

6 Section 38. Section 175.371, Florida Statutes, is  
7 amended to read:

8 175.371 Transfer to another state retirement system;  
9 benefits payable.--For any municipality, special fire control  
10 district, chapter plan, local law municipality, local law  
11 special fire control district, or local law plan under this  
12 chapter:

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

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

31

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

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

5           175.381 Applicability.--This act shall apply to all  
6 municipalities, special fire control districts, chapter plans,  
7 local law municipalities, local law special fire control  
8 districts, or local law plans presently existing or to be  
9 created pursuant to this chapter. Those plans presently  
10 existing pursuant to s. 175.351 and not in compliance with the  
11 provisions of this act must comply no later than December 31,  
12 1997. However, the plan sponsor of any plan established by  
13 special act of the Legislature shall have until July 1, 1998,  
14 to comply with the provisions of this act, except as otherwise  
15 provided in this act with regard to establishment and election  
16 of board members. The provisions of this act shall be  
17 construed to establish minimum standards and benefit levels,  
18 and nothing contained in this act or in chapter 175 shall  
19 operate to reduce presently existing rights or benefits of any  
20 firefighter, directly, indirectly, or otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31



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

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

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

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

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

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

25 (8) DEPOSIT OF HEALTH INSURANCE SUBSIDY FUNDS.--All  
26 funds ~~and securities~~ of the health insurance subsidy fund may  
27 be deposited by the board of trustees with the treasurer of  
28 the municipality or special fire control district, acting in a  
29 ministerial capacity only, who shall be liable in the same  
30 manner and to the same extent as he or she is liable for the  
31 safekeeping of funds for the municipality or special fire

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

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

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

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

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

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

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

25 185.01 Legislative declaration.--

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

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

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

28 (a) The member's compensation or salary contributed as  
29 employee-elective salary reductions or deferrals to any salary  
30 reduction, deferred compensation, or tax-sheltered annuity  
31 program authorized under the Internal Revenue Code shall be

1 deemed to be the compensation or salary the member would  
2 receive if he or she were not participating in such program  
3 and shall be treated as compensation for retirement purposes  
4 under this chapter.

5 (b) For any person who first becomes a member in any  
6 plan year beginning on or after January 1, 1996, compensation  
7 for any plan year shall not include any amounts in excess of  
8 the Internal Revenue Code Section 401(a)(17) limitation Gas  
9 amended by the Omnibus Budget Reconciliation Act of 19935,  
10 which limitation of \$150,000 shall be adjusted as required by  
11 federal law for qualified government plans and shall be  
12 further adjusted for changes in the cost of living in the  
13 manner provided by Internal Revenue Code Section  
14 401(a)(17)(B). For any person who first became a member prior  
15 to the first plan year beginning on or after January 1, 1996,  
16 the limitation on compensation shall be not less than the  
17 maximum compensation amount that was allowed to be taken into  
18 account under the plan as in effect on July 1, 1993, which  
19 limitation shall be adjusted for changes in the cost of living  
20 since 1989 in the manner provided by Internal Revenue Code  
21 Section 401(a)(17)(1991).

22 (5) "Creditable service" or "credited service" means  
23 the aggregate number of years of service and fractional parts  
24 of years of service of any police officer, omitting  
25 intervening years and fractional parts of years when such  
26 police officer may not have been employed by the municipality  
27 subject to the following conditions:

28 (a) No police officer will receive credit for years or  
29 fractional parts of years of service if he or she has  
30 withdrawn his or her contributions to the fund for those years  
31 or fractional parts of years of service, unless the police



1 officer repays into the fund the contributions he or she has  
2 withdrawn, with interest, within 90 days after his or her  
3 reemployment.

4 (b) A police officer may voluntarily leave his or her  
5 contributions in the fund for a period of 5 years after  
6 leaving the employ of the police department, pending the  
7 possibility of his or her being rehired by the same  
8 department, without losing credit for the time he or she has  
9 participated actively as a police officer. If he or she is  
10 not reemployed as a police officer with the same department  
11 within 5 years, his or her contributions shall be returned to  
12 him or her without interest.

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

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

26 1. The police officer is in the active employ of the  
27 municipality prior to such service and leaves a position,  
28 other than a temporary position, for the purpose of voluntary  
29 or involuntary service in the Armed Forces of the United  
30 States.

