

Amendment No. 1 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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4		.	

ORIGINAL STAMP BELOW

The Committee on Local Government & Veterans Affairs offered the following:

**Amendment**

Remove everything after the enacting clause

and insert:

Section 1. Section 16 of chapter 24981, Laws of Florida, 1947, as amended, is amended and readopted to read:

(Substantial rewording of section. See chapter 93-373, Laws of Florida, as amended by chapters 96-526, 97-336, 99-483, 2000-410, and 2001-312, Laws of Florida, for present text.)

Section 16. West Palm Beach Police Pension Fund.--

(1) Creation of fund.--There is hereby created and established a special fund for the police officers of the City of West Palm Beach to be known as the West Palm Beach Police Pension Fund. All assets of every description held in the name of the West Palm Beach Police Pension and Relief Fund and in the name of the West Palm Beach Pension Fund have been and continue to be combined.

Amendment No. 1 (for drafter's use only)

1           (2) Definitions.--The following words or phrases, as  
2 used in this act, shall have the following meanings, unless a  
3 different meaning is clearly indicated by the context:

4           (a) "Actuarial equivalent value," "actuarial  
5 equivalence," or "single sum value" means the stated  
6 determination using an interest rate of 8.25 percent per year  
7 and the 1983 Group Annuity Mortality Table.

8           (b) "Beneficiary" means any person, except a retirant,  
9 who is entitled to receive a benefit from the West Palm Beach  
10 Police Pension Fund or the West Palm Beach Police Pension and  
11 Relief Fund, as applicable.

12           (c) "Board of Trustees" or "Board" means the Board of  
13 Trustees provided for in this act.

14           (d) "City" means the City of West Palm Beach, Florida.

15           (e) "Department" means the Police Department in the  
16 City of West Palm Beach.

17           (f) "Enrolled actuary" means an actuary who is  
18 enrolled under Subtitle C of Title III of the Employee  
19 Retirement Income Security Act of 1974 and who is a member of  
20 the Society of Actuaries or the American Academy of Actuaries.

21           (g) "Final average salary" means the average of the  
22 monthly salary paid a member in the 3 best years of  
23 employment.

24           (h) "Fund" or "Pension Fund" means the West Palm Beach  
25 Police Pension Fund or the West Palm Beach Pension and Relief  
26 Fund, as applicable.

27           (i) "Member" or "participant" means any person who is  
28 included in the membership of the Fund in accordance with  
29 subsection (6).

30           (j) "Pension" means a monthly amount payable from the  
31 Fund throughout the future life of a person, or for a limited

Amendment No. 1 (for drafter's use only)

1 period of time, as provided in this act.

2 (k) "Police officer" means any person who is elected,  
3 appointed, or employed full time by the City, who is certified  
4 or required to be certified as a law enforcement officer in  
5 compliance with section 943.14, Florida Statutes, who is  
6 vested with authority to bear arms and make arrests, and whose  
7 primary responsibility is the prevention and detection of  
8 crime or the enforcement of the penal, criminal, traffic, or  
9 highway laws of the state. This definition includes all  
10 certified supervisory and command personnel whose duties  
11 include, in whole or in part, the supervision, training,  
12 guidance, and management responsibilities of full-time law  
13 enforcement officers, part-time law enforcement officers, or  
14 auxiliary law enforcement officers, but does not include  
15 part-time law enforcement officers or auxiliary law  
16 enforcement officers as the same are defined in subsections  
17 (6) and (8) of section 943.10, Florida Statutes.

18 (l) "Qualified health professional" means a person  
19 duly and regularly engaged in the practice of his or her  
20 profession who holds a professional degree from a university  
21 or college and has special professional training or skill  
22 regarding the physical or mental condition, disability, or  
23 lack thereof, upon which he or she is to present evidence to  
24 the Board.

25 (m) "Qualified public depository" means any bank or  
26 savings association organized and existing under the laws of  
27 Florida and any bank or savings association organized under  
28 the laws of the United States that has its principal place of  
29 business, or a branch office, in Florida which is authorized  
30 under the laws of Florida or the United States to receive  
31 deposits in Florida; that meets all of the requirements of

Amendment No. 1 (for drafter's use only)

1 chapter 280, Florida Statutes; and that has been designated by  
2 the Treasurer of the State of Florida as a qualified public  
3 depository.

4 (n) "Retirant" means any member who retires with a  
5 pension from the Fund.

6 (o) "Retirement" means a member's withdrawal from City  
7 employment with a pension payable from the Fund.

8 (p) "Salary" means the fixed monthly compensation paid  
9 to a member; compensation shall include those items as have  
10 been included as compensation in accordance with past  
11 practice. However, the term shall not be construed to include  
12 lump sum payments for accumulated leave. On and after January  
13 1, 1997, compensation shall mean payment for regular hours  
14 worked, overtime payments for services performed for the City,  
15 hazardous duty pay, holiday pay, educational supplements,  
16 longevity pay, specialized assignment pay, and any payments  
17 for approved leave, excluding lump sum payments for  
18 accumulated leave such as accrued vacation leave, accrued sick  
19 leave, and accrued personal leave. This definition of  
20 compensation shall not include off-duty employment performed  
21 for vendors other than the City of West Palm Beach per Article  
22 37, Salary Plan Section 7 of the Officers' and Sergeants'  
23 Contract and Article 36, Salary Plan Section 5 of the  
24 Lieutenants' Contract.

25 (q) "Service" or "service credit" means the total  
26 number of years, and fractional parts of years, of employment  
27 of any police officer, omitting intervening years, and  
28 fractional parts of years, when such police officer was not  
29 employed by the City. No member shall receive credit for  
30 years, or fractional parts of years, of service for which the  
31 member has withdrawn his or her contributions to the Fund. It

Amendment No. 1 (for drafter's use only)

1 is further provided that a member may voluntarily leave his or  
2 her contributions in the Fund for a period of 5 years after  
3 leaving the employ of the Department, pending the possibility  
4 of being rehired by the Department, without losing credit for  
5 the time he or she has participated actively as a police  
6 officer. Should he or she not be reemployed as a police  
7 officer with the Department within 5 years, his or her  
8 contributions shall be returned without interest. In  
9 determining the aggregate number of years of service of any  
10 member, the time spent in the military service of the United  
11 States or United States Merchant Marine by the police officer  
12 on leave of absence for such reason shall be added to the  
13 years of service. However, to receive credit for such service,  
14 the member must have reentered the employ of the Department  
15 within 1 year after date of release from such service.

16 (r) The masculine gender includes the feminine and  
17 words in the singular with respect to persons shall include  
18 the plural and vice versa.

19 (3) Board of Trustees of Police Pension Fund.--

20 (a) Board of Trustees created.--There is hereby  
21 created a Board of Trustees, which shall be solely responsible  
22 for administering the West Palm Beach Police Pension Fund. The  
23 Board shall be a legal entity, with the power to bring and  
24 defend lawsuits of every kind, nature, and description and  
25 shall be independent of the City to the extent required to  
26 accomplish the intent, requirements, and responsibilities  
27 provided for in this act. The Board shall consist of five  
28 trustees, as follows:

29 1. Two legal residents of the City, who shall be  
30 appointed by the City. Each resident trustee shall serve as a  
31 trustee for a period of 2 years, unless sooner replaced by the

Amendment No. 1 (for drafter's use only)

1 City, at whose pleasure he or she shall serve, and may succeed  
2 himself or herself as a trustee.

3 2. Two police officers, who shall be elected by a  
4 majority of the police officers who are members of the Fund.  
5 Elections shall be held under such reasonable rules and  
6 regulations as the Board shall from time to time adopt. Each  
7 member-trustee shall serve as trustee for a period of 2 years,  
8 unless he or she sooner ceases to be a police officer in the  
9 employ of the Department, whereupon the members shall choose  
10 his or her successor in the same manner as the original  
11 appointment. Each member-trustee of the Fund may succeed  
12 himself or herself as a trustee.

13 3. A fifth trustee, who shall be chosen by a majority  
14 of the other four trustees. This fifth person's name shall be  
15 submitted to the City, which shall, as a ministerial duty,  
16 appoint such person to the Board as a fifth trustee. The fifth  
17 person shall serve as trustee for a period of 2 years, and may  
18 succeed himself or herself as a trustee.

19 (b) Board vacancy; how filled.--In the event a trustee  
20 provided for in subparagraph (a)2. ceases to be a police  
21 officer in the employ of the Department, he or she shall be  
22 considered to have resigned from the Board. In the event a  
23 trustee provided for in subparagraph (a)2. shall resign, be  
24 removed, or become ineligible to serve as a trustee, the Board  
25 shall, by resolution, declare the office of trustee vacated as  
26 of the date of adoption of said resolution. If such a vacancy  
27 occurs in the office of trustee within 90 days of the next  
28 succeeding election for trustee, the vacancy shall be filled  
29 at the regular election for the next term; otherwise, the  
30 vacancy shall be filled for the unexpired portion of the term,  
31 as provided in subparagraph (a)2. In the event a trustee

Amendment No. 1 (for drafter's use only)

1 provided for in subparagraph (a)1. or subparagraph (a)3. shall  
2 resign, be removed, or become ineligible to serve as a  
3 trustee, the Board shall, by resolution, declare the office of  
4 trustee vacated as of the date of adoption of said resolution.  
5 The trustee's successor for the unexpired portion of said  
6 trustee's term shall be chosen in the same manner as an  
7 original appointment.

8 (c) Board meetings; quorum; procedures.--The Board  
9 shall hold meetings regularly, at least one in each quarter  
10 year, and shall designate the time and place thereof. At any  
11 meeting of the Board, three trustees shall constitute a  
12 quorum. Each trustee shall be entitled to one vote on each  
13 question before the Board and at least three concurring votes  
14 shall be required for a decision by the Board at any of its  
15 meetings. The Board shall adopt its own rules of procedure and  
16 shall keep a record of its proceedings. All public records of  
17 the Board shall be kept and maintained as required by law. All  
18 meetings of the Board shall be open to the public and shall be  
19 held as required by law.

20 (d) Board chair.--The Board shall elect from among the  
21 trustees a chair.

22 (e) Board secretary.--The Board shall elect from among  
23 the trustees a secretary. The secretary shall keep a complete  
24 minute book of the actions, proceedings, and hearings of the  
25 Board.

26 (f) Compensation.--The trustees of the Fund shall not  
27 receive any compensation for their services as such, but may  
28 receive expenses and per diem as provided by law.

29 (4) Professional and clerical services.--

30 (a) Pension administrator.--The pension administrator  
31 of the Fund shall be designated by the Board and shall carry

Amendment No. 1 (for drafter's use only)

1 out its orders and directions.

2 (b) Custodian of funds.--All moneys and securities of  
3 the Fund may be deposited with the cash management coordinator  
4 of the City, acting in a ministerial capacity only, who shall  
5 be bonded and shall be liable in the same manner and to the  
6 same extent as he or she is liable for the safekeeping of  
7 funds for the City. However, any funds and securities  
8 deposited with the cash management coordinator shall be kept  
9 in a separate fund by the cash management coordinator or  
10 clearly identified as funds and securities of the Fund. In  
11 lieu thereof, the Board shall deposit the Funds and securities  
12 in a qualified public depository designated by the Board.

13 1. The cash management coordinator or other designated  
14 qualified public depository shall receive all moneys due said  
15 Fund from all sources whatsoever. All tax revenue received  
16 pursuant to the provisions of chapter 185, Florida Statutes,  
17 shall be deposited into the Fund no more than 5 days after  
18 receipt. Member contributions withheld by the City on behalf  
19 of a member shall be deposited in the Fund immediately.

