

By Senator Webster

12-662-99

See HB 261

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

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

1 185.40, F.S., relating to costs and attorney's
2 fees; creating ss. 175.411 and 185.60, F.S.;
3 providing for optional participation; providing
4 an effective date.

5
6 Be It Enacted by the Legislature of the State of Florida:

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

10 175.021 Legislative declaration.--

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

8 (18) "Supplemental plan municipality" means any local
9 law municipality in which there existed a supplemental plan,
10 of any type or nature, as of January 1, 1998.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 3. Any board of trustees operating a local law plan on
29 July 1, 1999, which is combined with a plan for general
30 employees shall hold an election of the firefighters, or
31 firefighters and police officers, if included, to determine

1 whether a plan is to be established for firefighters only, or
2 for firefighters and police officers where included. Based on
3 the election results, a new board shall be established as
4 provided in subparagraph 1. or subparagraph 2., as
5 appropriate. The municipality or fire control district shall
6 enact an ordinance or resolution to implement the new board by
7 October 1, 1999. The newly established board shall take
8 whatever action is necessary to determine the amount of assets
9 which is attributable to firefighters, or firefighters and
10 police officers where included. Such assets shall include all
11 employer, employee, and state contributions made by or on
12 behalf of firefighters, or firefighters and police officers
13 where included, and any investment income derived from such
14 contributions. All such moneys shall be transferred into the
15 newly established retirement plan, as directed by the board.

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

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

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

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

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

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

16 Section 6. Section 175.081, Florida Statutes, is
17 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

1 not be exhausted faster merely because the method of funding
2 adopted was through insurance companies.

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

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

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

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

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

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

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

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

31

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

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

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

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

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

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

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

27
28 Nothing in this section shall be construed to require
29 adjustment of member contribution rates in effect on the date
30 this act becomes a law, including rates that exceed 5 percent
31

1 of salary, provided that such rates are at least one-half of 1
2 percent of salary.

3 Section 8. Section 175.101, Florida Statutes, is
4 amended to read:

5 175.101 State excise tax on property insurance
6 premiums authorized; procedure.--For any municipality, special
7 fire control district, chapter plan, local law municipality,
8 local law special fire control district, or local law plan
9 under this chapter:

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

1 fund encompass a portion of the corporate territory of a
2 municipality that has also lawfully established a
3 firefighters' pension trust fund, that portion of the tax
4 receipts attributable to insurance policies covering property
5 situated both within the municipality and the special fire
6 control district shall be given to the fire service provider.
7 The agent shall identify the fire service provider on the
8 property owner's application for insurance. Remaining
9 revenues collected pursuant to this chapter shall be
10 distributed to the municipality or special fire control
11 district according to the location of the insured property.

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

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

23 Section 9. Section 175.111, Florida Statutes, is
24 amended to read:

25 175.111 Certified copy of ordinance or resolution
26 filed; insurance companies' annual report of premiums;
27 duplicate files; book of accounts.--For any municipality,
28 special fire control district, chapter plan, local law
29 municipality, local law special fire control district, or
30 local law plan under this chapter, whenever any municipality
31 passes an ordinance, or whenever any special fire control

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

1 and in such manner as to be able to comply with the provisions
2 of this chapter. Based on the insurers' reports of premium
3 receipts, the division shall prepare a consolidated premium
4 report and shall furnish to any municipality or special fire
5 control district requesting the same a copy of the relevant
6 section of that report.

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

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

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

31

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

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

1 Supplemental Compensation Trust Fund administered by the
2 Department of Revenue, as provided in s. 633.382.

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

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

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

19 175.122 Limitation of disbursement.--For any
20 municipality, special fire control district, chapter plan,
21 local law municipality, local law special fire control
22 district, or local law plan under this chapter,any
23 municipality or special fire control district participating in
24 the firefighters' pension trust fund pursuant to the
25 provisions of this chapter, whether under a chapter plan or
26 local law plan,shall be limited to receiving any moneys from
27 such fund in excess of that produced by one-half of the excise
28 tax, as provided for in s. 175.101; however, any such
29 municipality or special fire control district receiving less
30 than 6 percent of its fire department payroll from such fund
31 shall be entitled to receive from such fund the amount

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

5 Section 12. Section 175.131, Florida Statutes, is
6 amended to read:

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

28 Section 13. Section 175.141, Florida Statutes, is
29 amended to read:

30 175.141 Payment of excise tax credit on similar state
31 excise or license tax.--The tax herein authorized to be

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

9 Section 14. Section 175.151, Florida Statutes, is
10 amended to read:

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

26 Section 15. Section 175.152, Florida Statutes, is
27 repealed.

28 Section 16. Section 175.162, Florida Statutes, is
29 amended to read:

30 175.162 Requirements for retirement.--For any
31 municipality, special fire control district, chapter plan,

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

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

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

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

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

31

1 firefighter had retired on the date on which his or her death
2 occurred.