31

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

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

7           (6) "Division" means the Division of Retirement of the  
8 Department of Management Services.

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

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

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

26           (10) "Police officer" means any person who is elected,  
27 appointed, or employed full time by any municipality, who is  
28 certified or required to be certified as a law enforcement  
29 officer in compliance with s. 943.1395, who is vested with  
30 authority to bear arms and make arrests, and whose primary  
31 responsibility is the prevention and detection of crime or the

1 enforcement of the penal, criminal, traffic, or highway laws  
2 of the state. This definition includes all certified  
3 supervisory and command personnel whose duties include, in  
4 whole or in part, the supervision, training, guidance, and  
5 management responsibilities of full-time law enforcement  
6 officers, part-time law enforcement officers, or auxiliary law  
7 enforcement officers, but does not include part-time law  
8 enforcement officers or auxiliary law enforcement officers as  
9 the same are defined in s. 943.10(6) and (8), respectively.  
10 For the purposes of this chapter only, "police officer" also  
11 shall include a public safety officer who is responsible for  
12 performing both police and fire services.

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

18 (12) "Supplemental plan" means a plan to which  
19 deposits are made to provide extra benefits to police officers  
20 or police officers and firefighters, where included, under  
21 this chapter. Such a plan is an element of a local law plan  
22 and exists in conjunction with a defined benefit plan that  
23 meets the minimum standards and benefits of this chapter.

24 Section 44. Section 185.03, Florida Statutes, is  
25 amended to read:

26 185.03 Municipal police officers' retirement trust  
27 funds; creation; applicability of provisions; participation by  
28 public safety officers.--For any municipality, chapter plan,  
29 local law municipality, or local law plan under this chapter:

30 (1) There shall be established ~~may be hereby created~~ a  
31 special fund exclusively for the purpose of this chapter,

1 which in the case of chapter plans shall ~~to~~ be known as the  
2 "Municipal Police Officers' Retirement Trust Fund,"  
3 ~~exclusively for the purposes provided in this chapter,~~ in each  
4 municipality of this state, heretofore or hereafter created,  
5 which now has or which may hereafter have a regularly  
6 organized police department, and which now owns and uses or  
7 which may hereafter own and use equipment and apparatus of a  
8 value exceeding \$500 in serviceable condition for the  
9 prevention of crime and for the preservation of life and  
10 property, ~~and which does not presently have established by law~~  
11 ~~a similar fund.~~

12 (2) The provisions of this act shall apply only to  
13 municipalities organized and established pursuant to the laws  
14 of the state and said provisions shall not apply to the  
15 unincorporated areas of any county or counties nor shall the  
16 provisions hereof apply to any governmental entity whose  
17 employees are eligible for membership in the Florida  
18 Retirement System, unless such police officers were members of  
19 the Florida Retirement System prior to establishment of a  
20 pension plan under this chapter and simply maintained that  
21 membership a state or state and county retirement system.

22 (3) No municipality shall establish more than one  
23 retirement plan for public safety officers which is supported  
24 in whole or in part by the distribution of premium tax funds  
25 as provided by this chapter or chapter 175, nor shall any  
26 municipality establish a retirement plan for public safety  
27 officers which receives premium tax funds from both this  
28 chapter and chapter 175.

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

1           Section 45. Section 185.04, Florida Statutes, is  
2 amended to read:

3           185.04 Actuarial deficits not state obligations.--For  
4 any municipality, chapter plan, local law municipality, or  
5 local law plan under this chapter, actuarial deficits, if any,  
6 arising under this chapter are ~~shall not be~~ the obligation of  
7 the state.

8           Section 46. Section 185.05, Florida Statutes, is  
9 amended to read:

10           185.05 Board of trustees; members, terms of office;  
11 meetings; legal entity; costs; attorney's fees.--For any  
12 municipality, chapter plan, local law municipality, or local  
13 law plan under this chapter:

14           (1) In each municipality described in s. 185.03 there  
15 is hereby created a board of trustees of the municipal police  
16 officers' retirement trust fund, which shall be solely  
17 responsible for administering the trust fund. Effective July  
18 1, 1997 ~~October 1, 1986~~, and thereafter:7