20 2. The Board may issue drafts upon the Fund pursuant  
21 to this act and rules and regulations prescribed by the Board,  
22 provided that such drafts shall be issued in accordance with  
23 generally accepted accounting procedures, American Institute  
24 of Certified Public Accountants guidelines, and rules of the  
25 State of Florida Auditor General. All such drafts shall be  
26 consecutively numbered and signed by the chair and secretary,  
27 and each draft shall, upon its face, state the purpose for  
28 which it is drawn. For this purpose, the chair and secretary  
29 shall be bonded. The cash management coordinator or other  
30 depository shall retain such drafts when paid, as permanent  
31 vouchers for disbursements made, and no money shall be

Amendment No. 1 (for drafter's use only)

1 otherwise drawn from the Fund. Payments from the Fund shall be  
2 made only upon a specific or general motion or resolution  
3 previously adopted by the Board authorizing such payment or  
4 payments.

5 (c) Legal counsel.--The City Attorney shall give  
6 advice to the Board in all matters pertaining to its duties in  
7 the administration of the Fund whenever requested, shall  
8 represent and defend the Board as its attorney in all suits  
9 and actions at law or in equity that may be brought against  
10 it, and shall bring all suits and actions in its behalf that  
11 may be required or determined upon by said Board. However, if  
12 the Board so elects, it may employ independent legal counsel  
13 at the Fund's expense for the purposes set forth in this act.

14 (d) Actuary.--The Board shall designate an enrolled  
15 actuary who shall be its technical advisor and who shall  
16 perform such other actuarial services as are required.

17 (e) Certified public accountant.--The Board shall  
18 employ, at its expense, a certified public accountant to  
19 conduct an independent audit of the Fund. The certified public  
20 accountant shall be independent of the Board and the City.

21 (f) Additional professional, technical, or other  
22 services.--The Board shall have the authority to employ such  
23 professional, technical, or other advisors as are required to  
24 carry out the provisions of this act.

25 (5) Reports; experience tables; regular interest.--

26 (a) Reports.--The pension administrator shall keep, or  
27 cause to be kept, such data as shall be necessary for an  
28 actuarial valuation of the assets and liabilities of the Fund.

29 (b) Experience tables; regular interest; adoption of  
30 same.--The Board shall, from time to time, adopt such  
31 mortality and other tables of experience, and a rate or rates

Amendment No. 1 (for drafter's use only)

1 of interest, as required to operate the Fund on an actuarial  
2 basis.

3 (6) Membership.--All police officers in the employ of  
4 the Department shall be included in the membership of the  
5 Fund, and all persons who hereafter become police officers in  
6 the employ of the City shall thereupon become members of the  
7 Fund. Except as otherwise provided in this act, should any  
8 member cease to be a police officer in the employ of the  
9 Department, he or she shall thereupon cease to be a member and  
10 his or her credited service at that time shall be forfeited.  
11 In the event such person is reemployed in the Department as a  
12 police officer, he or she shall again become a member. Should  
13 said employment occur within a period of 6 years from and  
14 after the date the member last left the employ of the  
15 Department, his or her forfeited service shall be restored to  
16 the member's credit, provided that he or she returns to the  
17 Fund the amount he or she might have withdrawn, together with  
18 regular interest from the date of withdrawal to the date of  
19 repayment. Upon the member's retirement or death, he or she  
20 shall thereupon cease to be a member.

21 (7) Service credit.--Pursuant to appropriate rules and  
22 regulations, the Board shall determine and credit the amount  
23 of service to which each member shall be credited, consistent  
24 with the provisions of this act and chapter 185, Florida  
25 Statutes.

26 (8) Age and service requirements for retirement.--

27 (a) Normal retirement.--Upon written application filed  
28 with the Board, any member may retire and receive the  
29 applicable pension provided for in paragraph (9)(a), provided  
30 that the member has attained age 50 and has at least 20 years  
31 of credited service, has attained age 55 and has at least 10

Amendment No. 1 (for drafter's use only)

1 years of credited service, or has at least 25 years of  
2 continuous credited service, regardless of age.

3 (b) Vested deferred retirement.--A member who leaves  
4 the employ of the Department with 10 or more years of credited  
5 service and who is not eligible for any other retirement  
6 benefit under this act shall be entitled to the pension  
7 provided for in this subsection. Payments of this pension  
8 shall begin the first day of the calendar month following the  
9 month in which his or her application is filed with and  
10 accepted by the Board on or after attainment of age 50 years.  
11 If applicable, the amount of the pension shall be determined  
12 in accordance with the early retirement provisions below.

13 (c) Early retirement.--Any member may retire from the  
14 service of the Department as of the first day of any calendar  
15 month which is prior to the member's normal retirement date  
16 but subsequent to the date as of which he or she has both  
17 attained the age of 50 and completed 10 years of credited  
18 service. In the event of early retirement, the monthly amount  
19 of retirement income payable shall be computed as described in  
20 paragraph (9)(a), taking into account his or her credited  
21 service to his or her date of actual retirement and his or her  
22 final average salary as of such date. The amount of retirement  
23 income shall be actuarially reduced to take into account the  
24 member's younger age and earlier commencement of retirement  
25 income benefits. The early retirement reduction shall be 3  
26 percent for each year by which the member's age at retirement  
27 preceded the member's normal retirement age.

28 (9) Retirement pension calculation.--

29 (a) Upon retirement eligibility as provided in  
30 subsection (8), a member shall receive a monthly pension. The  
31 pension shall be the following, as applicable:

Amendment No. 1 (for drafter's use only)

1           1. A member who has more than or equal to 12 years and  
2 6 months of service at October 1, 1999, and who was actively  
3 employed by the Department on or after October 1, 1999, shall  
4 receive a benefit equal to the greater of the following:

5           a. Three percent of final average salary multiplied by  
6 the number of years, and fraction of a year, of credited  
7 service earned from April 1, 1987, plus 2.5 percent of final  
8 average salary multiplied by the number of years, and fraction  
9 of a year, of credited service earned prior to April 1, 1987,  
10 up to a total of 26 years, plus 1 percent of the final average  
11 salary multiplied by the number of years, and fraction of a  
12 year, of credited service which is in excess of 26 years;

13           b. Two and one-half percent of final average salary  
14 multiplied by the number of years, and fraction of a year, of  
15 credited service, not to exceed 26 years, plus 1 percent of  
16 the final average salary multiplied by the number of years,  
17 and fraction of a year, of credited service which is in excess  
18 of 26 years; or

19           c. The sum of the following:

20           (I) Two and one-half percent of final average salary  
21 multiplied by the number of years, and fraction of a year, of  
22 credited service earned through September 30, 1988; and

23           (II) Two percent of final average salary multiplied by  
24 the number of years, and fraction of a year, of credited  
25 service earned on and after October 1, 1988.

26  
27 However, in no event shall the benefit be less than 2 percent  
28 per year of credited service.

29           2. A member who has more than 12 years and 6 months of  
30 service and who has entered the DROP on or before October 1,  
31 1999, and who was actively employed by the Department on

Amendment No. 1 (for drafter's use only)

1 October 1, 1999, shall receive a benefit equal to the greater  
2 of the following:

3 a. Three percent of final average salary multiplied by  
4 the number of years, and fraction of a year, of credited  
5 service earned in the 12 years and 6 months prior to entering  
6 the DROP, plus 2.5 percent of final average salary multiplied  
7 by the number of years, and fraction of a year, of credited  
8 service earned prior to that date which is 12 years and 6  
9 months prior to entering the DROP, up to a total of 26 years,  
10 plus 1 percent of the final average salary multiplied by the  
11 number of years, and fraction of a year, of credited service  
12 which is in excess of 26 years. The one-half percent  
13 enhancement to the accrual rate shall also be applied  
14 retroactively to the date of entering the DROP, or 2 years,  
15 whichever is less, provided that the retroactive application  
16 shall include principal only and not any earnings thereon. An  
17 example of the calculation described in this sub-subparagraph  
18 is set forth in the collective bargaining agreement between  
19 the City of West Palm Beach and the Police Benevolent  
20 Association, Certified Unit No. 825, October 1, 1998-September  
21 30, 2001;

22 b. Two and one-half percent of final average salary  
23 multiplied by the number of years, and fraction of a year, of  
24 credited service, not to exceed 26 years, plus 1 percent of  
25 the final average salary multiplied by the number of years,  
26 and fraction of a year, of credited service which is in excess  
27 of 26 years; or

28 c. The sum of the following:

29 (I) Two and one-half percent of final average salary  
30 multiplied by the number of years, and fraction of a year, of  
31 credited service earned through September 30, 1988; and

Amendment No. 1 (for drafter's use only)

1           (II) Two percent of final average salary multiplied by  
2 the number of years, and fraction of a year, of credited  
3 service earned on and after October 1, 1988.

4  
5 However, in no event shall the benefit be less than 2 percent  
6 per year of credited service.

7           3. A member who has less than 12 years and 6 months of  
8 service on October 1, 1999, and who was actively employed by  
9 the Department on or after October 1, 1999, shall receive a  
10 benefit equal to the greater of the following:

11           a. Three percent of final average salary multiplied by  
12 the number of years, and fraction of a year, of credited  
13 service up to a total of 26 years, plus 1 percent of the final  
14 average salary multiplied by the number of years, and fraction  
15 of a year, of credited service which is in excess of 26 years;

16           b. Two and one-half percent of final average salary  
17 multiplied by the number of years, and fraction of a year, of  
18 credited service, not to exceed 26 years, plus 1 percent of  
19 the final average salary multiplied by the number of years,  
20 and fraction of a year, of credited service which is in excess  
21 of 26 years; or

22           c. The sum of the following:

23           (I) Two and one-half percent of final average salary  
24 multiplied by the number of years, and fraction of a year, of  
25 credited service earned through September 30, 1988; and

26           (II) Two percent of final average salary multiplied by  
27 the number of years, and fraction of a year, of credited  
28 service earned on and after October 1, 1988.

29  
30 However, in no event shall the benefit be less than 2 percent  
31 per year of credited service.

Amendment No. 1 (for drafter's use only)

1           4. A member who terminated employment, retired on a  
2 vested deferred benefit, or retired on or before October 1,  
3 1999, shall receive a benefit equal to the greater of the  
4 following:

5           a. Two and one-half percent of final average salary  
6 multiplied by the number of years, and fraction of a year, of  
7 credited service not to exceed 26 years, plus 1 percent of the  
8 final average salary multiplied by the number of years, and  
9 fraction of a year, of credited service which is in excess of  
10 26 years; or

11           b. The sum of the following:

12           (I) Two and one-half percent of final average salary  
13 multiplied by the number of years, and fraction of a year, of  
14 credited service earned through September 30, 1988; and

15           (II) Two percent of final average salary multiplied by  
16 the number of years, and fraction of a year, of credited  
17 service earned on and after October 1, 1988.

18  
19 The 3-percent benefit accrual factor for active employees in  
20 subparagraphs (a)1., 2., 3., and 4. is contingent on and  
21 subject to the adoption and maintenance of the assumptions set  
22 forth in subsection (34). If such assumptions are modified by  
23 legislative, judicial, or administrative agency action and the  
24 modification results in increased City contributions to the  
25 Pension Fund, the 3-percent benefit accrual factor for active  
26 employees in subparagraphs (a)1., 2., and 3. shall be  
27 automatically decreased prospectively from the date of the  
28 action, to completely offset the increase in City  
29 contributions. However, in no event shall the benefit accrual  
30 factor in subparagraphs (a)1., 2., 3., and 4. be adjusted  
31 below 2.5 percent.