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

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

28 175.171 Optional forms of retirement income.--For any
29 municipality, special fire control district, chapter plan,
30 local law municipality, local law special fire control
31 district, or local law plan under this chapter:

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

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

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

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

25 1. The firefighter upon electing any option of this
26 section will designate the joint pensioner or beneficiary (or
27 beneficiaries) to receive the benefit, if any, payable under
28 the plan in the event of his or her death, and will have the
29 power to change such designation from time to time, but any
30 such change shall be deemed a new election and will be subject
31 to approval by the board of trustees. Such designation will

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

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

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

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

28 (a) If a firefighter dies prior to his or her normal
29 retirement date or early retirement date, whichever first
30 occurs, no retirement benefit will be payable under the option

31

1 to any person, but the benefits, if any, will be determined
2 under s. 175.201.

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

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

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

30
31

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

4 Section 18. Section 175.181, Florida Statutes, is
5 amended to read:

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

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

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

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

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

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

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

20 Section 19. Section 175.191, Florida Statutes, is
21 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 Section 20. Section 175.195, Florida Statutes, is
25 created to read:

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

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

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

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

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

18 Section 21. 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 22. 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 23. Section 175.221, Florida Statutes, is
15 amended to read:

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

28 Section 24. 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 25. 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 26. Section 175.251, Florida Statutes, is
28 repealed.

29 Section 27. Section 175.261, Florida Statutes, is
30 amended to read:

31

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

8 (1) With respect to chapter plans:

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

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

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

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

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

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

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

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

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

7 (2) With respect to local law plans:

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

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

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

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

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

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

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

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

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

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

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

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

31

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

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

13 Section 28. Section 175.291, Florida Statutes, is
14 repealed.

15 Section 29. Section 175.301, Florida Statutes, is
16 amended to read:

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

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

7 Section 30. Section 175.311, Florida Statutes, is
8 amended to read:

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

26 Section 31. Section 175.321, Florida Statutes, is
27 repealed.

28 Section 32. Section 175.331, Florida Statutes, is
29 repealed.

30 Section 33. Section 175.333, Florida Statutes, is
31 amended to read:

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

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

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

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

31

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

5 (a) Length of service and compensation; or

6 (b) Length of service.

7 Section 34. Section 175.341, Florida Statutes, 1998
8 Supplement, is amended to read:

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

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

22 (2) The division has authority to adopt rules pursuant
23 to ss. 120.536(1) and 120.54 to implement the provisions of
24 this chapter.

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

31

1 Section 35. Section 175.351, Florida Statutes, is
2 amended to read:

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

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

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

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

29 (b) Place the income from the premium tax in s.
30 175.101 in a separate supplemental plan to pay extra benefits
31

1 to firefighters, or to firefighters and police officers where
2 included, participating in such separate supplemental plan.

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

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

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

10 (3) Notwithstanding any other provision, with respect
11 to any supplemental plan municipality:

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

16 (b) Section 175.061(1)(b) shall not apply, and a local
17 law plan and a supplemental plan shall continue to be
18 administered by a board or boards of trustees numbered,
19 constituted, and selected as the board or boards were
20 numbered, constituted, and selected on January 1, 1998.

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

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

29 Section 36. Section 175.361, Florida Statutes, is
30 amended to read:

31

1 175.361 Termination of plan and distribution of
2 fund.--For any municipality, special fire control district,
3 chapter plan, local law municipality, local law special fire
4 control district, or local law plan under this chapter, the
5 plan may be terminated by the municipality or special fire
6 control district. Upon termination of the plan by the
7 municipality or special fire control district for any reason
8 or because of a transfer, merger, or consolidation of
9 governmental units, services, or functions as provided in
10 chapter 121, or upon written notice by the municipality or
11 special fire control district to the board of trustees that
12 contributions under the plan are being permanently
13 discontinued, the rights of all employees to benefits accrued
14 to the date of such termination and the amounts credited to
15 the employees' accounts are nonforfeitable.The fund shall be
16 apportioned and distributed in accordance with the following
17 procedures:

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

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

27 (3) The board of trustees shall apportion the asset
28 value as of the date of termination in the manner set forth in
29 this subsection, on the basis that the amount required to
30 provide any given retirement income shall mean the actuarially
31 computed single-sum value of such retirement income, except

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

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

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

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

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

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

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

30
31

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

9 Section 37. Section 175.371, Florida Statutes, is
10 amended to read:

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

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

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

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

9 Section 38. Section 175.381, Florida Statutes, is
10 amended to read:

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

13 175.381 Applicability.--This act shall apply to all
14 municipalities, special fire control districts, chapter plans,
15 local law municipalities, local law special fire control
16 districts, or local law plans presently existing or to be
17 created pursuant to this chapter. Those plans presently
18 existing pursuant to s. 175.351 and not in compliance with the
19 provisions of this act must comply no later than July 1, 1999.
20 However, the plan sponsor of any plan established by special
21 act of the Legislature shall have until July 1, 2000, to
22 comply with the provisions of this act, except as otherwise
23 provided in this act with regard to establishment and election
24 of board members. The provisions of this act shall be
25 construed to establish minimum standards and minimum benefit
26 levels, and nothing contained in this act or in chapter 175
27 shall operate to reduce presently existing rights or benefits
28 of any firefighter, directly, indirectly, or otherwise.

