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A bill to be entitled
An act relating to the General Pension and Retirement Fund of the City of Pensacola, Escambia County; amending chapter 99-474, Laws of Florida, as amended by chapter 2000-470, Laws of Florida; converting said act as amended to an ordinance of the City of Pensacola; revising definitions; revising provisions relating to designation of employee contributions; revising provisions relating to refund of contributions with less than 10 years of credited service; revising provisions relating to disability injury or illness in line of duty and for disability injury or illness not in the line of duty; revising provisions relating to other benefit provisions; revising provisions for investment of funds; providing for repeal of conflicting laws; providing an effective date.

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

Section 1. Section 2 of chapter 99-474, Laws of Florida, as amended by chapter 2000-470, Laws of Florida, is amended to read:

Section 2. Definitions.--The words and phrases as used in this act shall have the following meanings unless a different meaning is plainly required by the context:

(1) Act.--The General Pension and Retirement Fund Special Act.

1 (2) Actuary.--The person, firm, or corporation, one of
2 whose officers shall be a member of the Society of Actuaries
3 and an enrolled actuary, as defined by the Employee Retirement
4 Income Security Act of 1974, authorized by the board of
5 trustees of the fund to render actuarial services to the fund.

6 (3) Average monthly salary.--One twenty-fourth of the
7 salary of the 2 best years of the last 5 years of credited
8 service prior to retirement or death.

9 ~~(4) Bank of national repute.--See investment bank of~~
10 ~~national repute.~~

11 (4)~~(5)~~ Beneficiary.--Person so designated in writing
12 by a member of the general pension plan who may become
13 entitled to receive a refund of contributions made by a member
14 of the plan.

15 (5)~~(6)~~ Best 2 years.--Two separate periods of 365
16 consecutive days.

17 (6)~~(7)~~ Board of trustees, the board, or the general
18 pension board.--The pension board, consisting of six members
19 as provided in this act.

20 (7)~~(8)~~ City.--The City of Pensacola.

21 (8)~~(9)~~ City council.--The city council of the City of
22 Pensacola.

23 (9)~~(10)~~ Code.--Internal Revenue Code of 1986, as
24 amended.

25 (10)~~(11)~~ Credited service years or credited years of
26 service.--A period of service years credited to a member of
27 the plan in which the member has contributed an amount to the
28 General Pension and Retirement Fund, as provided in this act.

29 (11)~~(12)~~ Dependent.--The spouse or dependent children
30 under the age of 18 of a member of the plan.

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1 (12)~~(13)~~ Dependent children.--A son or daughter under
2 18 years of age who is born in wedlock to a member of the
3 plan; and/or a child under 18 years of age adopted by a member
4 of the plan; and/or a child under 18 years of age dependent
5 upon a member of the plan for support whose dependency is
6 proven to the satisfaction of the board or, in the
7 alternative, whose dependency has been established by a final
8 court order.

9 (13)~~(14)~~ Disability.--Physical or mental impairment
10 which renders an employee partially and permanently or totally
11 and permanently unable to perform the duties of his or her
12 employment or unable to perform any substantial gainful
13 employment.

14 (14)~~(15)~~ ECUA.--Escambia County Utilities Authority.

15 (15)~~(16)~~ General Pension and Retirement Fund, general
16 pension plan, or the plan.--The special fund created
17 exclusively for the purposes provided in this act.

18 ~~(17) Investment bank of national repute.--A bank~~
19 ~~having trust powers or a trust company which is experienced in~~
20 ~~the fiduciary investment of pension funds from more than one~~
21 ~~state.~~

22 (16)~~(18)~~ Line of duty.--Within the scope of employment
23 as an employee of the city during such times as such employee
24 was rendering services to the city.

25 (17)~~(19)~~ Major fraction of a year.--For calculation of
26 benefits in this act, 6 months and 1 day.