19           (a) The membership of the board of trustees for  
20 chapter plans shall consist of five members, two of whom,  
21 unless otherwise prohibited by law, shall be legal residents  
22 of the municipality, who shall be appointed by the legislative  
23 body of the municipality, and two of whom shall be police  
24 officers as defined in s. 185.02 who shall be elected by a  
25 majority of the active police officers who are members of such  
26 plan. With respect to any plan that, on January 1, 1997,  
27 allowed retired police officers to vote in such elections,  
28 retirees may continue to vote in such elections until such  
29 time as such permission is revoked by majority vote of the  
30 active police officers who are members of the fund.The fifth  
31 member shall be chosen by a majority of the previous four

1 members, and such person's name shall be submitted to the  
2 legislative body of the municipality. Upon receipt of the  
3 fifth person's name, the legislative body of the municipality  
4 shall, as a ministerial duty, appoint such person to the board  
5 of trustees as its fifth member. The fifth member shall have  
6 the same rights as each of the other four members appointed or  
7 elected as herein provided, shall serve as trustee for a  
8 period of 2 years, and may succeed himself or herself in  
9 office. Each resident member shall serve as trustee for a  
10 period of 2 years, unless sooner replaced by the legislative  
11 body at whose pleasure the member shall serve, and may succeed  
12 himself or herself as a trustee. ~~However, the terms of the~~  
13 ~~mayor, or corresponding chief executive officer of the~~  
14 ~~municipality, and the chief of the police department as~~  
15 ~~members of the board of trustees as provided in chapter 28230,~~  
16 ~~Laws of Florida, 1953, as amended, together with any city~~  
17 ~~manager and member of the legislative body of the municipality~~  
18 ~~as members of the board of trustees shall terminate on~~  
19 ~~September 30, 1986.~~ Each police officer member shall serve as  
20 trustee for a period of 2 years, unless he or she sooner  
21 leaves the employment of the municipality as a police officer,  
22 whereupon the legislative body of the municipality shall  
23 choose a successor in the same manner as an original  
24 appointment. Each police officer may succeed himself or  
25 herself in office. ~~The board of trustees shall meet at least~~  
26 ~~quarterly each year. Each board of trustees shall be a legal~~  
27 ~~entity with, in addition to other powers and responsibilities~~  
28 ~~contained herein, the power to bring and defend lawsuits of~~  
29 ~~every kind, nature, and description.~~  
30 (b) The membership of boards of trustees for local law  
31 plans shall be as follows:

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

3           2. If a municipality has a pension plan for police  
4 officers and firefighters, the provisions of paragraph (a)  
5 shall apply, except that one member of the board shall be a  
6 police officer as defined in s. 185.02 and one member shall be  
7 a firefighter as defined in s. 175.032, respectively, elected  
8 by a majority of the active firefighters and police officers  
9 who are members of the plan.

10           3. Any board of trustees operating a local law plan on  
11 July 1, 1997, which is combined with a plan for general  
12 employees shall hold an election of the police officers, or  
13 police officers and firefighters, if included, to determine  
14 whether a plan is to be established for police officers only,  
15 or for police officers and firefighters, where included.  
16 Based on the election results, a new board shall be  
17 established as provided in subparagraph 1. or 2., as  
18 appropriate. The newly established board shall take whatever  
19 action is necessary to determine the amount of assets that is  
20 attributable to police officers, or police officers and  
21 firefighters, where included. Such assets shall include all  
22 employer, employee, and state contributions made by or on  
23 behalf of police officers, or police officers and  
24 firefighters, where included, and any investment income  
25 derived from such contributions. All such moneys shall be  
26 transferred into the newly established retirement plan, as  
27 directed by the board.

28  
29 With respect to any board of trustees operating a local law  
30 plan on June 30, 1986, nothing in this paragraph shall permit  
31

1 the reduction of the membership percentage of police officers  
2 or police officers and firefighters.

3 (2) The trustees shall by majority vote elect from its  
4 members a chair and a secretary. The secretary of the board  
5 shall keep a complete minute book of the actions, proceedings,  
6 or hearings of the board. The trustees shall not receive any  
7 compensation as such, but may receive expenses and per diem as  
8 provided by Florida law.

9 (3) The board of trustees shall meet at least  
10 quarterly each year.