29 Section 39. Section 175.391, Florida Statutes, is
30 repealed.

31

1 Section 40. Section 175.401, Florida Statutes, is
2 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (5) RETIREE HEALTH INSURANCE SUBSIDY
4 AMOUNT.--Beginning on the effective date established in the
5 implementing ordinance or resolution, each eligible retiree,
6 or beneficiary who is a spouse or financial dependent thereof,
7 shall receive a monthly retiree health insurance subsidy
8 payment equal to the aggregate number of years of service, as
9 defined in s. 175.032, completed at the time of retirement
10 multiplied by an amount determined in the implementing
11 ordinance or resolution, but no less than \$3 for each year of
12 service. Nothing herein shall be construed to restrict the
13 plan sponsor from establishing, in the implementing ordinance
14 or resolution, a cap of no less than 30 years upon the number
15 of years' service for which credit will be given toward a
16 health insurance subsidy or a maximum monthly subsidy amount.

17 (6) PAYMENT OF RETIREE HEALTH INSURANCE
18 SUBSIDY.--Beginning on the effective date established in the
19 implementing ordinance or resolution, any monthly retiree
20 health insurance subsidy amount due and payable under this
21 section shall be paid to retired members, or their eligible
22 beneficiaries, by the board of trustees of the firefighters'
23 pension trust fund, or the plan trustees in the case of local
24 law plans established under s. 175.351, in the same manner as
25 provided by s. 175.071(1)(c) for drafts upon the pension fund.

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

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

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

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

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

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

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

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

1 (c) The trustees may adopt such rules and regulations
2 as are necessary for the effective and efficient
3 administration of this section.

4 (d) At the discretion of the plan sponsor, the cost of
5 administration may be appropriated from the trust fund or paid
6 directly by the plan sponsor.

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

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

1 Section 41. Section 185.01, Florida Statutes, is
2 amended to read:

3 185.01 Legislative declaration.--

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

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

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

4 Section 42. Section 185.02, Florida Statutes, is
5 amended to read:

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

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

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

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

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

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

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

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

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

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

26 (c) For any person who first becomes a member in any
27 plan year beginning on or after January 1, 1996, compensation
28 for any plan year shall not include any amounts in excess of
29 the Internal Revenue Code Section 401(a)(17) limitation [as
30 amended by the Omnibus Budget Reconciliation Act of 1993],
31 which limitation of \$150,000 shall be adjusted as required by

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

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

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

26 (b) A police officer may voluntarily leave his or her
27 contributions in the fund for a period of 5 years after
28 leaving the employ of the police department, pending the
29 possibility of his or her being rehired by the same
30 department, without losing credit for the time he or she has
31 participated actively as a police officer. If he or she is

1 not reemployed as a police officer with the same department
2 within 5 years, his or her contributions shall be returned to
3 him or her without interest.

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

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

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

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

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

28 (6) "Deferred Retirement Option Plan" or "DROP" means
29 a local law plan retirement option in which a police officer
30 may elect to participate. A police officer may retire for all
31 purposes of the plan and defer receipt of retirement benefits

1 into a DROP account while continuing employment with his
2 employer. However, a police officer who enters the DROP and
3 who is otherwise eligible to participate shall not thereby be
4 precluded from participating, or continuing to participate, in
5 a supplemental plan in existence on, or created after, the
6 effective date of this act.

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

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

15 (10) "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 minimum
22 standards are met. Any such variance shall provide a greater
23 benefit for police officers. Actuarial valuations of local
24 law plans shall be conducted by an enrolled actuary as
25 provided in s. 185.221(2)(b).

26 (11) "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. Any plan may provide
13 that the police chief shall have an option to participate, or
14 not, in that plan.

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

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

30 (14) "Retirement" means a police officer's separation
31 from city employment as a police officer with immediate

1 eligibility for receipt of benefits under the plan. For
2 purposes of a plan that includes a Deferred Retirement Option
3 Plan (DROP), "retirement" means the date a police officer
4 enters the DROP.

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

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

15 Section 43. Section 185.03, Florida Statutes, is
16 amended to read:

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

21 (1) There shall be established ~~may be hereby created~~ a
22 special fund exclusively for the purpose of this chapter,
23 which in the case of chapter plans shall ~~to~~ be known as the
24 "Municipal Police Officers' Retirement Trust Fund,"
25 ~~exclusively for the purposes provided in this chapter,~~ in each
26 municipality of this state, heretofore or hereafter created,
27 which now has or which may hereafter have a regularly
28 organized police department, and which now owns and uses or
29 which may hereafter own and use equipment and apparatus of a
30 value exceeding \$500 in serviceable condition for the
31 prevention of crime and for the preservation of life and

1 ~~property, and which does not presently have established by law~~
2 ~~a similar fund.~~

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

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

18 Section 44. Section 185.04, Florida Statutes, is
19 amended to read:

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

25 Section 45. Section 185.05, Florida Statutes, is
26 amended to read:

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

31

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

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

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

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

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

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

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

1 on the election results, a new board shall be established as
2 provided in subparagraph 1. or subparagraph 2., as
3 appropriate. The municipality shall enact an ordinance to
4 implement the new board by July 1, 1999. The newly established
5 board shall take whatever action is necessary to determine the
6 amount of assets which is attributable to police officers, or
7 police officers and firefighters where included. Such assets
8 shall include all employer, employee, and state contributions
9 made by or on behalf of police officers, or police officers
10 and firefighters where included, and any investment income
11 derived from such contributions. All such moneys shall be
12 transferred into the newly established retirement plan, as
13 directed by the board.