27 (18)~~(20)~~ Member of the plan.--An individual who has
28 been credited with a period of service under the plan and has
29 contributed an amount to the plan, as provided in this act.

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1 ~~(19)~~(21) Nonemployment.--Any period of time an
2 individual is not employed in any capacity by the City of
3 Pensacola.

4 ~~(20)~~(22) Normal retirement and early retirement.--Any
5 retirement not based upon a disability, illness, or injury.

6 ~~(21)~~(23) Plan.--The General Pension and Retirement
7 Fund.

8 ~~(22)~~(24) Plan administrator.--The Director of Finance
9 of the City of Pensacola.

10 ~~(23)~~(25) Pensioner.--A member of the plan who has
11 drawn or is drawing a pension under the provisions of this
12 act.

13 ~~(24)~~(26) Permanent full-time employee.--A person
14 employed by the city, working an established work period set
15 forth by city policy, and not employed on a part-time,
16 temporary, or specified timeframe basis.

17 ~~(25)~~(27) Refund of contributions.--The distribution of
18 funds contributed by a member of the plan.

19 ~~(26)~~(28) Retiree.--A member of the plan, or a
20 dependent of a member, who has drawn or is drawing a pension
21 under the provisions of this act.

22 ~~(27)~~(29) Salary.--The total cash remuneration paid to
23 the member of the plan by the city for services rendered
24 before all pretax, salary deferral, or salary reduction
25 contributions made to the General Pension and Retirement Fund
26 on behalf of the general pension plan member under section
27 404(h)(2) of the Internal Revenue Code and any code section
28 457 plan and section 125 plan of the city. Unless otherwise
29 provided by the city council, "salary" shall exclude any
30 educational incentive pay, field training pay, certificate
31 pay, specialized duty pay, pistol qualifications pay, clothing

1 allowance, education benefit, accumulated sick leave pay at
2 retirement, accumulated vacation pay at retirement, shift
3 differential pay, nonsubstantiated business expenses, noncash
4 benefits such as employer-provided vehicles, or any other
5 city-provided benefit, severance pay, or similar lump-sum
6 payment made upon separation of service, and any other pay
7 excluded by the city council.

8 (28)~~(30)~~ Service under the plan.--A period of service
9 years credited to a member of the plan, during which the
10 member has contributed an amount to the General Pension and
11 Retirement Fund, as provided in this act.

12 (29)~~(31)~~ Spouse.--Under the laws of the State of
13 Florida, the legally married husband or wife of the member of
14 the plan.

15 (30)~~(32)~~ Surviving spouse.--The legally married
16 husband or wife of a member of the plan who outlives the
17 member of the plan.

18 (31)~~(33)~~ Vested member or vesting right.--A member of
19 the plan who has a right, or the right itself, to future
20 pension benefits as provided in this act.

21 Section 2. Section 11 of chapter 99-474, Laws of
22 Florida, is amended to read:

23 Section 11. Designation of employee contributions.--

24 (1) For the purposes of section 414(h) of the Internal
25 Revenue Code, the contributions made by each employee to the
26 General Pension and Retirement Fund shall be designated as
27 "employer contributions." However, such designation is
28 contingent upon the contributions being excluded from the
29 employee's gross income for federal income tax purposes. Such
30 contributions shall, nevertheless, be subject to refund or
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1 return to the employee upon termination of employment, or
2 otherwise as provided in this act.

3 (2) If for any reason the employee has received a
4 payment of benefits under the plan at any prior time, the
5 employee's contributions will be reduced for all such prior
6 payments. Such adjustment shall be paid first from after-tax
7 contributions then to the pre-tax contributions of the
8 employee.

9 Section 3. Section 20 of chapter 99-474, Laws of
10 Florida, is amended to read:

11 Section 20. Refund of contributions with less than 10
12 credited years of service, except for disability or death in
13 the line of duty.--

14 (1) In the event any member of the plan with less than
15 10 credited years of service separates from service, except
16 for disability or death in the line of duty, such member or
17 the decedent's dependent or beneficiary shall receive a refund
18 of the member's contributions to the plan.