Amendment No. 1 (for drafter's use only)

1  
2 To the extent that the benefit accrual factor is less than 3  
3 percent for active members with less than 12 years and 6  
4 months of service on October 1, 1999, the supplemental pension  
5 distribution calculation under subparagraph (12)(a)2. shall be  
6 adjusted for employees who retire or enter the DROP after  
7 October 1, 1999. The adjustment shall be to decrease the  
8 minimum return of 8.25 percent needed to afford the  
9 supplemental pension distribution, where the amount of the  
10 reduction is zero if an employee has been credited with 12  
11 years and 6 months of service or more with the 3-percent  
12 benefit accrual factor or 1.25 percent if an employee has been  
13 credited with no more than a 2.5-percent benefit accrual  
14 factor. If an employee has been credited with less than 12  
15 years and 6 months of service at the 3-percent benefit accrual  
16 factor, then the accumulated amount over 2.5 percent for each  
17 year of service divided by one-half percent divided by 12.5  
18 subtracted from 1 multiplied by 1.25 percent is the reduction  
19 from 8.25 percent. An example of the calculation of the  
20 minimum return for the supplemental pension distribution as  
21 herein described is set forth in the collective bargaining  
22 agreement between the City of West Palm Beach and the Police  
23 Benevolent Association, Certified Unit No. 145 and Certified  
24 Unit No. 825, October 1, 1998-September 30, 2001.

25 (b) Payment of benefits.--

26 1. First payment.--Service pensions shall be payable  
27 on the first day of each month. The first payment shall be  
28 payable the first day of the month coincident with or next  
29 following the date of retirement or death, provided the member  
30 has completed the applicable age and service requirements.

31 2. Last payment.--The last payment shall be the

Amendment No. 1 (for drafter's use only)

1 payment due next preceding the member's death, except that  
2 payments shall be continued to the designated beneficiary (or  
3 beneficiaries) if a 10-year certain benefit, a joint and  
4 survivor option, or beneficiary benefits, as applicable, are  
5 payable.

6 (c) Normal form of retirement income; 10-year certain  
7 benefit.--

8 1. Married member.--The normal form of retirement  
9 benefit for a married member or for a member with dependent  
10 children or parents shall be a pension and death benefits. The  
11 pension benefit shall provide monthly payments for the life of  
12 the member. Thereafter, death benefits shall be paid to the  
13 beneficiary designated by the member as provided in subsection  
14 (17).

15 2. Unmarried member.--The normal form of retirement  
16 benefit for an unmarried member without dependent children or  
17 parents shall be a 10-year certain benefit. This benefit shall  
18 pay monthly benefits for the member's lifetime. In the event  
19 the member dies after his or her retirement but before  
20 receiving retirement benefits for a period of 10 years, the  
21 same monthly benefit shall be paid to the beneficiary (or  
22 beneficiaries) as designated by the member for the balance of  
23 such 10-year period or, if no beneficiary is designated, to  
24 heirs at law, or estate of the member, as provided in section  
25 185.162, Florida Statutes.

26 (d) Optional forms of retirement income.--

27 1.a. In the event of normal, early, or disability  
28 retirement, in lieu of the normal form of retirement income  
29 payable as specified in paragraph (c), and in lieu of the  
30 death benefits as specified in subsection (17), a member, upon  
31 written request to the Board and subject to the approval of

Amendment No. 1 (for drafter's use only)

1 the Board, may elect to receive a retirement income of  
2 equivalent actuarial value payable in accordance with one of  
3 the following options:

4 (I) Lifetime option.--A retirement income of a larger  
5 monthly amount, payable to the member for his or her lifetime  
6 only.

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

14 b. The member, upon electing any option of this  
15 paragraph, shall designate the joint pensioner or beneficiary  
16 (or beneficiaries) to receive the benefit, if any, payable in  
17 the event of his or her death, and shall have the power to  
18 change such designation from time to time; but any such change  
19 shall be deemed a new election and shall be subject to  
20 approval by the Board. Such designation shall name a joint  
21 pensioner or one or more primary beneficiaries where  
22 applicable. If a member has elected an option with a joint  
23 pensioner or beneficiary and his or her retirement income  
24 benefits have commenced, he or she may thereafter change the  
25 designated joint pensioner or beneficiary only twice.

26 c. The consent of a member's joint pensioner or  
27 beneficiary to any such change shall not be required. However,  
28 the spouse of a married member must consent to any election to  
29 waive a joint and survivor benefit by signing the election  
30 before a notary public. The spouse's written consent must  
31 acknowledge the effect of such a waiver. Consent of the spouse

Amendment No. 1 (for drafter's use only)

1 shall not be required if the spouse cannot be located, or for  
2 such other circumstances as may be prescribed by regulations  
3 of the Secretary of the Treasury. Any consent by a spouse  
4 shall be effective only with respect to such spouse.

5 d. The Board may request such evidence of the good  
6 health of the joint pensioner who is being removed as it may  
7 require; and the amount of the retirement income payable to  
8 the member upon the designation of a new joint pensioner shall  
9 be actuarially redetermined, taking into account the ages and  
10 sex of the former joint pensioner, the new joint pensioner,  
11 and the member. Each such designation shall be made in writing  
12 on a form prepared by the Board, and, on completion, shall be  
13 filed with the Board. In the event that no designated  
14 beneficiary survives the member, such benefits as are payable  
15 in the event of the death of the member subsequent to his or  
16 her retirement shall be paid as provided in subparagraph (c)2.

17 2. Retirement income payments shall be made under the  
18 option elected in accordance with the provisions of this  
19 paragraph and shall be subject to the following limitations:

20 a. If a member dies prior to his or her normal  
21 retirement date or early retirement date, whichever first  
22 occurs, retirement benefits shall be paid in accordance with  
23 subsection (17).

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

Amendment No. 1 (for drafter's use only)

1 retirement.

2 c. If a member continues in the employ of the  
3 Department after meeting the age and service requirements set  
4 forth in paragraph (8)(a) and dies prior to retirement and  
5 while an option provided for in this paragraph is in effect,  
6 monthly retirement income payments shall be paid, under the  
7 option, to a beneficiary (or beneficiaries) designated by the  
8 member in the amount or amounts computed as if the member had  
9 retired under the option on the date on which his or her death  
10 occurred.

11 3. No member may make any change in his or her  
12 retirement option after the date of cashing or depositing the  
13 first retirement check.

14 (e) Designation of beneficiary.--

15 1. Each member may, on a form provided for that  
16 purpose, signed and filed with the Board, designate a  
17 beneficiary (or beneficiaries) to receive the benefit, if any,  
18 which may be payable in the event of the member's death; and  
19 each designation may be revoked by such member by signing and  
20 filing with the Board a new designation of beneficiary form.  
21 However, after the benefits have commenced, a retirant may  
22 change his or her designation of a joint annuitant or  
23 beneficiary only twice. If the retirant desires to change his  
24 or her joint annuitant or beneficiary, he or she shall file  
25 with the Board a notarized notice of such change either by  
26 registered letter or on a form as provided by the Board. Upon  
27 receipt of a completed change of joint annuitant form or such  
28 other notice, the Board shall adjust the member's monthly  
29 benefit by the application of actuarial tables and  
30 calculations developed to ensure that the benefit paid is the  
31 actuarial equivalent of the present value of the member's

Amendment No. 1 (for drafter's use only)

1 current benefit.

2 2. Absence or death of beneficiary.--If a deceased  
3 member failed to name a beneficiary in the manner prescribed  
4 in subparagraph 1., or if the beneficiary (or beneficiaries)  
5 named by a deceased member predeceases the member, death  
6 benefits, if any, which may be payable under this act on  
7 behalf of such deceased member may be paid, in the discretion  
8 of the Board, to:

9 a. The spouse or dependent child or children of the  
10 member;

11 b. The dependent living parent or parents of the  
12 member; or

13 c. The estate of the member.

14 (10) Cost-of-living adjustments.--

15 (a) The following words and phrases as used in this  
16 subsection mean:

17 1. Unadjusted amount of retirement benefit.--The  
18 amount of retirement benefit that would be paid a retiree or  
19 beneficiary of the provisions if this subsection were not  
20 applicable.

21 2. Consumer price index.--The consumer price index for  
22 urban wage earners and clerical workers as published by the  
23 United States Department of Labor, Bureau of Labor Statistics.  
24 Should the Bureau of Labor Statistics adopt a new base or  
25 modify the method of computation of the consumer price index  
26 so as to render it unsuitable, the Board shall make  
27 appropriate adjustments. The Board shall choose another index  
28 which it determines to be appropriate if the consumer price  
29 index is no longer published.

30 3. Retirement benefit effective date.--The date as of  
31 which payments of a retirement benefit first commence. A new

Amendment No. 1 (for drafter's use only)

1 effective date does not occur when a retiree dies and a  
2 retirement allowance is paid to a beneficiary.

3 4. Base month.--The more recent of the month of  
4 October 1976, the month and year of the retirement benefit  
5 effective date, or the month and year in which the retiree  
6 attains age 64 years.

7 (b) Subject to the limitations stated in this  
8 subsection, the unadjusted amount of the retirement benefit  
9 for retirees 65 years of age or older shall be increased each  
10 January 1, beginning January 1, 1977. The retirement benefit  
11 shall increase by 3 percent multiplied by the number of  
12 complete years from the later of:

- 13 1. January 1, 1976;  
14 2. The retirement benefit effective date; or  
15 3. The first day of the month after attainment of age  
16 65 years

17  
18 to January 1 of the year in which the adjustment is being  
19 made.

20 (c) The accumulated adjustments to a retirement  
21 benefit after January 1, 1977, expressed as a percentage of  
22 the unadjusted amount of retirement allowance, shall not  
23 exceed the percentage increase in the consumer price index for  
24 the period between the base month and the month of October in  
25 the year preceding adjustment.

26 (d) An adjustment shall not be made on any January  
27 first if the amount of the adjustment is less than 1 percent  
28 of the unadjusted amount of retirement benefit.

29 (11) Chapter 185 share accounts.--

30 (a) A separate individual member account shall be  
31 established and maintained in each member's name effective

Amendment No. 1 (for drafter's use only)

1 October 1, 1988.

2 (b) Share account funding.--

3 1. Chapter 185 moneys.--Each individual member account  
4 shall be credited with the moneys received from chapter 185,  
5 Florida Statutes, tax revenues in June 1988 and thereafter.

6 2. Forfeitures.--In addition, any forfeitures as  
7 provided in paragraph (e) shall be credited to the individual  
8 member accounts in accordance with the formula set forth in  
9 paragraph (c).

10 (c) Annual allocation of accounts.--

11 1. Moneys shall be credited to each individual member  
12 account in an amount directly proportionate to the number of  
13 pay periods for which the member was paid compared to the  
14 total number of pay periods for which all members were paid,  
15 counting the pay periods in the calendar year preceding the  
16 date for which chapter 185, Florida Statutes, tax revenues  
17 were received.

18 2. At the end of each fiscal year (September 30), each  
19 individual member account shall be adjusted to reflect the  
20 earnings or losses resulting from investments, as well as  
21 reflecting the costs, fees, and expenses of administration.

22 3. The investment earnings (or losses) credited to the  
23 individual member accounts shall be the same percentage as are  
24 earned (or lost) by the total investment earnings (or losses)  
25 of the Fund as a whole, unless the Board dedicates a separate  
26 investment portfolio for chapter 185, Florida Statutes, share  
27 accounts, in which case the investment earnings (or losses)  
28 shall be measured by the investment earnings (or losses) of  
29 the separate investment portfolio.

30 4. Costs, fees, and expenses of administration shall  
31 be debited from the individual member accounts on a

Amendment No. 1 (for drafter's use only)

1 proportionate basis, taking the costs, fees, and expenses of  
2 administration of the Fund as a whole, multiplied by a  
3 fraction, the numerator of which is the total of the assets in  
4 all individual member accounts and the denominator of which is  
5 the total of the assets of the Fund as a whole. The  
6 proportionate share of the costs, fees, and expenses shall be  
7 debited to each individual member account on a pro rata basis  
8 in the same manner as chapter 185, Florida Statutes, tax  
9 revenues are credited to each individual member account (i.e.,  
10 based on pay periods).