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

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

25 (3) The board of trustees shall meet at least
26 quarterly each year.

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

31

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

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

9 Section 46. 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 47. 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 an a
7 quinquennial actuarial valuation as provided in part VII of
8 chapter 112. ~~The first such actuarial valuation shall be~~
9 ~~conducted for the calendar year ending December 31, 1963.~~

10 (e) By all gifts, bequests and devises when donated to
11 ~~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) Police officer member contributions may be
24 increased by consent of the members' collective bargaining
25 representative or, if none, by majority consent of police
26 officer members of the fund to provide greater benefits.

27
28 Nothing in this section shall be construed to require
29 adjustment of member contribution rates in effect on the date
30 this act becomes a law, including rates that exceed 5 percent

31

1 of salary, provided that such rates are at least one-half of 1
2 percent of salary.

3 Section 48. Section 185.08, Florida Statutes, is
4 amended to read:

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

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

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

31

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

6 Section 49. Section 185.09, Florida Statutes, is
7 amended to read:

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

1 business done by it within the limits of such incorporated
2 municipality in such a manner as to be able to comply with the
3 provisions of this chapter. Based on the insurers' reports of
4 premium receipts, the division shall prepare a consolidated
5 premium report and shall furnish to any municipality
6 requesting the same a copy of the relevant section of that
7 report.

8 Section 50. Section 185.10, Florida Statutes, is
9 amended to read:

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

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

30 (2) The Comptroller shall, on or before July 1 ~~June 1~~
31 of each year, and at such other times as authorized by the

1 division, draw his or her warrants on the full net amount of
2 money then on deposit pursuant to this chapter in the Police
3 and Firefighters' Premium Tax Trust Fund, specifying the
4 municipalities to which the moneys must be paid and the net
5 amount collected for and to be paid to each municipality,
6 respectively. The sum payable to each municipality is
7 appropriated annually out of the Police and Firefighters'
8 Premium Tax Trust Fund. The warrants of the Comptroller shall
9 be payable to the respective municipalities entitled to
10 receive them and shall be remitted annually by the division to
11 the respective municipalities. In lieu thereof, the
12 municipality may provide authorization to the division for the
13 direct payment of the premium tax to the board of trustees.

14 In order for a municipality and its retirement fund to
15 participate in the distribution of premium tax moneys under
16 this chapter, all the provisions shall be complied with
17 annually, including state acceptance pursuant to part VII of
18 chapter 112.

19 Section 51. Section 185.11, Florida Statutes, is
20 amended to read:

21 185.11 Funds received by municipalities, deposit in
22 retirement trust fund.--For any municipality, chapter plan,
23 local law municipality, or local law plan under this chapter,
24 all state and other funds received by any municipality under
25 the provisions of this chapter shall be deposited by the said
26 municipality immediately, and under no circumstances more than
27 5 days after receipt, with the board of trustees. In lieu
28 thereof, the municipality may provide authorization to the
29 division for the direct payment of the premium tax to the
30 board of trustees. The board shall deposit such moneys in the
31 Municipal Police Officers' Retirement Trust Fund immediately,

1 and under no circumstances more than 5 days after receipt.
2 Employee contributions, however, which are withheld by the
3 employer on behalf of an employee member shall be deposited
4 immediately after each pay period with the board of trustees
5 of the municipal police officers' retirement trust fund.
6 Employer contributions shall be deposited at least quarterly
7 at least monthly.

8 Section 52. Section 185.12, Florida Statutes, is
9 amended to read:

10 185.12 Payment of excise tax credit on similar state
11 excise or license tax.--The tax herein authorized shall in
12 nowise be additional to the similar state excise or license
13 tax imposed by part IV, chapter 624, but the payor of the tax
14 hereby authorized shall receive credit therefor on his or her
15 ~~said~~ state excise or license tax and the balance of said state
16 excise or license tax shall be paid to the Department of
17 Revenue Insurance Commissioner and Treasurer as is now
18 provided by law.

19 Section 53. Section 185.13, Florida Statutes, is
20 amended to read:

21 185.13 Failure of insurer to comply with chapter;
22 penalty.--Should any insurance company, corporation or other
23 insurer fail to comply with the provisions of this chapter, on
24 or before March 1 in each year as herein provided, the
25 certificate of authority issued to said insurance company,
26 corporation or other insurer to transact business in this
27 state may be canceled and revoked by the Department of
28 Insurance, and it is unlawful for any such insurance company,
29 corporation or other insurer to transact any business
30 thereafter in this state unless such insurance company,
31 corporation or other insurer shall be granted a new

1 certificate of authority to transact business in this state,
2 in compliance with provisions of law authorizing such
3 certificate of authority to be issued. The division shall be
4 responsible for notifying the Department of Insurance
5 regarding any such failure to comply.