19 (a) The maximum amount of a refund of contributions
20 shall equal the amount of contributions by the member of the
21 plan less any amount of pension benefit received by the member
22 of the plan and/or the member's dependents.

23 (b) An election of the form ~~Distribution election and~~
24 ~~distribution~~ of a refund of contributions shall be made within
25 90 days after eligibility. If no election is made,
26 distribution shall be in a lump-sum payment.

27 (c) Any refund of the member's contributions under
28 this act shall be in full satisfaction of any and all claims
29 by any person against the General Pension and Retirement Fund.

30 (2) The service years shall be computed on the basis
31 of the total credited service years under the plan, either

1 continuous or by totaling separate or discontinuous periods
2 for the required total period. A major fraction of a year of
3 credited service shall not be computed as a whole year for the
4 purpose of vesting rights.

5 (3) There shall be no minimum years of service
6 requirement for disability or death of a member in the line of
7 duty. In such event, the plan member's dependents are entitled
8 to receive a pension as provided for under this act.

9 Section 4. Paragraph (b) of subsection (5) of section
10 21 of chapter 99-474, Laws of Florida, is amended to read:

11 Section 21. Disability injury or illness in line of
12 duty.--If any member of the plan, due to injury or illness in
13 the line of duty, makes application for retirement and is
14 entitled to the benefits under this act, the General Pension
15 and Retirement Fund of the city shall pay according to the
16 following schedule:

17 (5) In the event any member of the plan becomes
18 disabled in the line of duty while employed, such member shall
19 receive a pension benefit as provided in this section or, upon
20 request, in lieu of a pension benefit, shall receive a refund
21 of the member's contributions to the General Pension and
22 Retirement Fund.

23 (b) An election of the form ~~Distribution election and~~
24 ~~distribution~~ of a refund of contributions shall be made within
25 90 days after eligibility. If no election is made,
26 distribution shall be in a lump-sum payment.

27 Section 5. Paragraph (b) of subsection (5) of section
28 23 of chapter 99-474, Laws of Florida, as amended by chapter
29 2000-470, Laws of Florida, is amended to read:

30 Section 23. Disability injury or illness not in the
31 line of duty.--

1 (5) In the event any member of the plan with less than
2 10 years of credited service under the plan becomes totally or
3 partially disabled not in the line of duty and such member is
4 disabled to such an extent that he or she cannot properly
5 discharge the duties of his or her employment, such member
6 shall receive, in lieu of a pension, a refund of the total
7 amount of his or her contributions to the General Pension and
8 Retirement Fund. A major fraction of a year of credited
9 service shall not be computed as a whole year for the purpose
10 of vesting rights.

11 (b) An election of the form ~~Distribution election and~~
12 ~~distribution~~ of a refund of contributions shall be made within
13 90 days after eligibility. If no election is made,
14 distribution shall be in a lump-sum payment.

15 Section 6. Paragraph (b) of subsection (3) of section
16 24 of chapter 99-474, Laws of Florida, as amended by chapter
17 2000-470, Laws of Florida, is amended to read:

18 Section 24. Other benefit provisions.--

19 (3) In the event any member of the plan with 10 or
20 more credited service years under the plan dies or otherwise
21 separates from service of the city, such member or the
22 deceased member's dependent shall, upon request, receive a
23 refund of the member's contributions to the General Pension
24 and Retirement Fund in lieu of a pension benefit.

25 (b) An election of the form ~~Distribution election and~~
26 ~~distribution~~ of a refund of contributions shall be made within
27 90 days after eligibility. If no election is made,
28 distribution shall be in a lump-sum payment.