11 5. If the entire balance of the individual member  
12 account is withdrawn before September 30 of any year, there  
13 shall be no adjustment made to that individual member account  
14 to reflect either investment earnings (or losses) or costs,  
15 fees, and expenses of administration.

16 (d) Eligibility for benefits.--Any member who  
17 terminates employment with the City, upon application filed  
18 with the Board, shall be entitled to 100 percent of the value  
19 of his or her individual member account, provided the member  
20 meets any of the following criteria:

21 1. The member is eligible to receive a pension as  
22 provided in subsection (8);

23 2. The member has 5 or more years of credited service  
24 and is eligible to receive either:

25 a. A nonduty disability pension as provided in  
26 paragraph (14)(a); or

27 b. Death benefits for nonduty death as provided in  
28 paragraph (17)(a); or

29 3. The member has any credited service and is eligible  
30 to receive either:

31 a. A duty disability pension as provided in subsection

Amendment No. 1 (for drafter's use only)

1 (15); or

2 b. Death benefits for death in the line of duty as  
3 provided in paragraph (17)(b).

4 (e) Forfeitures.--Any member who has less than 10  
5 years of credited service and who is not eligible for payment  
6 of benefits after termination of employment with the City  
7 shall forfeit his or her individual member account. The  
8 amounts credited to said individual member account shall be  
9 redistributed to the remaining individual member accounts in  
10 the same manner as chapter 185, Florida Statutes, tax revenues  
11 are credited (i.e., based on pay periods).

12 (f) Payment of benefits.--The normal form of benefit  
13 payment shall be a lump sum payment of the entire balance of  
14 the member's individual member account or upon the written  
15 election of the member, upon a form provided by the Board; and  
16 payment shall be made:

- 17 1. Over 3 years in annual installments; or  
18 2. In monthly installments over the lifetime of the  
19 member or until the entire balance is exhausted. The monthly  
20 amount paid shall be determined by the Fund's actuary in  
21 accordance with selections made by the member on a form  
22 provided by the Board of Trustees.

23 (g) Death of member.--If a member dies and is eligible  
24 for benefits from the individual member account, the entire  
25 balance of the individual member account shall be converted to  
26 the name of the beneficiary designated in accordance with  
27 paragraph (9)(e). The entire balance shall be paid out in a  
28 lump sum to the beneficiary, at the discretion of the  
29 beneficiary. If the designated beneficiary is the surviving  
30 spouse, the account may remain with the Fund until the latest  
31 period specified under subsection (30). These individual

Amendment No. 1 (for drafter's use only)

1 accounts shall not be eligible for any further shares of the  
2 Chapter 185 moneys but shall be credited with interest. If a  
3 member fails to designate a beneficiary, or if the beneficiary  
4 predeceases the member, the entire balance shall be converted,  
5 in the following order, to the name or names of:

6 1. The member's surviving children on a pro rata  
7 basis;

8 2. If no children are alive, the member's spouse;

9 3. If no spouse is alive, the member's surviving  
10 parents on a pro rata basis; or

11 4. If none are alive, the estate of the member.  
12

13 The accounts which are converted to the names of the  
14 beneficiaries shall have the right to name a successor  
15 beneficiary. Any designated beneficiary, other than the  
16 surviving spouse of the member, must take a distribution of  
17 the entire share account balance by the end of 5 years  
18 following the death of the member. Installment distributions  
19 which begin in the calendar year of the member's death shall  
20 be treated as complying with this 5-year distribution  
21 requirement, even though the installments are not completed  
22 within 5 years after the member's death.

23 (12) Supplemental pension distribution.--

24 (a) The Board of Trustees shall annually authorize a  
25 supplemental pension distribution, the amount of which shall  
26 be determined as of each September 30, as applicable.

27 1. For employees who retired prior to October 1, 1999,  
28 the amount of the distribution shall be equal to the actuarial  
29 present value of future pension payments to current  
30 pensioners, multiplied by the positive difference, if any,  
31 between the rate of investment return (not to exceed 9

Amendment No. 1 (for drafter's use only)

1 percent) and 7 percent, plus one-half of any investment  
2 earnings over 9 percent.  
3 2. For those employees who have more than 12-1/2 years  
4 of service on and after October 1, 1999, or who are part of  
5 the DROP on or after October 1, 1999, the amount of the  
6 distribution shall be equal to the actuarial present value of  
7 future pension payments to those pensioners multiplied by the  
8 positive difference, if any, between the rate of investment  
9 return (not to exceed 9 percent) and 7 percent, plus one-half  
10 of any investment earnings over 9 percent.  
11 3. For those employees who have less than 12-1/2 years  
12 of service as of October 1, 1999, the amount of the  
13 distribution shall be equal to the actuarial present value of  
14 future pension payments to those pensioners multiplied by the  
15 positive difference, if any, between the rate of investment  
16 return (not to exceed 9 percent) and 8.25 percent, plus  
17 one-half of any investment earnings over 9 percent.  
18 (b) The actuary shall determine whether there may be a  
19 supplemental pension distribution based on the following  
20 factors:  
21 1. The actuary for the Pension Fund shall determine  
22 the rate of investment return earned on the Pension Fund  
23 assets during the 12-month period ending each September 30.  
24 The rate determined shall be the rate reported in the most  
25 recent actuarial report submitted pursuant to part VII of  
26 chapter 112, Florida Statutes.  
27 2. The actuary for the Pension Fund shall, as of  
28 September 30, determine the actuarial present value of future  
29 pension payments to current pensioners. The actuarial present  
30 values shall be calculated using an interest rate of 7 percent  
31 per year compounded annually, and a mortality table approved

Amendment No. 1 (for drafter's use only)

1 by the Board of Trustees and as used in the most recent  
2 actuarial report submitted pursuant to part VII of chapter  
3 112, Florida Statutes.

4 3. The supplemental pension distribution amount shall  
5 not exceed accumulated net actuarial experience from all  
6 pension liabilities and assets. If the net actuarial  
7 experience is favorable, cumulatively, commencing with the  
8 experience for the year ending September 30, 1991, after  
9 offset for all prior supplemental distributions, the  
10 supplemental distribution may be made. If the net actuarial  
11 experience is unfavorable, cumulatively, commencing with the  
12 experience for the year ended September 30, 1991, after offset  
13 for all prior supplemental distributions, no supplemental  
14 distribution may be made, and the City must amortize the loss  
15 until it is offset by cumulative favorable experience.

16  
17 If an actuarial report submitted as provided in this paragraph  
18 is not state accepted prior to distribution, and if a  
19 deficiency to the Pension Fund results, the deficiency shall  
20 be made up from the next available supplemental pension  
21 distribution, unless sooner made up by agreement between the  
22 Board of Trustees and the City. No such deficiency shall be  
23 permitted to continue for a period greater than 3 years from  
24 the date of payment of the supplemental pension distribution  
25 which resulted from the deficiency.

26 (c) If the actuary determines there may be a  
27 supplemental distribution, the Board of Trustees shall  
28 authorize a "supplemental pension distribution," unless the  
29 administrative expenses of distribution exceed the amount  
30 available for the distribution.

31 (d) Eligible persons are:

Amendment No. 1 (for drafter's use only)1           1. Pensioners.2           2. Surviving spouses.3           3. Surviving dependent children.4           4. Pensioners' estates.

5           (e) The supplemental pension distribution shall be  
6 allocated among eligible persons based upon years of service  
7 in the proportion that the eligible person's years of service  
8 bear to the aggregate amount of years of service of all  
9 eligible persons. Allocations for surviving spouses and  
10 surviving dependent children who are eligible to receive  
11 supplemental pension distributions shall be 66-2/3 percent of  
12 the years of service earned by the pensioner. Maximum service  
13 credits shall be 25 years. Allocations for duty-disability  
14 pensioners shall be based upon 25 years of service.  
15 Allocations for duty-death beneficiaries (surviving spouse and  
16 surviving dependent children) shall be based upon 66-2/3  
17 percent of 25 years of service.

18           (f) The supplemental pension distribution shall be  
19 made as of April 1, 1992, and each April 1 thereafter. Each  
20 eligible person shall be paid his or her allocated portion  
21 from the preceding September 30. Eligible persons retired for  
22 less than 1 year are entitled to a pro rata share of their  
23 supplemental pension distribution based on the number of  
24 months retired. A pensioner's estate is entitled to a pro rata  
25 share of the deceased retirant's supplemental pension  
26 distribution based on the number of months that the deceased  
27 retirant received a pension during the year ending the  
28 September 30 prior to the retirant's death.

29           (13) Deferred Retirement Option Plan (DROP).--30           (a) Eligibility to participate in the DROP.--31           1. Any member who is eligible to receive a normal

Amendment No. 1 (for drafter's use only)

1 retirement pension may participate in the DROP. Members shall  
2 elect to participate by applying to the Board of Trustees on a  
3 form provided for that purpose.

4 2. Election to participate shall be forfeited if not  
5 exercised within the first 27 years of combined credited  
6 service.

7 3. A member shall not participate in the DROP beyond  
8 the time of attaining 30 years of service and the total years  
9 of participation in the DROP shall not exceed 5 years. For  
10 example:

11 a. Members with 25 years of credited service at the  
12 time of entry shall participate for only 5 years.

13 b. Members with 26 years of credited service at the  
14 time of entry shall participate for only 4 years.

15 c. Members with 27 years of credited service at the  
16 time of entry shall participate for only 3 years.

17 4. Upon a member's election to participate in the  
18 DROP, he or she shall cease to be a member and shall no longer  
19 accrue any benefits under the Pension Fund, except for the  
20 benefits provided under subsection (11), Chapter 185 share  
21 accounts. For all Fund purposes, the member becomes a  
22 retirant, except that a DROP participant shall continue to  
23 receive shares of the chapter moneys in accordance with  
24 subsection (11), Chapter 185 share accounts. The amount of  
25 credited service shall freeze as of the date of entry into the  
26 DROP.

27 5. Notwithstanding any provision of this section to  
28 the contrary, the Police Chief in the Department may, at his  
29 or her option, extend his or her participation in the DROP  
30 beyond 5 years or 30 years of total service. For purposes of  
31 this subsection, "Police Chief" means a member who has been

Amendment No. 1 (for drafter's use only)

1 promoted from police officer through the ranks of the  
2 Department to the position of Police Chief. Any such Police  
3 Chief shall not participate in the DROP beyond the attainment  
4 of 33 years of service, and the total years of participation  
5 in the DROP shall not exceed 8 years.

6 (b) Amounts payable upon election to participate in  
7 DROP.--

8 1. Monthly retirement benefits that would have been  
9 payable had the member terminated employment with the  
10 Department and elected to receive monthly pension payments  
11 shall be paid into the DROP and credited to the retirant.  
12 Payments into the DROP shall be made monthly over the period  
13 the retirant participates in the DROP, up to a maximum of 60  
14 months.

15 2. Payments to the DROP earn interest using the rate  
16 of investment return earned on Pension Fund assets as reported  
17 by the Fund's investment monitor. However, if a police officer  
18 does not terminate employment at the end of participation in  
19 the DROP, interest credits shall cease on the current balance  
20 and on all future DROP deposits.

21 3. No payments shall be made from the DROP until the  
22 member terminates employment with the Department.

23 4. Upon termination of employment, participants in the  
24 DROP shall receive the balance of the DROP account in  
25 accordance with the following rules:

26 a. Members may elect to begin to receive payment upon  
27 termination of employment or defer payment of the DROP until  
28 the latest day as provided under sub-subparagraph c.