11 (4) Each board of trustees shall be a legal entity  
12 which shall have, in addition to other powers and  
13 responsibilities contained herein, the power to bring and  
14 defend lawsuits of every kind, nature, and description.

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

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

23 Section 47. Section 185.06, Florida Statutes, is  
24 amended to read:

25 185.06 General powers and duties of board of  
26 trustees.--For any municipality, chapter plan, local law  
27 municipality, or local law plan under this chapter:

28 (1) The board of trustees may:

29 (a) Invest and reinvest the assets of the retirement  
30 trust fund in annuity and life insurance contracts of life  
31 insurance companies in amounts sufficient to provide, in whole



1 or in part, the benefits to which all of the participants in  
2 the municipal police officers' retirement trust fund shall be  
3 entitled under the provisions of this chapter, and pay the  
4 initial and subsequent premiums thereon.

5 (b) Invest and reinvest the assets of the retirement  
6 trust fund in:

7 1. Time or savings accounts of a national bank, a  
8 state bank insured by the Bank Insurance Fund ~~Federal Deposit~~  
9 ~~Insurance Corporation~~, or a savings and loan association  
10 insured by the Savings Association Insurance Fund which are  
11 administered by the Federal Deposit Insurance Corporation  
12 ~~Federal Savings and Loan Insurance Corporation~~.

13 2. Obligations of the United States or obligations  
14 guaranteed as to principal and interest by 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 holds a rating in one  
22 of the three highest classifications by a major rating  
23 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 the company or the aggregate of its  
29 investments under this subparagraph at cost exceed 50 ~~30~~  
30 percent of the fund's assets.

31

1 This paragraph shall apply to all boards of trustees and  
2 participants. However, in the event that a municipality has a  
3 duly enacted pension plan pursuant to, and in compliance with,  
4 s. 185.35 and the trustees thereof desire to vary the  
5 investment procedures herein, the trustees of such plan shall  
6 request a variance of the investment procedures as outlined  
7 herein only through a municipal ordinance or special act of  
8 the Legislature; where a special act, or a municipality by  
9 ordinance adopted prior to July 1, 1997 ~~October 1, 1986~~,  
10 permits a greater than 50-percent ~~30-percent~~ equity  
11 investment, such municipality shall not be required to comply  
12 with the aggregate equity investment provisions of this  
13 paragraph. Up to 10 percent of the plan's assets may be  
14 invested in foreign investments without restrictions. The  
15 money manager must, on a quarterly basis, disclose the ratings  
16 of these investments to the Board of Trustees. Investments  
17 ~~shall not be made in any stocks, bonds, or other securities~~  
18 ~~owned or controlled by a government other than that of the~~  
19 ~~United States or of the several states.~~

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

29 (d) Finally decide all claims to relief under the  
30 board's rules and regulations and pursuant to the provisions  
31 of this act.

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

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

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

10 (3) 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 police officers employed by the municipality. The  
16 record shall show the name, address, and time of employment of  
17 such police officer and when he or she ceases to be employed  
18 by the municipality.

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

29 (5)(a)~~(4)~~ At least once every 3 years, the board of  
30 trustees shall retain a professionally qualified ~~an~~  
31 independent consultant who shall ~~professionally qualified to~~

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

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

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

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

19 3. Makes calculations according to the American  
20 Banking Institute method of calculating time-weighted rates of  
21 return.

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

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

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

29 (b) Employ an independent actuary, as defined in s.  
30 185.02(7), at the pension fund's expense.

31

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

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

9           Section 48. Section 185.061, Florida Statutes, is  
10 amended to read:

11           185.061 Use of annuity or insurance policies.--When  
12 the board of trustees of any municipality, chapter plan, local  
13 law municipality, or local law plan purchases annuity or life  
14 insurance contracts to provide all or part of the benefits  
15 promised by this chapter, the following principles shall be  
16 observed:

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

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

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

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

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

30           (6) Death benefit, if any, should not exceed:  
31

1           (a) One hundred times the estimated normal monthly  
2 retirement income, based on the assumption that the present  
3 rate of compensation continues without change to normal  
4 retirement date, or

5           (b) Twice the annual rate of compensation as of the  
6 date of termination of service, or

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

10           (7) An insurance plan may provide that the assignment  
11 of insurance contract to separating officer shall be at least  
12 equivalent to the return of the officer's contributions used  
13 to purchase the contract. An assignment of contract  
14 discharges the municipality from all further obligation to the  
15 participant under the plan even though the cash value of such  
16 contract may be less than the employee's contributions.