29 Section 7. Section 36 of chapter 99-474, Laws of
30 Florida, is amended to read:

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1 Section 36. Investing funds; custodian of securities,
2 contracts with professional money managers ~~investment banks~~.--

3 (1) The pension board shall have the power and
4 authority to invest and reinvest the assets of the General
5 Pension and Retirement Fund in:

6 (a) Time or savings accounts of a national bank, a
7 state bank insured by the Federal Deposit Insurance
8 Corporation, or a savings and loan association insured by the
9 Federal Savings and Loan Insurance Corporation.

10 (b) Obligations of the United States or obligations
11 guaranteed as to principal and interest by the United States.

12 (c) Obligations of municipal authority issued pursuant
13 to the laws of this state; however, for each of the 5 years
14 next preceding the date of investment, the income of such
15 authority available for fixed charges shall have been not less
16 than 1 1/2 times its average annual fixed-charges requirement
17 over the life of its obligations.

18 (d) Bonds, stocks, or other evidences of indebtedness
19 issued or guaranteed by a corporation organized under the laws
20 of the United States, any state or organized territory of the
21 United States, or the District of Columbia; however, the board
22 shall not invest more than 5 percent of its assets in the
23 common stock or capital stock of any one issuing company, nor
24 shall the aggregate investment in any one issuing company
25 exceed 5 percent of the outstanding capital stock of the
26 company, nor shall the aggregate market value of the fund's
27 investments in common stocks exceed 75 percent of the assets
28 of the fund, nor shall the aggregate market value of the
29 fund's investments in all corporate securities exceed 80
30 percent of the assets of the fund.

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1 (e) Commingled bank and insurance company temporary
2 investment, stock, and bond funds without regard to the
3 quality restrictions for individual securities contained in
4 paragraph (d).

5 (f) Commingled bank and insurance company real estate
6 funds up to the maximum of 15 percent of assets at market
7 value. Direct ownership and operation of real estate
8 properties are prohibited.

9 (g) Guaranteed insurance contracts.

10 (h) Foreign securities, provided that the aggregate
11 market value of such investments does not exceed 25 percent of
12 the assets of the fund.

13 (2)(a) The pension board and the City of Pensacola are
14 hereby authorized to contract with one or more professional
15 money managers ~~investment banks of national repute~~ to act as
16 agents and corporate trustees of all or any portion of the
17 assets of the fund. Such professional money manager or
18 managers ~~The investment bank or banks~~ shall have full
19 investment powers with respect to said assets subject to the
20 provisions of subsection (1) which limit the types of
21 investments which may be made, and subject to such further
22 restrictions as may be imposed by the board.

23 (b) The city and the board, for the purpose of
24 contracting with one or more professional money manager or
25 managers ~~an investment bank or banks~~ to invest all or any
26 portion of the fund, shall enter into agreements between
27 themselves providing for procedures for selecting, entering
28 into contracts with, and terminating contracts with any such
29 professional money manager or managers ~~investment bank or~~
30 ~~banks~~.

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1 (3) In order to accomplish the purpose outlined in
2 subsection (2), the pension board may direct the plan
3 administrator of the city to act as the board's agent in
4 handling the administrative details concerning contracting
5 with any professional money manager ~~the investment bank~~;
6 however, the plan administrator or his or her designee shall
7 report the status of the pension funds to the pension board on
8 a quarterly basis or with greater frequency as requested by
9 the board, and the pension board shall review same and give
10 directions to the plan administrator with respect to the
11 continued contract status of the professional money manager or
12 managers investment bank.

13 Section 8. Chapter 99-474, Laws of Florida, as amended
14 by chapter 2000-470, Laws of Florida, is converted to an
15 ordinance by the City of Pensacola on the effective date of
16 this act. Such ordinance may only be modified or repealed by
17 the City of Pensacola.

18 Section 9. All laws or parts of laws in conflict
19 herewith are hereby repealed.

20 Section 10. This act shall take effect upon becoming a
21 law.

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