29 b. Payments shall be made in either:

30 (I) Lump sum.--The entire account balance shall be  
31 paid to the retirant upon approval of the Board of Trustees.

Amendment No. 1 (for drafter's use only)

1           (II) Installments.--The account balance shall be paid  
2 out to the retirant in three equal payments paid over 3 years,  
3 the first payment to be made upon approval of the Board of  
4 Trustees.

5           (III) Annuity.--The account balance shall be paid out  
6 in monthly installments over the lifetime of the member or  
7 until the entire balance is exhausted. Monthly amount paid  
8 shall be determined by the Fund's actuary in accordance with  
9 selections made by the member on a form provided by the Board  
10 of Trustees.

11           c. Any form of payment selected by a police officer  
12 must comply with the minimum distribution requirements of s.  
13 401(A)(9) of the Internal Revenue Code and is subject to the  
14 requirements of subsection (29) of this act; e.g., payments  
15 must commence by age 70-1/2.

16           d. The beneficiary of the DROP participant who dies  
17 before payments from the DROP begin shall have the same right  
18 as the participant in accordance with subsection (17).

19           (c) Loans from the DROP.--

20           1. Availability of loans.--

21           a. Loans are available to members only after  
22 termination of employment, provided the member had  
23 participated in the DROP for a period of 12 months.

24           b. Loans may only be made from a member's own account.

25           c. There may be no more than one loan at a time.

26           2. Amount of loan.--

27           a. Loans may be made up to a maximum of 50 percent of  
28 account balance.

29           b. The maximum dollar amount of a loan is \$50,000,  
30 reduced by the highest outstanding loan balance during the  
31 last 12 months.

Amendment No. 1 (for drafter's use only)

- 1           c. The minimum amount of a loan is \$5,000.
- 2           3. Limitations on loans.--Loans shall be made from the  
3 amounts paid into the DROP and the earnings thereon.
- 4           4. Term of loan.--
- 5           a. The loan must be for at least 1 year.
- 6           b. The loan shall be no longer than 5 years.
- 7           5. Loan interest rate.--
- 8           a. The interest rate shall be fixed at the time the  
9 loan is originated for the entire term of the loan.
- 10           b. The interest rate shall be equal to the prime rate  
11 published by an established local bank on the last day of each  
12 calendar quarter preceding the date of loan application.
- 13           6. Defaults on loans.--
- 14           a. Loans shall be in default if 2 consecutive months'  
15 repayments are missed or if a total of 4 months' repayments  
16 are missed.
- 17           b. Upon default, the entire balance becomes due and  
18 payable immediately.
- 19           c. If a loan in default is not repaid in full  
20 immediately, the loan may be canceled and the outstanding  
21 balance treated as a distribution, which may be taxable.
- 22           d. Upon default of a loan, a member shall not be  
23 eligible for additional loans.
- 24           7. Miscellaneous provisions.--
- 25           a. All loans must be evidenced by a written loan  
26 agreement signed by the member and the Board of Trustees. The  
27 agreement shall contain a promissory note.
- 28           b. A member's spouse must consent in writing to the  
29 loan. The consent shall acknowledge the effect of the loan on  
30 the member's account balance.
- 31           c. Loans shall be considered a general asset of the

Amendment No. 1 (for drafter's use only)

1 Fund.

2 d. Loans shall be subject to administrative fees to be  
3 set by the Board of Trustees.

4 (14) Nonduty disability pension.--

5 (a) Retirement.--Any member who entered the employ of  
6 the Department as a police officer after September 30, 1961,  
7 and who has 5 or more years of credited service, who becomes  
8 physically or mentally, totally and permanently disabled to  
9 perform the duties of a police officer, shall be retired with  
10 a pension provided for in this subsection upon his or her  
11 application, or upon the application of the Police Chief on  
12 his or her behalf, filed with the Board, provided that after a  
13 medical examination of the member made by or under the  
14 direction of the medical committee, the medical committee  
15 reports to the Board in writing whether:

16 1. The member is wholly prevented from rendering  
17 useful and efficient service as a police officer; and

18 2. The member is likely to remain so disabled  
19 continuously and permanently.

20  
21 The Board may admit and consider any other evidence that will  
22 assist it in understanding the medical committee's report. The  
23 final decision as to whether a member meets the requirements  
24 for a nonduty disability pension rests with the Board and  
25 shall be based on substantial competent evidence on the record  
26 as a whole.

27 (b) Nonduty disability pension benefits; disability  
28 occurs after age and service eligibility.--A member whose  
29 retirement on account of disability, as provided in paragraph  
30 (a), occurs on or after the date he or she became eligible to  
31 retire under subsection (8) shall receive the applicable

Amendment No. 1 (for drafter's use only)

1 pension provided for in subsection (9).

2 (c) Nonduty disability pension benefits; disability  
3 occurs before age and service eligibility.--A member whose  
4 retirement on account of disability, as provided in paragraph  
5 (a), occurs prior to the date he or she would have become  
6 eligible to retire under paragraph (8)(a) shall receive a  
7 disability pension equal to the applicable pension payable in  
8 subsection (9), provided that:

9 1. If the member has less than 10 years of credited  
10 service, the disability pension shall not be less than 20  
11 percent of his or her final average salary as of his or her  
12 disability retirement date;

13 2. If the member has at least 10 years of credited  
14 service, the disability pension shall not be less than 25  
15 percent of his or her final average salary as of his or her  
16 disability retirement date; and

17 3. The disability pension shall be subject to the  
18 provisions of subsection (18).

19 (15) Duty disability pension.--

20 (a) Retirement.--Any member who becomes physically or  
21 mentally, totally and permanently disabled to perform the  
22 duties of a police officer by reason of a personal injury or  
23 disease arising out of and in the course of the performance of  
24 his or her duties as a police officer in the employ of the  
25 City shall be retired with a pension provided for in this  
26 subsection, provided that, after a medical examination of the  
27 member made by or under the direction of the medical  
28 committee, the medical committee reports to the Board in  
29 writing whether:

30 1. The member is wholly prevented from rendering  
31 useful and efficient service as a police officer; and

Amendment No. 1 (for drafter's use only)

1           2. The member is likely to remain so disabled  
2 continuously and permanently.

3  
4 The Board may admit and consider any other evidence that will  
5 assist it in understanding the medical committee's report. Any  
6 condition or impairment of health of a member caused by  
7 tuberculosis, hypertension, heart disease or hardening of the  
8 arteries, hepatitis, or meningococcal meningitis resulting in  
9 total or partial disability or death shall be presumed to be  
10 accidental and suffered in line of duty unless the contrary be  
11 shown by competent evidence. Any condition or impairment of  
12 health caused directly or proximately by exposure, which  
13 exposure occurred in the active performance of duty at some  
14 definite time or place without willful negligence on the part  
15 of the member, resulting in total or partial disability shall  
16 be presumed to be accidental and suffered in the line of duty,  
17 provided that such member shall have successfully passed a  
18 physical examination upon entering such service, which  
19 physical examination, including electrocardiogram, failed to  
20 reveal any evidence of such condition. In order to be entitled  
21 to the presumption in the case of hepatitis, meningococcal  
22 meningitis, or tuberculosis, the member must meet the  
23 requirements of section 112.181, Florida Statutes. The final  
24 decision as to whether a member meets the requirements for  
25 duty disability pension rests with the Board and shall be  
26 based on substantial competent evidence on the record as a  
27 whole.

28           (b) Duty disability pension benefits; disability  
29 occurs after age and service eligibility.--A member whose  
30 retirement on account of disability, as provided in paragraph  
31 (a), occurs on or after the date he or she becomes eligible to

Amendment No. 1 (for drafter's use only)

1 retire under subsection (8) shall receive the applicable  
2 pension provided for in subsection (9).

3 (c) Duty disability pension benefits; disability  
4 occurs before age and service eligibility.--A member whose  
5 retirement on account of disability, as provided in paragraph  
6 (a), occurs prior to the date he or she would become eligible  
7 to retire under subsection (8) shall receive a disability  
8 pension equal to the appropriate pension payable in subsection  
9 (9). The disability pension payable to age 55 shall not be  
10 less than two-thirds of his or her final average salary. Upon  
11 reaching age 55, the member shall begin receiving a pension  
12 computed in accordance with the applicable provisions of  
13 subsection (9). In calculating the new pension figure, the  
14 member shall be given service credit for the period he or she  
15 was in receipt of the disability pension provided for in this  
16 paragraph. Any pension payable under this subsection shall be  
17 subject to the provisions of subsection (18).

18 (16) Conditions applicable to all disability  
19 retirants.--

20 (a) Medical committee.--The medical committee provided  
21 for in subsections (14) and (15) shall consist of no less than  
22 two qualified health professionals, one of whom shall be  
23 designated by the Board, and one by the member. If deemed  
24 necessary by the Board, a third qualified health professional,  
25 selected by the two committee members previously designated,  
26 may be named to the medical committee. The member shall be  
27 responsible for the expenses of the qualified health  
28 professional he or she designates to serve on the medical  
29 committee. Expenses for any other medical examination required  
30 under this act shall be paid by the Fund. The medical  
31 committee shall report to the Board the existence and degree

Amendment No. 1 (for drafter's use only)

1 of permanent physical impairment of the member, if any, based  
2 upon the most recent edition of the American Medical  
3 Association's Guide to the Evaluation of Permanent Impairment,  
4 if applicable.

5 (b) Exclusions from disability pensions.--No  
6 disability pension shall be payable, either as a duty  
7 disability or as a nonduty disability, if the disability is  
8 the result of:

9 1. Excessive and habitual use by the member of drugs,  
10 intoxicants, or narcotics;

11 2. Injury or disease sustained by the member while  
12 willfully and illegally participating in fights, riots, or  
13 civil insurrections or while committing a crime;

14 3. Injury or disease sustained by the member while  
15 -serving in any armed forces;

16 4. Injury or disease sustained by the member after his  
17 or her employment has terminated;

18 5. Injury or disease sustained by the member while  
19 working for anyone other than the City and arising out of such  
20 employment; or

21 6. Injury or disease sustained by the member before  
22 employment with the City begins. This subparagraph applies  
23 only in the event of a duty injury or disease.

24 (c) Payment of disability pensions.--Monthly  
25 disability retirement benefits shall be payable as of the date  
26 the Board determines that the member was entitled to a  
27 disability pension; however, the first payment shall actually  
28 be paid on the first day of the first month after the Board  
29 determines such entitlement. Any portion due for a partial  
30 month shall be paid together with the first payment. The last  
31 payment shall be, if the member recovers from the disability

Amendment No. 1 (for drafter's use only)

1 prior to his or her normal retirement date, the payment due  
2 next preceding the date of recovery or, if the member dies  
3 without recovering from his or her disability, then the  
4 following shall apply:

5 1. Member with 10 or more years of service.--Death  
6 benefits as set forth in subsection (17) shall be paid.

7 2. Member with less than 10 years of  
8 service.--Payments shall be made until the member's death.

9  
10 Any monthly disability retirement income payments due after  
11 the death of a disabled member shall be paid to the member's  
12 designated beneficiary (or beneficiaries) as provided in  
13 section 185.162, Florida Statutes, or paragraph (9)(e) or  
14 subsection (17), as applicable.

15 (d) Normal form of disability retirement income.--

16 1. Duty or nonduty disability with 10 years of  
17 service.--

18 a. Married member.--The standard form of disability  
19 retirement benefit for a married member or for a member with  
20 dependent children or parents shall be a disability pension  
21 and death benefit. This form of benefit shall provide monthly  
22 payments for the life of the member as set forth in subsection  
23 (14) or subsection (15), as applicable, or the disability  
24 retiree may select optional forms of benefits in accordance  
25 with paragraph (9)(d). Thereafter, death benefits shall be  
26 paid as provided in subsection (17).