17           (8) Provisions shall be made, either by issuance of  
18 separate policies, or otherwise, that the separating officer  
19 does not receive cash values and other benefits under the  
20 policies assigned to the officer which exceed the present  
21 value of his or her vested interest under the retirement plan,  
22 inclusive of the officer's contribution to the plan, the  
23 contributions by the state shall not be exhausted faster  
24 merely because the method of funding adopted was through  
25 insurance companies.

26           (9) The police officer shall have the right at any  
27 time to give the board of trustees written instructions  
28 designating the primary and contingent beneficiaries to  
29 receive death benefit or proceeds and the method of the  
30 settlement of the death benefit or proceeds, or requesting a  
31 change in the beneficiary, designation or method of settlement

1 previously made, subject to the terms of the policy or  
2 policies on the officer's life. Upon receipt of such written  
3 instructions, the board of trustees shall take the necessary  
4 steps to effectuate the designation or change of beneficiary  
5 or settlement option.

6 Section 49. Section 185.07, Florida Statutes, is  
7 amended to read:

8 185.07 Creation and maintenance of fund.--For any  
9 municipality, chapter plan, local law municipality, or local  
10 law plan under this chapter:

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

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

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

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

4 (d) By payment by the municipality or other sources of  
5 a sum equal to the normal cost and the amount required to fund  
6 ~~over a 40-year basis~~ any actuarial deficiency shown by a  
7 triennial ~~quinquennial~~ actuarial valuation as provided in part  
8 VII of chapter 112. ~~The first such actuarial valuation shall~~  
9 ~~be conducted for the calendar year ending December 31, 1963.~~

10 (e) By all gifts, bequests and devises when donated to  
11 ~~<O>~~for the fund.

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

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

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

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

23 (b) Member contributions may be increased by majority  
24 consent of the members of the fund to provide greater  
25 benefits.

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



1           Section 50. Section 185.08, Florida Statutes, is  
2 amended to read:

3           185.08 State excise tax on casualty insurance premiums  
4 authorized; procedure.--For any municipality, chapter plan,  
5 local law municipality, or local law plan under this chapter:

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

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

29           (3) The ~~Said~~ excise tax shall be payable annually  
30 March 1 of each year after the passing of an ordinance  
31 assessing and imposing the tax herein authorized.

1 Installments of taxes shall be paid according to the  
2 provisions of s. 624.5092(2)(a), (b), and (c).

3 Section 51. Section 185.09, Florida Statutes, is  
4 amended to read:

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

1 premium receipts, the division shall prepare a consolidated  
2 premium report and shall furnish to any municipality  
3 requesting the same a copy of the relevant section of that  
4 report.

5 Section 52. Section 185.10, Florida Statutes, is  
6 amended to read:

7 185.10 Department of Revenue and Division of  
8 Retirement to keep accounts of deposits; disbursements.--For  
9 any municipality having a chapter plan or local law plan under  
10 this chapter:

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

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

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

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

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

28 Section 54. Section 185.12, Florida Statutes, is  
29 amended to read:

30 185.12 Payment of excise tax credit on similar state  
31 excise or license tax.--The tax herein authorized shall in

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

8 Section 55. Section 185.13, Florida Statutes, is  
9 amended to read:

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

26 Section 56. Section 185.14, Florida Statutes, is  
27 repealed.

28 Section 57. Section 185.15, Florida Statutes, is  
29 repealed.

30 Section 58. Section 185.16, Florida Statutes, is  
31 amended to read:

1           185.16 Requirements for retirement.--For any  
2 municipality, chapter plan, local law municipality, or local  
3 law plan under this chapter,any police officer who completes  
4 10 or more years of creditable service as a police officer and  
5 attains age 55, or completes 25 years of creditable service as  
6 a police officer and attains age 52, and for such period has  
7 been a member of the retirement fund is eligible for normal  
8 retirement benefits. Normal retirement under the plan is  
9 retirement from the service of the city on or after the normal  
10 retirement date. In such event, for chapter plans and local  
11 law plans,payment of retirement income will be governed by  
12 the following provisions of this section:

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

23           (2) The amount of the monthly retirement income  
24 payable to a police officer who retires on or after his or her  
25 normal retirement date shall be an amount equal to the number  
26 of the police officer's years of credited service multiplied  
27 by 2 percent of his or her average final compensation.  
28 ~~However, if current state contributions pursuant to this~~  
29 ~~chapter are not adequate to fund the additional benefits to~~  
30 ~~meet the minimum requirements in this chapter, only increment~~  
31 ~~increases shall be required as state moneys are adequate to~~

1 ~~provide. Such increments shall be provided as state moneys~~  
2 ~~become available.~~ The retirement income will be reduced for  
3 moneys received under the disability provisions of this  
4 chapter. Pursuant to a local ordinance adopted by the  
5 governing body of the municipality or special act of the  
6 Legislature, any plan may provide a benefit accrual rate that  
7 is higher than the minimum 2-percent credit for each year of  
8 service required under this chapter.

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

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

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

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

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

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



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

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

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

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

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

28 2. A retirement income of a modified monthly amount,  
29 payable to the police officer during the joint lifetime of the  
30 police officer and a joint pensioner designated by the police  
31 officer, and following the death of either of them, 100

1 percent, 75 percent,<sup>66</sup> 2/3 percent, or 50 percent of such  
2 monthly amount payable to the survivor for the lifetime of the  
3 survivor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

30  
31

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12  
13 In the event that a ~~the~~ death benefit paid by a life insurance  
14 company exceeds the limit set forth in s. 185.061(6), the  
15 excess of the death benefit over the limit shall be paid to  
16 the municipal police officers' retirement trust fund.

17 However, death ~~the~~ benefits as provided pursuant to ~~in~~ s.  
18 112.19 or any other state or federal law shall not be included  
19 <U>in the calculation of ~~as~~ death or retirement benefits provided  
20 under the provisions of this chapter.

21 Section 66. Section 185.221, Florida Statutes, 1996  
22 Supplement, is amended to read:

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

29 (1) With respect to chapter plans:

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

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

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

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

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

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

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

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

3 (b)(2) In addition to annual reports provided under  
4 paragraph (a), by February 1 of each triennial year, an  
5 actuarial valuation of the chapter plan must be made by the  
6 division at least once every 3 years, as provided in s.

7 112.63, commencing 3 years from the last actuarial valuation  
8 of the plan or system for existing plans, or commencing 3  
9 years from the issuance of the initial actuarial impact  
10 statement submitted under s. 112.63 for newly created plans.

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

26 (2) With respect to local law plans:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31



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

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

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

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

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

29           Section 69. Section 185.27, Florida Statutes, as  
30 amended by section 952 of chapter 95-147, Laws of Florida, is  
31 repealed.

1           Section 70. Section 185.29, Florida Statutes, as  
2 amended by section 953 of chapter 95-147, Laws of Florida, is  
3 repealed.

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

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

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

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

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

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

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

14 185.34 Disability in line of duty.--For any  
15 municipality, chapter plan, local law municipality, or local  
16 law plan under this chapter, any condition or impairment of  
17 health of any and all police officers employed in the state  
18 caused by tuberculosis, hypertension, heart disease, or  
19 hardening of the arteries, resulting in total or partial  
20 disability or death, shall be presumed to be accidental and  
21 suffered in line of duty unless the contrary be shown by  
22 competent evidence. Any condition or impairment of health  
23 caused directly or proximately by exposure, which exposure  
24 occurred in the active performance of duty at some definite  
25 time or place without willful negligence on the part of the  
26 police officer, resulting in total or partial disability,  
27 shall be presumed to be accidental and suffered in the line of  
28 duty, provided that such police officer shall have  
29 successfully passed a physical examination upon entering such  
30 service, which physical examination including  
31 electrocardiogram failed to reveal any evidence of such

1 condition, and, further, that such presumption shall not apply  
2 to benefits payable under or granted in a policy of life  
3 insurance or disability insurance. This section shall be  
4 applicable to all police officers ~~employed in this state~~ only  
5 with reference to pension and retirement benefits under this  
6 chapter.