6 Section 54. Section 185.14, Florida Statutes, is
7 repealed.

8 Section 55. Section 185.15, Florida Statutes, is
9 repealed.

10 Section 56. Section 185.16, Florida Statutes, is
11 amended to read:

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

24 (1) The normal retirement date of each police officer
25 will be the first day of the month coincident with or next
26 following the date on which the police officer has completed
27 10 or more years of creditable service and attained age 55 or
28 completed 25 years of creditable service and attained age 52.
29 ~~A police officer who retires after his or her normal~~
30 ~~retirement date will upon actual retirement be entitled to~~
31 ~~receive the same amount of monthly retirement income that the~~

1 ~~police officer would have received had he or she retired on~~
2 ~~his or her normal retirement date.~~

3 (2) The amount of the monthly retirement income
4 payable to a police officer who retires on or after his or her
5 normal retirement date shall be an amount equal to the number
6 of the police officer's years of credited service multiplied
7 by 2 percent of his or her average final compensation.
8 However, if current state contributions pursuant to this
9 chapter are not adequate to fund the additional benefits to
10 meet the minimum requirements in this chapter, only increment
11 increases shall be required as state moneys are adequate to
12 provide. Such increments shall be provided as state moneys
13 become available. ~~The retirement income will be reduced for~~
14 ~~moneys received under the disability provisions of this~~
15 ~~chapter.~~

16 (3) The monthly retirement income payable in the event
17 of normal retirement will be payable on the first day of each
18 month. The first payment will be made on the police officer's
19 normal retirement date, or on the first day of the month
20 coincident with or next following the police officer's actual
21 retirement, if later, and the last payment will be the payment
22 due next preceding the police officer's death; except that, in
23 the event the police officer dies after retirement but before
24 receiving retirement benefits for a period of 10 years, the
25 same monthly benefit will be paid to the beneficiary (or
26 beneficiaries) as designated by the police officer for the
27 balance of such 10-year period, or, if no beneficiary is
28 designated, to the ~~surviving spouse, descendants, heirs at~~
29 ~~law, or~~ estate of the police officer, as provided in s.
30 185.162. If a police officer continues in the service of the
31 city beyond his or her normal retirement date and dies prior

1 to the date of actual retirement, without an option made
2 pursuant to s. 185.161 being in effect, monthly retirement
3 income payments will be made for a period of 10 years to a
4 beneficiary (or beneficiaries) designated by the police
5 officer as if the police officer had retired on the date on
6 which death occurred, or, if no beneficiary is designated, to
7 the ~~surviving spouse, descendants, heirs at law, or estate of~~
8 the police officer, as provided in s. 185.162.

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

17 (a) The early retirement date shall be the first day
18 of the calendar month coincident with or immediately following
19 the date a police officer retires from the service of the city
20 under the provisions of this section prior to his or her
21 normal retirement date.

22 (b) The monthly amount of retirement income payable to
23 a police officer who retires prior to his or her normal
24 retirement date under the provisions of this section shall be
25 an amount computed as described in subsection (2), taking into
26 account his or her credited service to the date of actual
27 retirement and his or her final monthly compensation as of
28 such date, such amount of retirement income to be actuarially
29 reduced to take into account the police officer's younger age
30 and the earlier commencement of retirement income payments.
31 In no event shall the early retirement reduction exceed 3

1 percent for each year by which the member's age at retirement
2 preceded the member's normal retirement age, as provided in
3 subsection (1).

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

16 Section 57. Section 185.161, Florida Statutes, is
17 amended to read:

18 185.161 Optional forms of retirement income.--For any
19 municipality, chapter plan, local law municipality, or local
20 law plan under this chapter:

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

31

1 equivalent actuarial value payable in accordance with one of
2 the following options:

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

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

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

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

1 change shall not be required. The board of trustees may
2 request such evidence of the good health of the joint
3 pensioner that is being removed as it may require and the
4 amount of the retirement income payable to the police officer
5 upon the designation of a new joint pensioner shall be
6 actuarially redetermined taking into account the ages and sex
7 of the former joint pensioner, the new joint pensioner, and
8 the police officer. Each such designation will be made in
9 writing on a form prepared by the board of trustees, and on
10 completion will be filed with the board of trustees. In the
11 event that no designated beneficiary survives the police
12 officer, such benefits as are payable in the event of the
13 death of the police officer subsequent to his or her
14 retirement shall be paid as provided in s. 185.162.

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

18 (a) If a police officer dies prior to his or her
19 normal retirement date or early retirement date, whichever
20 first occurs, no benefit will be payable under the option to
21 any person, but the benefits, if any, will be determined under
22 s. 185.21.

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

1 officer prior to his or her retirement and within 90 days
2 after the death of the beneficiary.

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

11 (d) If a police officer continues beyond his or her
12 normal retirement date pursuant to the provisions of s.
13 185.16(1) and dies prior to actual retirement and while an
14 option made pursuant to the provisions of this section is in
15 effect, monthly retirement income payments will be made, or a
16 retirement benefit will be paid, under the option to a
17 beneficiary (or beneficiaries) designated by the police
18 officer in the amount or amounts computed as if the police
19 officer had retired under the option on the date on which
20 death occurred.