27 b. Unmarried member.--The standard form of disability  
28 retirement benefit for a member who is not married or who does  
29 not have dependent children or parents shall be a 10-year  
30 certain benefit. This benefit shall pay monthly benefits for  
31 the member's lifetime. In the event the member dies after his

Amendment No. 1 (for drafter's use only)

1 or her retirement but before he or she has received disability  
2 retirement benefits for a period of 10 years, the same monthly  
3 benefit shall be paid to the beneficiary (or beneficiaries) as  
4 designated by the member for the balance of such 10-year  
5 period. In the absence of a designated beneficiary, then the  
6 benefits shall be paid to the estate of the retiree.

7 2. Duty or nonduty disability with less than 10 years  
8 of service.--The standard form of disability retirement  
9 benefit shall provide monthly payments for the life of a  
10 member as set forth in subsection (14) or subsection (15), as  
11 applicable. Thereafter, beneficiary benefits shall be paid as  
12 provided in subsection (17), as applicable.

13 (e) Reexaminations of disability retirants.--At least  
14 once each year during the first 5 years following a member's  
15 retirement on account of disability, and at least once in each  
16 3-year period thereafter, the Board shall require any  
17 disability retirant who has not attained age 50 to undergo a  
18 medical examination by a physician designated by the Board. If  
19 the retirant refuses to submit to the medical examination, his  
20 or her disability pension may be suspended by the Board until  
21 his or her withdrawal of such refusal. If such refusal  
22 continues for 1 year, all of his or her rights in and to a  
23 disability pension may be revoked by the Board. If, upon  
24 medical examination of such retirant, the physician reports to  
25 the Board that the retirant is physically able and capable of  
26 performing the duties of a police officer in the rank held by  
27 him or her at the time of his or her retirement, the retirant  
28 shall be returned to employment in the Department at a salary  
29 not less than the salary of the rank previously held by him or  
30 her. The disability pension shall then terminate.

31 (f) Credited service for disability retirant.--In the

Amendment No. 1 (for drafter's use only)

1 event a disability retirant is returned to employment in the  
2 Department, as provided in paragraph (e), he or she shall  
3 again become a member of the Fund and shall be restored the  
4 credited service at the time of the member's retirement. If he  
5 or she retired under a duty disability as provided in  
6 paragraph (15)(a), he or she shall be given service credit for  
7 the period he or she was in receipt of a disability pension.  
8 If the member retired under a nonduty disability as provided  
9 in paragraph (14)(a), then he or she shall not be given  
10 service credit for the period he or she was in receipt of a  
11 disability pension.

12 (17) Death benefits.--

13 (a) Nonduty death while employed by the department; 5  
14 years or more.--In the event a member who has 5 or more years  
15 of credited service dies, and the Board finds his or her death  
16 to have occurred as the result of causes arising outside the  
17 performance of his or her duties as a member, the following  
18 applicable pensions shall be paid:

19 1. A pension equal to two-thirds of the pension to  
20 which he or she would have been entitled under subsection (9)  
21 if he or she had retired the day preceding the date of his or  
22 her death, notwithstanding that he or she might not have  
23 satisfied a retirement age and service requirement stipulated  
24 in subsection (8), provided that the "widow's pension" shall  
25 not be less than one-seventh of the member's final average  
26 salary. Upon the surviving spouse's death, the pension shall  
27 terminate. Any pension payable under this paragraph shall be  
28 subject to the provisions of subsection (18).

29 2. In the event the deceased member does not leave a  
30 surviving spouse, or if the surviving spouse dies and the  
31 member leaves an unmarried child or children under age 18,

Amendment No. 1 (for drafter's use only)

1 each such child shall receive a pension of any equal share of  
2 the pension to which the said deceased member's surviving  
3 spouse was entitled or would have been entitled if he or she  
4 left a surviving spouse. Upon any such child's adoption,  
5 marriage, death, or attainment of age 18, the child's pension  
6 shall terminate and it shall be apportioned to the pensions  
7 payable to the said deceased member's remaining eligible  
8 children under the age of 18. In no case shall the pension  
9 payable to any such child exceed one-seventh of the deceased  
10 member's final average salary, nor shall it be less than \$15  
11 per month. A pension payable under this paragraph shall be  
12 subject to the provisions of subsection (18).

13 3. In the event the deceased member does not leave a  
14 surviving spouse or children eligible to receive a pension and  
15 the member leaves a parent or parents who the Board finds are  
16 dependent upon the member for at least 50 percent of his, her,  
17 or their financial support, each parent shall receive a  
18 pension of an equal share of the pension to which the member's  
19 surviving spouse would have been entitled if he or she had  
20 left a surviving spouse. Upon any such parent's remarriage or  
21 death, his or her pension shall terminate. Any pension payable  
22 under this paragraph shall be subject to the provisions of  
23 subsection (18).

24 4. In the event the deceased member does not leave a  
25 surviving spouse, children, or parents to receive a pension,  
26 then the death benefit, if any, shall be paid to the estate of  
27 the deceased member.

28  
29 In any of the above cases, the Board, in its discretion, may  
30 direct that the actuarial value of the monthly benefit be paid  
31 as a lump sum.

Amendment No. 1 (for drafter's use only)

1           (b) Duty death.--In the event a member dies and the  
2 Board finds his or her death to be the natural and proximate  
3 result of a personal injury or disease arising out of and in  
4 the course of his or her actual performance of the duties as a  
5 police officer in the employ of the City, the following  
6 applicable pensions shall be paid:

7           1. The surviving spouse shall receive a pension equal  
8 to four-ninths of the member's final average salary. Upon the  
9 surviving spouse's death, the pension shall terminate. Any  
10 pension payable under this paragraph shall be subject to the  
11 provisions of subsection (18).

12           2. If, in addition to a surviving spouse, the deceased  
13 member leaves an unmarried child or children under age 18,  
14 each child shall receive a pension of \$150 per month. Upon any  
15 child's adoption, marriage, death, or attainment of age 18,  
16 the child's pension shall terminate. Any pension payable under  
17 this paragraph shall be subject to the provisions of  
18 subsection (18).

19           3. In the event the deceased member does not leave a  
20 surviving spouse, or if the surviving spouse dies, and the  
21 member leaves an unmarried child or children under age 18,  
22 each such child shall receive a pension of an equal share of  
23 one-third of the deceased member's final average salary. Upon  
24 any such child's adoption, marriage, death, or attainment of  
25 age 18, the child's pension shall terminate and it shall be  
26 apportioned to the pensions payable to the deceased member's  
27 remaining eligible children under age 18. Any pension payable  
28 under this paragraph shall be subject to the provisions of  
29 subsection (18).

30           4. Any pensions payable, under subparagraphs 2. and 3.  
31 above, to any child under age 18 shall be paid to his or her

Amendment No. 1 (for drafter's use only)

1 legal guardian.

2 5. In the event the deceased member does not leave a  
3 surviving spouse or children under age 18 eligible to receive  
4 a pension provided for in subparagraph 1., subparagraph 2., or  
5 subparagraph 3., and the member leaves a parent or parents who  
6 the Board finds are dependent upon the member for at least 50  
7 percent of his, her, or their financial support, then each  
8 parent shall receive a pension of an equal share of one-third  
9 of the deceased member's final average salary. Upon any such  
10 parent's remarriage or death, his or her pension shall  
11 terminate. Any pension payable under this paragraph shall be  
12 subject to the provisions of subsection (18).

13 6. In the event the deceased member does not leave a  
14 surviving spouse, children, or parents eligible to receive a  
15 pension, then the death benefit, if any, shall be paid to the  
16 estate of the deceased member.

17  
18 In any of the above cases, the Board, in its discretion, may  
19 direct that the actuarial value of the monthly benefit be paid  
20 as a lump sum.

21 (c) Death after retirement.--Upon the death of a  
22 retirant, the following applicable pensions shall be paid,  
23 subject to the provisions of subsection (18):

24 1. The surviving spouse of the retirant shall receive  
25 a pension of two-thirds of the retirant's pension, provided  
26 that the retirant was receiving a pension under paragraph  
27 (9)(a). Upon the surviving spouse's death, the pension shall  
28 terminate.

29 2. In the event the deceased retirant does not leave a  
30 surviving spouse eligible to receive a pension, or if the  
31 surviving spouse dies and he or she leaves an unmarried child

Amendment No. 1 (for drafter's use only)

1 or children under age 18, each child shall receive a pension  
2 of an equal share of two-thirds of the deceased retirant's  
3 pension. Upon any child's adoption, marriage, death, or  
4 attainment of age 18, the child's pension shall terminate and  
5 it shall be apportioned to the pensions payable to the  
6 deceased retirant's remaining eligible children under age 18.  
7 In no case shall the pension payable to any such child exceed  
8 20 percent of the deceased retirant's pension, or be less than  
9 \$15 per month.

10 3. In the event the deceased retirant does not leave a  
11 surviving spouse or children eligible to a pension provided  
12 for in subparagraphs 1. and 2. above, and he or she leaves a  
13 parent or parents who the Board finds are dependent upon the  
14 retirant for at least 50 percent of his, her, or their  
15 financial support, each parent shall receive a pension of an  
16 equal share of two-thirds of the deceased retirant's pension.  
17 Upon any parent's remarriage or death, his or her pension  
18 shall terminate.

19 4. In the event the deceased member does not leave a  
20 surviving spouse, children, or parents eligible to receive a  
21 pension, then the death benefit, if any, shall be paid to the  
22 estate of the deceased member.

23  
24 In any of the above cases, the Board, in its discretion, may  
25 direct that the actuarial value of the monthly benefit be paid  
26 as a lump sum.

27 (18) Workers' compensation offset.--The pension  
28 benefits payable under this act shall not be offset by any  
29 workers' compensation benefits payable as a result of the  
30 disability or death of a member, except to the extent that the  
31 total of the pension benefit and workers' compensation benefit

Amendment No. 1 (for drafter's use only)

1 exceeds the member's average monthly wage.  
2 (19) Member's contributions; refunds.--  
3 (a) Member's contributions.--  
4 1. The member shall contribute 7 percent of his or her  
5 salary to the Fund.  
6 2. The City shall cause the contributions provided for  
7 in subparagraph 1. to be deducted from the compensation of  
8 each member on each payroll, for each pay period, so long as  
9 he or she remains a member of the Fund. The member's  
10 contributions provided for herein shall be made,  
11 notwithstanding that the minimum compensation provided by law  
12 for any member is thereby changed. Each member shall be deemed  
13 to consent and agree to the deductions made and provided for  
14 herein. Payment of compensation, less said deductions, shall  
15 be a full and complete discharge and acquittance of all claims  
16 and demands whatsoever for the services rendered by him or her  
17 during the period covered by such payment, except as to  
18 benefits provided by this act. When deducted, each of said  
19 contributions shall be paid into the Fund and credited to the  
20 individual member from whose compensation said deduction was  
21 made.  
22 3. In addition to the contribution deducted from the  
23 compensation of a member, as hereinbefore provided, a member  
24 shall deposit in the Fund, by a single contribution or by an  
25 increased rate of contribution, as approved by the Board of  
26 Trustees, the amount of previously withdrawn member  
27 contributions not repaid to the Fund, together with regular  
28 interest from the date of withdrawal to the date of repayment.  
29 In no case shall any member be given credit for service  
30 rendered prior to the date he withdrew his aggregate  
31 contributions until he or she repays to the member's deposit

Amendment No. 1 (for drafter's use only)

1 account all amounts due the account by such member.