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

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

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

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

26           ~~2. Length of service.~~

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

31

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

31

1           2. ~~If a municipality has a pension plan for police~~  
2 ~~officers and firefighters, the provisions of s. 185.05 shall~~  
3 ~~apply, except that two members of the board shall be police~~  
4 ~~officers or firefighters who shall be elected by a majority of~~  
5 ~~the police officers and firefighters who are members of the~~  
6 ~~plan.~~

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

11           4. ~~If a municipality has a pension plan for police~~  
12 ~~officers, firefighters, and general employees, at least one~~  
13 ~~member of the board shall be a police officer or firefighter~~  
14 ~~who shall be elected by a majority of the police officers and~~  
15 ~~firefighters who are members of the plan.~~

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

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

24           Section 77. Section 185.36, Florida Statutes, is  
25 repealed.

26           Section 78. Section 185.37, Florida Statutes, is  
27 amended to read:

28           185.37 Termination of plan and distribution of  
29 fund.--For any municipality, chapter plan, local law  
30 municipality, or local law plan under this chapter, the plan  
31 may be terminated by the municipality. Upon termination of the

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

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

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

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

30 (a) Apportionment shall first be made in respect of  
31 each retired police officer receiving a retirement income

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

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

30 (c) If there is an asset value after the  
31 apportionments under paragraphs (a) and (b), apportionment

1 shall lastly be made in respect of each police officer in the  
2 service of the municipality on such date who is not entitled  
3 to an apportionment under paragraphs (a) and (b) in the amount  
4 equal to the police officer's total contributions to the plan  
5 to date of termination, provided that, if such remaining asset  
6 value is less than the aggregate of the amounts apportioned  
7 hereunder, such latter amounts shall be proportionately  
8 reduced so that the aggregate of such reduced amounts will be  
9 equal to such remaining asset value.

10 (d) In the event that there is asset value remaining  
11 after the full apportionment specified in paragraphs (a), (b),  
12 and (c), such excess shall be returned to the municipality,  
13 less return to the state of the state's contributions,  
14 provided that, if the excess is less than the total  
15 contributions made by the municipality and the state to date  
16 of termination of the plan, such excess shall be divided  
17 proportionately to the total contributions made by the  
18 municipality and the state.

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

22

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

31

1           Section 79. Section 185.38, Florida Statutes, is  
2 amended to read:

3           185.38 Transfer to another state retirement system;  
4 benefits payable.--For any municipality, chapter plan, local  
5 law municipality, or local law plan under this chapter:

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

14           (2) When every active participant in any pension plan  
15 created pursuant to this chapter elects to transfer to another  
16 state retirement system, the pension plan created pursuant to  
17 this chapter shall be terminated and the assets distributed in  
18 accordance with s. 185.37. If some participants in a pension  
19 plan created pursuant to this chapter elect to transfer to  
20 another state retirement system and other participants elect  
21 to remain in the existing plan created pursuant to this  
22 chapter, the plan created pursuant to this chapter shall  
23 remain in effect until fully funded and shall then be  
24 terminated in accordance with s. 185.37.

25           Section 80. Section 185.39, Florida Statutes, is  
26 amended to read:

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

29           185.39 Applicability.--This act applies to all  
30 municipalities, chapter plans, local law municipalities, or  
31 local law plans presently existing or to be created pursuant

1 to this chapter. Those plans presently existing pursuant to  
2 s. 185.35 and not in compliance with the provisions of this  
3 act must comply no later than December 31, 1997. However, the  
4 plan sponsor of any plan established by special act of the  
5 Legislature shall have until July 1, 1998, to comply with the  
6 provisions of this act, except as otherwise provided in this  
7 act with regard to establishment and election of board  
8 members. The provisions of this act shall be construed to  
9 establish minimum standards and benefit levels, and nothing  
10 contained in this act or in chapter 185 shall operate to  
11 reduce presently existing rights or benefits of any police  
12 officer, directly, indirectly, or otherwise.

13 Section 81. Section 185.40, Florida Statutes, is  
14 repealed.

15 Section 82. Section 185.50, Florida Statutes, is  
16 amended to read:

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

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



1 order to assist such retired members or beneficiaries in  
2 paying the costs of health insurance.

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

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

17 (b) Prior to the second reading of the ordinance  
18 before the municipal legislative body, an actuarial valuation  
19 must be performed by an enrolled actuary as defined in s.  
20 185.02, and copies of the valuation and the proposed  
21 implementing ordinance shall be furnished to the division.