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

24 Section 58. Section 185.162, Florida Statutes, is
25 amended to read:

26 185.162 Beneficiaries.--For any municipality, chapter
27 plan, local law municipality, or local law plan under this
28 chapter:

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

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

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

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

23 (b) ~~the~~ estate of such deceased police officer,
24 provided that in any of such cases the board of trustees, in
25 its discretion, may direct that the commuted value of the
26 remaining monthly income payments be paid in a lump sum. Any
27 payment made to any person pursuant to this subsection ~~the~~
28 ~~power and discretion conferred upon the board of trustees by~~
29 ~~the preceding sentence~~ shall operate as a complete discharge
30 of all obligations under the plan with regard to such deceased
31 police officer and shall not be subject to review by anyone,

1 but shall be final, binding and conclusive on all persons ever
2 interested hereunder.

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

13 Section 59. Section 185.18, Florida Statutes, is
14 amended to read:

15 185.18 Disability retirement.--For any municipality,
16 chapter plan, local law municipality, or local law plan under
17 this chapter:

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

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

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

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

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

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

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

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

24 (4) No police officer shall be permitted to retire
25 under the provisions of this section until examined by a duly
26 qualified physician or surgeon, to be selected by the board of
27 trustees for that purpose, and is found to be disabled in the
28 degree and in the manner specified in this section. Any
29 police officer retiring under this section may ~~shall~~ be
30 examined periodically by a duly qualified physician or surgeon
31 or board of physicians and surgeons to be selected by the

1 board of trustees for that purpose, to determine if such
2 disability has ceased to exist.

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

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

26 ~~(b)~~ The last payment will be ±

27 ± if the police officer recovers from the disability
28 ~~prior to his or her normal retirement date~~, the payment due
29 next preceding the date of such recovery~~7~~or,

30 ~~2~~ if the police officer dies without recovering from
31 his or her disability ~~or attains his or her normal retirement~~

1 ~~date while still disabled~~, the payment due next preceding
2 death or the 120th monthly payment, whichever is later. In
3 lieu of the benefit payment as provided in this subsection, a
4 police officer may select an optional form as provided in s.
5 185.161.

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

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

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

26 Section 60. Section 185.185, Florida Statutes, is
27 created to read:

28 185.185 False, misleading, or fraudulent statements
29 made to obtain public retirement benefits prohibited;
30 penalty.--

31

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

8 (2)(a) A person who violates subsection (1) commits a
9 misdemeanor of the first degree, punishable as provided in s.
10 775.082 or s. 775.083.

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

21 Section 61. Section 185.19, Florida Statutes, is
22 amended to read:

23 185.19 Separation from municipal service;
24 refunds.--For any municipality, chapter plan, local law
25 municipality, or local law plan under this chapter:

26 (1) If ~~Should~~ any police officer leaves ~~leave~~ the
27 service of the municipality before accumulating aggregate time
28 of 10 years toward retirement and before being eligible to
29 retire under the provisions of this chapter, such police
30 officer shall be entitled to a refund of all of his or her
31 contributions made to the municipal police officers'

1 retirement trust fund without interest, less any benefits paid
2 to him or her.

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

14 Section 62. Section 185.191, Florida Statutes, is
15 amended to read:

16 185.191 Lump-sum payment of small retirement
17 income.--For any municipality, chapter plan, local law
18 municipality, or local law plan under this chapter,
19 notwithstanding any provision of the plan to the contrary, if
20 the monthly retirement income payable to any person entitled
21 to benefits hereunder is less than \$100~~\$30~~ or if the
22 single-sum value of the accrued retirement income is less than
23 \$2,500~~\$750~~ as of the date of retirement or termination of
24 service, whichever is applicable, the board of trustees, in
25 the exercise of its discretion, may specify that the actuarial
26 equivalent of such retirement income be paid in a lump sum.

27 Section 63. Section 185.21, Florida Statutes, is
28 amended to read:

29 185.21 Death prior to retirement; refunds of
30 contributions or payment of death benefits.--For any
31

1 municipality, chapter plan, local law municipality, or local
2 law plan under this chapter:

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

15 (2) If a ~~any~~ police officer having at least 10 years
16 of credited service dies prior to retirement ~~but has at least~~
17 ~~10 years of contributing service,~~ his or her beneficiary is
18 entitled to the benefits otherwise payable to the police
19 officer at early or normal retirement age.