2 (b) Refund of member's contributions.--

3 1. Should any member cease to be employed by the City  
4 as a police officer and not be entitled to a pension payable  
5 from the Fund, upon application to and approval by the Board,  
6 he or she shall be paid the aggregate contributions standing  
7 to his or her credit in the Fund, without interest, less any  
8 benefits paid to him or her. In accordance with paragraph  
9 (2)(q), a member who has ceased to be employed by the City as  
10 a police officer may elect to voluntarily leave his or her  
11 contributions in the member's deposit account for a period of  
12 up to 5 years, pending the possibility of being rehired by the  
13 Department. If the member is not reemployed at the expiration  
14 of 5 years following the date the member ceased to be employed  
15 by the City as a police officer, all contributions remaining  
16 in the member's deposit account shall be refunded without  
17 interest.

18 2. Upon the death of a member, if no pension becomes  
19 payable on account of his or her death, the aggregate  
20 contributions standing to the member's credit in the Fund at  
21 the time of death shall be paid to his or her designated  
22 beneficiary. If there be no such designated person surviving  
23 the member, his or her aggregate contributions shall be paid  
24 to his or her estate in accordance with subsection (17).

25 3. Payments of refunds of a member's aggregate  
26 contributions, as provided in this paragraph, may be made in  
27 monthly installments according to such rules and regulations  
28 as the Board of Trustees shall from time to time adopt.

29 (20) Sources of revenue.--

30 (a) Contributions credited to Fund.--The contributions  
31 to be credited to the Fund shall consist of, but shall not be

Amendment No. 1 (for drafter's use only)

1 limited to, the following sources of revenue:

2 1. Taxes of insurance companies.--The moneys returned  
3 to the City as provided by chapter 185, Florida Statutes,  
4 shall be used to fund the share account benefit described in  
5 subsection (11). The City shall not opt out of participation  
6 in chapter 185, Florida Statutes, or any similar statutory  
7 enactment unless exigent circumstances exist, such as the  
8 bankruptcy of the City or changes or amendments to the statute  
9 regarding extra benefits. If any statutory changes are made by  
10 the Legislature, the City and the Board shall renegotiate the  
11 impact of such changes, if necessary.

12 2. City contribution.--The City shall contribute to  
13 the Fund annually an amount which, together with the  
14 contributions from the members and the amount derived from the  
15 premium tax provided in chapter 185, Florida Statutes, and  
16 other income sources as authorized by law, shall be sufficient  
17 to meet the normal cost of the Fund and to fund the actuarial  
18 deficiency over a period of not more than 40 years, provided  
19 that the net increase, if any, in unfunded liability of the  
20 Fund arising from significant amendments or other changes  
21 shall be amortized within 30 plan years.

22 3. Member contributions.--As provided in subsection  
23 (19).

24 4. Gifts, etc.--All gifts, bequests, and devises when  
25 donated to the Fund.

26 5. Interest from deposits.--All accretions to the Fund  
27 by way of interest on bank deposits or otherwise.

28 6. Other sources.--All other sources of income now or  
29 hereafter authorized by law for the augmentation of the Fund.

30 (b) Actuarial valuations.--The Fund shall be  
31 actuarially evaluated at least once in each 3-year period.

Amendment No. 1 (for drafter's use only)

1           (21) Investments.--  
2           (a) The Board shall have the power and authority to  
3 invest and reinvest the moneys of the Fund and to hold,  
4 purchase, sell, assign, transfer, and dispose of any  
5 securities and investments held in the Fund, including the  
6 power and authority to employ counseling or investment  
7 management services. The aim of the investment policies shall  
8 be to preserve the integrity and security of Fund principal,  
9 to maintain a balanced investment portfolio, to maintain and  
10 enhance the value of the Fund principal, and to secure the  
11 maximum total return on investments that is consonant with  
12 safety of principal, provided that such investments and  
13 reinvestments shall be limited to the following:  
14           1. Direct obligations of the United States Government  
15 or any agency thereof and any other evidences of indebtedness  
16 which are fully guaranteed by the United States Government or  
17 any agency thereof for the payments of principal and interest.  
18           2. Direct obligations of the State of Florida.  
19           3. Debt securities, preferred and common stocks and  
20 mutual fund shares subject to limitations set forth in this  
21 section.  
22           4. Savings and loans associations, to the extent that  
23 deposits are guaranteed by the United States Government or any  
24 agency thereof.  
25  
26 Purchases of securities may include bonds or other evidence of  
27 indebtedness, preferred stocks, and common stocks. Operations  
28 shall be conducted on the basis of a balanced portfolio, the  
29 total thereof invested in preferred stocks shall not aggregate  
30 more than 5 percent, and the total amount thereof invested in  
31 common stocks and mutual funds shall not aggregate more than

Amendment No. 1 (for drafter's use only)

1 70 percent of the Fund. Percentages shall be based on market  
2 value at the end of each reporting period (September 30).

3 Investment experience producing a market value percent  
4 exceeding the stated limit does not arbitrarily mean assets  
5 are to be liquidated to satisfy the limit.

6 (b) Maximum uninvested cash; minimum investment  
7 standards.--No more than 10 percent of the assets of the Fund  
8 shall be held in cash or in noninterest-bearing deposits. The  
9 following minimum investment standards shall govern the  
10 eligibility for the purchase of securities:

11 1. All corporate and association securities and mutual  
12 funds shall be issued by a corporation or other legal person  
13 incorporated or otherwise organized within the United States  
14 and domiciled therein except as otherwise permitted by section  
15 185.06, Florida Statutes.

16 2. Not more than 10 percent of the total fund  
17 principal at market value may be invested in any issuing  
18 company, other than United States Government or United States  
19 Government agency obligations.

20 3. All bonds, stocks, or other evidence of  
21 indebtedness shall be issued or guaranteed by a corporation  
22 organized under the laws of the United States, any state or  
23 organized territory of the United States, or the District of  
24 Columbia, provided that the corporation is listed on any one  
25 or more of the recognized national stock exchanges and, with  
26 regard to bonds only, holds a rating in one of the four  
27 highest classifications by a major rating service. Said bonds  
28 and preferred stocks that are convertible into common stocks  
29 shall be considered common stocks, and the purchase of same  
30 shall be limited by the provisions of subparagraph (a)5.

31 4. The Board shall be required to engage the services

Amendment No. 1 (for drafter's use only)

1 of professional investment counsel to assist and advise the  
2 Trustees in the performance of their duties.

3 (c) Restricted use of assets.--The assets of the  
4 Police Pension Fund shall be used only for the payment of  
5 benefits and other disbursements authorized by this act and  
6 shall be used for no other purpose.

7 (d) Performance evaluation and manager selection.--At  
8 least once every 3 years, the Board of Trustees shall retain  
9 an independent consultant professionally qualified to evaluate  
10 the performance of its professional money manager or  
11 investment counsel. The independent consultant shall make  
12 recommendations to the Board of Trustees regarding the  
13 selection of money managers for the next investment term.  
14 These recommendations shall be considered by the Board of  
15 Trustees at its next regularly scheduled meeting. The date,  
16 time, place, and subject of this meeting shall be advertised  
17 in a newspaper of general circulation in the municipality at  
18 least 10 days prior to the date of the hearing.

19 (e) Administrative expenses.--The administrative  
20 expenses of the Fund shall be paid by the Fund.

21 (22) Existing benefits continued.--This act, and any  
22 amendments hereto, shall not be construed to increase or  
23 decrease the benefits payable to, or on account of, any member  
24 who retired or died prior to October 1, 1987.

25 (23) Assignments prohibited.--The pensions or other  
26 benefits accrued or accruing to any person under the  
27 provisions of this act and the accumulated contributions and  
28 the cash securities in the Fund created under this act shall  
29 not be subject to execution or attachment or to any legal  
30 process whatsoever and shall be unassignable. However,  
31 pursuant to a court support order, the trustees may direct

Amendment No. 1 (for drafter's use only)

1 that retirement benefits be paid for alimony or child support  
2 in accordance with rules and regulations adopted by the Board  
3 of Trustees.

4 (24) Subrogation rights; loss of pension rights.--

5 (a) In the event a person becomes entitled to a  
6 pension or other benefits payable from the Fund as a result of  
7 an accident or injury caused by the act of a third party, the  
8 City shall be subrogated to the rights of the said person  
9 against such third person to the extent of the benefits which  
10 the City pays or becomes liable to pay hereunder.

11 (b) No person shall be entitled to a pension under  
12 this act who is convicted of a specified offense as provided  
13 in section 112.3173, Florida Statutes.

14 (25) Ordinances applicable.--All ordinances of the  
15 City applicable to chapter 185, Florida Statutes, are hereby  
16 made applicable to this act with equal force and effect. No  
17 proposed change or amendment to this act shall be adopted  
18 without the approval required by section 185.35(2), Florida  
19 Statutes.

20 (26) Review procedures.--

21 (a) The applicant for benefits under this act may,  
22 within 20 days after being informed of the denial of his or  
23 her request for pension benefits, appeal said denial by filing  
24 a reply to the proposed order with the pension's coordinator.  
25 If no appeal is filed within the time period specified, then  
26 the proposed order shall be final.

27 (b) The Board of Trustees shall hold a hearing within  
28 45 days after the receipt of the appeal. Written notice of  
29 said hearing shall be sent by certified mail to the applicant  
30 10 days prior to the hearing, at the address listed on the  
31 application.

Amendment No. 1 (for drafter's use only)

1           (c) The procedures at the hearing shall be as follows:

2           1. All parties shall have an opportunity to respond,  
3 to present physical and testimonial evidence and argument on  
4 all issues involved, to conduct cross-examination, to submit  
5 rebuttal evidence, and to be represented by counsel. Medical  
6 reports and depositions may be accepted in lieu of live  
7 testimony, at the Board's discretion.

8           2. All witnesses shall be sworn.

9           3. The applicant and the Board shall have an  
10 opportunity to question all witnesses.

11           4. Formal rules of evidence and formal rules of civil  
12 procedure shall not apply. The proceedings shall comply with  
13 the essential requirements of due process and law.

14           5. The record in a case governed by this subsection  
15 shall consist only of:

16           a. A tape recording of the hearing, to be taped and  
17 maintained as part of the official files of the Board of  
18 Trustees by the pension's secretary.

19           b. Evidence received or considered.

20           c. All notices, pleadings, motions, and intermediate  
21 rulings.

22           d. Any decisions, opinions, proposed or recommended  
23 orders, or reports by the Board of Trustees.

24           (d) Within 5 days after the hearing, the Board shall  
25 take one of the following actions:

26           1. Grant the pension benefits by overturning the  
27 proposed order by majority vote.

28           2. Deny the benefits and approve the proposed order as  
29 a final order, after making any changes in the order that the  
30 Board feels is necessary.

31           (e) Findings of fact by the Board shall be based on

Amendment No. 1 (for drafter's use only)

1 competent, substantial evidence on the record.

2 (f) Within 20 calendar days after rendering its order,  
3 the Board of Trustees shall send by certified mail a copy of  
4 said order to the applicant.

5 (g) The applicant may seek review of the order of the  
6 Board of Trustees by filing a petition for writ of certiorari  
7 with the circuit court within 30 days.

8 (27) Lump sum payment of small retirement  
9 income.--Notwithstanding any provision of the Fund to the  
10 contrary, if the monthly retirement income payable to any  
11 person entitled to benefits hereunder is less than \$30 or if  
12 the single sum value of the accrued retirement income is less  
13 than \$5,000 as of the date of retirement or termination of  
14 service, whichever is applicable, the Board of Trustees, in  
15 the exercise of its discretion, may specify that the actuarial  
16 equivalent of such retirement income be paid in lump sum.