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

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

30 (a) By payment to the fund of an amount equivalent to  
31 one-half of the net increase over the previous tax year in the

1 premium tax funds provided for in this chapter, said amount to  
2 be established in the implementing ordinance.

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

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

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

22 (4) ELIGIBILITY FOR RETIREE HEALTH INSURANCE  
23 SUBSIDY.--A person who has contributed to the Retiree Health  
24 Insurance Subsidy Trust Fund and retires under a municipal  
25 police officers' pension trust fund system or plan as provided  
26 under this chapter, including any local law plan as provided  
27 under s. 185.35, or a beneficiary who is a spouse or financial  
28 dependent entitled to receive benefits under such a plan, is  
29 eligible for health insurance subsidy payments provided under  
30 this section. However, the fund, with approval of the board  
31 of trustees and the municipality, may provide coverage to

1 retirees and beneficiaries when the retirees have not  
2 contributed to the fund as provided in subsection (3).  
3 Payment of the retiree health insurance subsidy shall be made  
4 only after coverage for health insurance for the retiree or  
5 beneficiary has been certified in writing to the board of  
6 trustees of the municipal police officers' pension trust fund.

7 (5) RETIREE HEALTH INSURANCE SUBSIDY

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

21 (6) PAYMENT OF RETIREE HEALTH INSURANCE

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

30 (7) INVESTMENT OF THE TRUST FUND.--The trustees of the  
31 police officers' pension trust fund, or the plan trustees in

1 the case of local law plans established under s. 185.35, are  
2 hereby authorized to invest and reinvest the funds of the  
3 Municipal Police Officers' Retiree Health Insurance Subsidy  
4 Trust Fund in the same manner and subject to the same  
5 conditions as apply hereunder to the investment of municipal  
6 police officers' pension funds under s. 185.06.

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

24 (9) SEPARATION FROM SERVICE; REFUNDS.--Any police  
25 officer who terminates employment with a municipality having a  
26 Municipal Retiree Health Insurance Subsidy Trust Fund system  
27 or plan as provided under this section shall be entitled to a  
28 refund of all employee contributions he or she made to that  
29 trust fund, without interest, regardless of whether he or she  
30 has vested for purposes of retirement. Any police officer who  
31 has vested for purposes of retirement in the service of the

1 municipality, and has contributed to the Municipal Police  
2 Officers' Retiree Health Insurance Subsidy Trust Fund for so  
3 long as he or she was eligible to make such contributions,  
4 may, in his or her discretion, elect to leave his or her  
5 accrued contributions in the fund, whereupon, such police  
6 officer shall, upon retiring and commencing to draw retirement  
7 benefits, receive a health insurance subsidy based upon his or  
8 her aggregate number of years of service with the  
9 municipality, as defined in s. 185.02.

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

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

25 (b) By February 1 of each year, the trustees shall  
26 file a report with the division, containing an independent  
27 audit by a certified public accountant if the fund has  
28 \$250,000~~\$100,000~~ or more in assets, or a certified statement  
29 of accounting if the fund has less than \$250,000~~\$100,000~~ in  
30 assets, for the most recent plan ~~fiscal~~ year of the  
31 ~~municipality~~, showing a detailed listing of assets and methods

1 used to value them and a statement of all income and  
2 disbursements during the year. Such income and disbursements  
3 shall be reconciled with the assets at the beginning of and  
4 end of the year.

5 (c) The trustees may adopt such rules and regulations  
6 as are necessary for the effective and efficient  
7 administration of this section.

8 (d) At the discretion of the plan sponsor, the cost of  
9 administration may be appropriated from the trust fund or paid  
10 directly by the plan sponsor.

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

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

1 112, shall be complied with, and said premium tax dollars may  
2 be withheld for noncompliance.

3 Section 83. This act shall take effect October 1,  
4 1997.

5  
6 \*\*\*\*\*

7 SENATE SUMMARY

8 Extensively revises chapters 175 and 185, Florida  
9 Statutes, relating to firefighters' pension plans and law  
10 enforcement officers' pension plans, respectively, in  
11 order to make the plans conform to the greatest extent  
12 possible, to provide definitions and clarify application  
13 of provisions, and to update provisions to conform to  
14 other laws and subsequent changes in federal provisions.  
15 (See bill for details.)  
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