20
21 In the event that a ~~the~~ death benefit paid by a life insurance
22 company exceeds the limit set forth in s. 185.061(6), the
23 excess of the death benefit over the limit shall be paid to
24 the municipal police officers' retirement trust fund.
25 However, death ~~the~~ benefits as provided pursuant to ~~in~~ s.
26 112.19 or any other state or federal law shall not be included
27 in the calculation of ~~as~~ death or retirement benefits provided
28 ~~under the provisions of this chapter.~~

29 Section 64. Section 185.221, Florida Statutes, is
30 amended to read:

31

1 185.221 Annual report to Division of Retirement;
2 actuarial valuations reports.--For any municipality, chapter
3 plan, local law municipality, or local law plan under this
4 chapter, the board of trustees for every chapter plan and
5 local law plan shall submit the following reports to the
6 division:

7 (1) With respect to chapter plans:

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

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

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

23 3.~~(c)~~ A statistical exhibit showing the total number
24 of police officers on the force of the municipality, the
25 number included in the retirement plan and the number
26 ineligible classified according to the reasons for their being
27 ineligible, and the number of disabled and retired police
28 officers and their beneficiaries receiving pension payments
29 and the amounts of annual retirement income or pension
30 payments being received by them.

31

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

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

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

1 by s. 185.10. The requirements of this section are
2 supplemental to the actuarial valuations necessary to comply
3 with ss. 11.45 and 218.32.

4 (2) With respect to local law plans:

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

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

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

22 3. A certified statement listing the investments of
23 the plan and a description of the methods used in valuing the
24 investments.

25 4. A statistical exhibit showing the total number of
26 police officers, the number included in the plan, and the
27 number ineligible classified according to the reasons for
28 their being ineligible, and the number of disabled and retired
29 police officers and their beneficiaries receiving pension
30 payments and the amounts of annual retirement income or
31 pension payments being received by them.

1 5. A certified statement describing the methods,
2 factors, and actuarial assumptions used in determining the
3 cost.

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

8 7. A statement of the amount the municipality, or
9 other income source, has contributed toward the plan for the
10 most recent plan year and will contribute toward the plan for
11 the current plan year.

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

17 (b) In addition to annual reports provided under
18 paragraph (a), an actuarial valuation of the retirement plan
19 must be made 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. Such
24 valuation shall be prepared by an enrolled actuary, subject to
25 the following conditions:

26 1. The assets shall be valued as provided in s.
27 112.625(7).

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

31

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

10 Section 65. Subsection (1) of section 185.23, Florida
11 Statutes, 1998 Supplement, is amended to read:

12 185.23 Duties of Division of Retirement; rulemaking;
13 investment by State Board of Administration.--

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

25 Section 66. Section 185.25, Florida Statutes, is
26 amended to read:

27 185.25 Exemption from execution.--For any
28 municipality, chapter plan, local law municipality, or local
29 law plan under this chapter, the pensions, annuities, or any
30 other benefits accrued or accruing to any person under any
31 municipality, chapter plan, local law municipality, or local

1 law plan under the provisions of this chapter and the
2 accumulated contributions and the cash securities in the funds
3 created under this chapter are ~~hereby~~ exempted from any state,
4 county or municipal tax of the state and shall not be subject
5 to execution or attachment or to any legal process whatsoever
6 and shall be unassignable.

7 Section 67. Section 185.27, Florida Statutes, is
8 repealed.

9 Section 68. Section 185.29, Florida Statutes, is
10 repealed.

11 Section 69. Section 185.30, Florida Statutes, is
12 amended to read:

13 185.30 Depository for retirement fund.--For any
14 municipality, chapter plan, local law municipality, or local
15 law plan under this chapter, all funds and securities of the
16 municipal police officers' retirement trust fund of any
17 municipality, chapter plan, local law municipality, or local
18 law plan under this chapter may be deposited by the board of
19 trustees with the treasurer of the municipality acting in a
20 ministerial capacity only, who shall be liable in the same
21 manner and to the same extent as he or she is liable for the
22 safekeeping of funds for the municipality. However, any funds
23 ~~and securities~~ so deposited with the treasurer of the
24 municipality shall be kept in a separate fund by the municipal
25 treasurer or clearly identified as such funds ~~and securities~~
26 of the municipal police officers' retirement trust fund. In
27 lieu thereof, the board of trustees shall deposit the funds
28 ~~and securities~~ of the municipal police officers' retirement
29 trust fund in a qualified public depository as defined in s.
30 280.02, which depository with regard to such funds ~~and~~

31

1 ~~securities~~ shall conform to and be bound by all of the
2 provisions of chapter 280.

3 Section 70. Section 185.31, Florida Statutes, is
4 amended to read:

5 185.31 Municipalities and boards independent of other
6 municipalities and boards and of each other.--In the
7 enforcement and ~~in the~~ interpretation of the provisions of
8 this chapter for any municipality, chapter plan, local law
9 municipality, or local law plan under this chapter, each
10 municipality shall be independent of any other municipality,
11 and the board of trustees of the municipal police officers'
12 retirement trust fund of each municipality shall function for
13 the municipality which they are to serve as trustees. Each
14 board of trustees shall be independent of each municipality
15 for which it serves as board of trustees to the extent
16 required to accomplish the intent, requirements, and
17 responsibilities provided for in this chapter.

18 Section 71. Section 185.32, Florida Statutes, is
19 repealed.

20 Section 72. Section 185.34, Florida Statutes, is
21 amended to read:

22 185.34 Disability in line of duty.--For any
23 municipality, chapter plan, local law municipality, or local
24 law plan under this chapter, any condition or impairment of
25 health of any and all police officers employed in the state
26 caused by tuberculosis, hypertension, heart disease, or
27 hardening of the arteries, resulting in total or partial
28 disability or death, shall be presumed to be accidental and
29 suffered in line of duty unless the contrary be shown by
30 competent evidence. Any condition or impairment of health
31 caused directly or proximately by exposure, which exposure

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

15 Section 73. Section 185.341, Florida Statutes, is
16 amended to read:

17 185.341 Discrimination in benefit formula prohibited;
18 restrictions regarding designation of joint annuitants.--For
19 any municipality, chapter plan, local law municipality, or
20 local law plan under this chapter:

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

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

1 commenced, a retired member may change the designation of
2 joint annuitant or beneficiary only twice.

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

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

20 (a) Length of service and compensation; or

21 (b) Length of service.

22 Section 74. Section 185.35, Florida Statutes, is
23 amended to read:

24 185.35 Municipalities having their own pension plans
25 for police officers.--For any municipality, chapter plan,
26 local law municipality, or local law plan under this chapter,

27 ~~(1)~~ in order for municipalities with their own pension
28 plans for police officers or for police officers, and
29 firefighters where included, ~~other employees~~ to participate in
30 the distribution of the tax fund established pursuant to s.in
31 ~~ss. 185.07, 185.08, local law plans and 185.09, their~~

1 ~~retirement funds~~ must meet the minimum benefits and minimum
2 standards set forth in this chapter ~~each of the following~~
3 standards:

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

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

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

22
23 The premium tax provided by this chapter shall in all cases be
24 used in its entirety to provide extra benefit to police
25 officers, or to police officers and firefighters, where
26 included. However, local law plans in effect on October 1,
27 1998, shall be required to comply with the minimum benefit
28 provisions of this chapter only to the extent that additional
29 premium tax revenues become available to incrementally fund
30 the cost of such compliance as provided in s. 185.16(2). When
31 a plan is in compliance with such minimum benefit provisions,

1 as subsequent additional tax revenues become available, they
2 shall be used to provide extra benefits. For the purpose of
3 this chapter, "additional premium tax revenues" means revenues
4 received by a municipality pursuant to s. 185.10 that exceed
5 the amount received for calendar year 1997 and the term "extra
6 benefits" means benefits in addition to or greater than those
7 provided to general employees of the municipality. Local law
8 plans created by special act before May 23, 1939, shall be
9 deemed to comply with this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 2. ~~Length of service.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31

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

4 Section 75. Section 185.36, Florida Statutes, is
5 repealed.

6 Section 76. Section 185.37, Florida Statutes, is
7 amended to read:

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

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

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

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

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

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

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

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

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

30
31

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

4
5 If, after a period of 24 months after the date on which the
6 plan terminated or the date on which the board received
7 written notice that the contributions thereunder were being
8 permanently discontinued, the municipality or the board of
9 trustees of the municipal police officers' retirement trust
10 fund affected has not complied with all the provisions in this
11 section, the division shall effect the termination of the fund
12 in accordance with this section.

13 Section 77. Section 185.38, Florida Statutes, is
14 amended to read:

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

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

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

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

12 Section 78. Section 185.39, Florida Statutes, is
13 amended to read:

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

16 185.39 Applicability.--This act applies to all
17 municipalities, chapter plans, local law municipalities, or
18 local law plans presently existing or to be created pursuant
19 to this chapter. Those plans presently existing pursuant to
20 s. 185.35 and not in compliance with the provisions of this
21 act must comply no later than April 1, 1999. However, the
22 plan sponsor of any plan established by special act of the
23 Legislature shall have until July 1, 2000, to comply with the
24 provisions of this act, except as otherwise provided in this
25 act with regard to establishment and election of board
26 members. The provisions of this act shall be construed to
27 establish minimum standards and minimum benefit levels, and
28 nothing contained in this act or in chapter 185 shall operate
29 to reduce presently existing rights or benefits of any police
30 officer, directly, indirectly, or otherwise.

31

1 Section 79. Section 185.40, Florida Statutes, is
2 repealed.

3 Section 80. Section 185.50, Florida Statutes, is
4 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (4) ELIGIBILITY FOR RETIREE HEALTH INSURANCE

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

23 Payment of the retiree health insurance subsidy shall be made
24 only after coverage for health insurance for the retiree or
25 beneficiary has been certified in writing to the board of
26 trustees of the municipal police officers' pension trust fund.

27 (5) RETIREE HEALTH INSURANCE SUBSIDY

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

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

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

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

27 (8) DEPOSIT OF PENSION FUNDS.--All funds ~~and~~
28 ~~securities~~ of the health insurance subsidy fund may be
29 deposited by the board of trustees with the treasurer of the
30 municipality, acting in a ministerial capacity only, who shall
31 be liable in the same manner and to the same extent as he or

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

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

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

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

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

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

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

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

31

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

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

24 Section 81. Section 175.411, Florida Statutes, is
25 created to read:

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

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

16 Section 82. Section 185.60, Florida Statutes, is
17 created to read:

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

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

5 Section 83. This act shall take effect upon becoming a
6 law.

7
8 *****

9 HOUSE SUMMARY

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

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