17 (28) Pickup of member contributions.--Effective the  
18 first day of the first full payroll period of the first  
19 calendar quarter following receipt of a favorable  
20 determination letter from the Internal Revenue Service, the  
21 City shall pick up the member contribution required by this  
22 section. The contributions so picked up shall be treated as  
23 employer contributions in determining tax treatment under the  
24 United States Internal Revenue Code. The City shall pick up  
25 the member contributions from funds established and available  
26 for salaries, which funds would otherwise have been designated  
27 as member contributions and paid to the Fund. Member  
28 contributions picked up by the City pursuant to this  
29 subsection shall be treated for purposes of making a refund of  
30 members' contributions, and for all other purposes of this and  
31 other laws, in the same manner and to the same extent as

Amendment No. 1 (for drafter's use only)

1 member contributions made prior to the effective date of this  
2 section. The intent of this section is to comply with s.  
3 414(H)(2) of the Internal Revenue Code.

4 (29) Internal Revenue Code limits.--

5 (a) In no event may a member's annual benefit exceed  
6 \$160,000 (adjusted for cost of living in accordance with s.  
7 415(d) of the Internal Revenue Code).

8 (b) If a member has less than 10 years of service with  
9 the City, the applicable limitation in paragraph (a) shall be  
10 reduced by multiplying such limitation by a fraction, not to  
11 exceed 1. The numerator of such fraction shall be the number  
12 of years, or part thereof, of service with the City; the  
13 denominator shall be 10 years.

14 (c) For purposes of this subsection, "annual benefit"  
15 means a benefit payable annually in the form of a straight  
16 life annuity with no ancillary incidental benefits and with no  
17 member or rollover contributions. To the extent that ancillary  
18 benefits are provided, the limits set forth in paragraph (a)  
19 shall be reduced actuarially, using an interest rate  
20 assumption equal to the greater of 5 percent or the rate being  
21 used for actuarial equivalence, to reflect such ancillary  
22 benefits.

23 (d) If distribution of retirement benefits begins  
24 before age 62, the dollar limitation as described in paragraph  
25 (a) shall be reduced, using an interest rate assumption equal  
26 to the greater of 5 percent or the interest rate used for  
27 actuarial equivalence; however, retirement benefits shall not  
28 be reduced below \$75,000 if payment of benefits begins at or  
29 after age 55 and not below the actuarial equivalent of \$75,000  
30 if payment of benefits begins before age 55. For a member with  
31 15 or more years of service with the City, the reductions

Amendment No. 1 (for drafter's use only)

1 described above shall not reduce such member's benefit below  
2 \$50,000 (adjusted for cost of living in accordance with s.  
3 415(d) of the Internal Revenue Code, but only for the year in  
4 which such adjustment is effective). If retirement benefits  
5 begin after age 65, the dollar limitation of paragraph (a)  
6 shall be increased actuarially by using an interest assumption  
7 equal to the lesser of 5 percent or the rate used for  
8 actuarial equivalence.

9 (e) Compensation in excess of limitations set forth in  
10 s. 401(a)(17) of the Internal Revenue Code shall be  
11 disregarded. The limitation on compensation for an eligible  
12 employee shall not be less than the amount that was allowed to  
13 be taken into account hereunder as in effect on July 1, 1993.  
14 "Eligible employee" is an individual who was a member before  
15 the first plan year beginning after December 31, 1995.

16 (30) Required distributions.--

17 (a) In accordance with s. 401(a)(9) of the Internal  
18 Revenue Code, all benefits under this plan shall be  
19 distributed, beginning not later than the required beginning  
20 date set forth below, over a period not extending beyond the  
21 life expectancy of the police officers or the life expectancy  
22 of the police officer and a beneficiary designated in  
23 accordance with paragraph (9)(e).

24 (b) Any and all benefit payments shall begin by the  
25 later of:

26 1. April 1 of the calendar year following the calendar  
27 year of the member's retirement date; or

28 2. April 1 of the calendar year following the calendar  
29 year in which the member attains age 70-1/2.

30 (c) If an employee dies before his or her entire  
31 vested interest has been distributed to him or her, the

Amendment No. 1 (for drafter's use only)

1 remaining portion of such interest shall be distributed at  
2 least as rapidly as provided for under subsection (17).

3 (31)(a) Rollovers from qualified plans.--A member may  
4 roll over all or a part of his or her interest in another  
5 qualified plan to the Fund, provided all of the following  
6 requirements are met:

7 1. Some or all of the amount distributed from the  
8 other plan is rolled over to this plan no later than the 60th  
9 day after distribution was made from the Plan or, if  
10 distributions are made in installments, no later than the 60th  
11 day after the last distribution was made.

12 2. The amount rolled over to this Fund does not  
13 include any amount contributed by the member to the Plan on a  
14 posttax basis.

15 3. The rollover is made in cash.

16 4. The member certifies that the distribution is  
17 eligible for a rollover.

18 5. Any amount which the Trustees accept as a rollover  
19 to this Fund shall, along with any earnings allocated to them,  
20 be fully vested at all times.

21  
22 A rollover may also be made to this Plan from an individual  
23 retirement account qualified under s. 408 of the Internal  
24 Revenue Code when the individual retirement account was merely  
25 used as a conduit for funds from another qualified plan and  
26 the rollover is made in accordance with the rules provided in  
27 subparagraphs 1.-5. Amounts rolled over may be segregated from  
28 other Fund assets. The trustees shall separately account for  
29 gains, losses, and administrative expenses of these rollovers  
30 as provided for in subsections (11) and (13). In addition, the  
31 Fund may accept the direct transfer of a member's benefits

Amendment No. 1 (for drafter's use only)

1 from another qualified retirement plan or an Internal Revenue  
2 Code section 457 plan. The Fund shall account for direct  
3 transfers in the same manner as a rollover and shall obtain  
4 certification from the member that the amounts are eligible  
5 for a rollover or direct transfer to this Fund.

6 (b) Transfer of accumulated leave.--

7 1. Members eligible to receive accumulated sick leave,  
8 accumulated vacation leave, or any other accumulated leave  
9 payable upon separation shall have the leave transferred to  
10 the Fund up to the amount permitted by law. Any additional  
11 amounts shall be paid directly to the member. Members on whose  
12 behalf leave has been transferred shall maintain the entire  
13 amount of the transferred leave balance in the DROP or Share  
14 Account.

15 2. If a member on whose behalf the City makes a  
16 transferred leave balance to the Plan dies after retirement or  
17 other separation, then any person who would have received a  
18 death benefit had the member died in service immediately prior  
19 to the date of retirement or other separation shall be  
20 entitled to receive an amount equal to the transferred leave  
21 balance in a lump sum. In the case of a surviving spouse or  
22 former spouse, an election may be made to transfer the leave  
23 balance to an eligible retirement plan in lieu of the lump sum  
24 payment. Failure to make such an election by the surviving  
25 spouse or former spouse within 60 days after the member's  
26 death shall be deemed an election to receive the lump sum  
27 payment.

28 3. The Board, by rule, shall prescribe the method for  
29 implementing the provisions of this paragraph.

30 4. Amounts transferred under this section shall remain  
31 invested in the Fund for a period of not less than 1 year.

Amendment No. 1 (for drafter's use only)

1           (32) Rollover distributions.--

2           (a) This subsection applies to distributions made on  
3 or after January 1, 1993. Notwithstanding any provision of the  
4 Plan to the contrary that would otherwise limit a  
5 distributee's election under this subsection, a distributee  
6 may elect, at the time and in the manner prescribed by the  
7 Board of Trustees, to have any portion of an eligible rollover  
8 distribution paid directly to an eligible retirement plan  
9 specified by the distributee in a direct rollover.

10           (b) Definitions.--

11           1. "Eligible rollover distribution" is any  
12 distribution of all or any portion of the balance to the  
13 credit of the distributee, except that an eligible rollover  
14 does not include any distribution that is one of a series of  
15 substantially equal periodic payments (not less frequently  
16 than annually) made for the life (or life expectancy) of the  
17 distributee or the joint lives (or joint life expectancies) of  
18 the distributee and the distributee's designated beneficiary,  
19 or for a specified period of 10 years or more; any  
20 distribution to the extent such distribution is required under  
21 s. 401(a)(9) of the Internal Revenue Code; and the portion of  
22 any distribution that is not includable in gross income.

23           2. "Eligible retirement plan" is an individual  
24 retirement account described in s. 408(a) of the Internal  
25 Revenue Code, an individual retirement annuity described in s.  
26 408(b) of the Internal Revenue Code, an annuity plan described  
27 in s. 403(a) of the Internal Revenue Code, or a qualified  
28 trust described in s. 401(a) of the Internal Revenue Code that  
29 accepts the distributee's eligible rollover distribution.  
30 However, in the case of an eligible rollover distribution to  
31 the surviving spouse, an "eligible retirement plan" is an

Amendment No. 1 (for drafter's use only)

1 individual retirement account or individual retirement  
2 annuity.

3 3. "Distributee" includes an employee or former  
4 employee. In addition, the employee's or former employee's  
5 surviving spouse and the employee's or former employee's  
6 spouse or former spouse who is entitled to payment for alimony  
7 and child support under a domestic relations order determined  
8 to be qualified by this Fund are distributees with regard to  
9 the interest of the spouse or former spouse.

10 4. "Direct rollover" is a payment by the Plan to the  
11 eligible retirement plan specified by the distributee.

12 (33) Miscellaneous requirements.--

13 (a) No benefit of any kind shall be payable from the  
14 assets of the Pension Fund unless specifically provided for in  
15 this act; however, the Board of Trustees, with the approval of  
16 the City, may grant ad hoc benefits after a public hearing and  
17 acceptance by the state of an actuarial impact statement  
18 submitted pursuant to part VII of chapter 112, Florida  
19 Statutes.

20 (b) The City may not offset any part of its required  
21 annual contribution by the Fund's assets except as determined  
22 in an actuarial valuation, the report for which is determined  
23 to be state accepted pursuant to part VII of chapter 112,  
24 Florida Statutes.

25 (c) All provisions of this act and operations of the  
26 Pension Fund shall be carried out in compliance with part VII  
27 of chapter 112, Florida Statutes.

28 (d)1. It is unlawful for a person to willfully and  
29 knowingly make, or cause to be made, or to assist, conspire  
30 with, or urge another to make, or cause to be made, any false,  
31 fraudulent, or misleading oral or written statement or to

Amendment No. 1 (for drafter's use only)

1 withhold or conceal material information to obtain any benefit  
2 under this Plan.

3 2.a. A person who violates subparagraph 1. commits a  
4 misdemeanor of the first degree, punishable as provided in  
5 section 775.082 or section 775.083, Florida Statutes.

6 b. In addition to any applicable criminal penalty,  
7 upon conviction for a violation described in subparagraph 1.,  
8 a participant or beneficiary of this Plan may, in the  
9 discretion of the Board of Trustees, be required to forfeit  
10 the right to receive any or all benefits to which the person  
11 would otherwise be entitled under this Plan. For purposes of  
12 this sub-subparagraph, "conviction" means a determination of  
13 guilt that is the result of a plea or trial, regardless of  
14 whether adjudication is withheld.

15 (34) Actuarial assumptions.--The following actuarial  
16 assumptions shall be used for all purposes in connection with  
17 this Fund, effective October 1, 1999:

18 (a) The assumed investment rate of return shall be  
19 8.25 percent.

20 (b) The period for amortizing current, future, and  
21 past actuarial gains or losses shall be 20 years.

22  
23 The consequences of the change in assumptions in paragraphs  
24 (a) and (b) shall first take effect during the October 1,  
25 1999-September 30, 2000, fiscal year of the City of West Palm  
26 Beach. To the extent that effective dates or legislative  
27 delays might influence the direct application to the October  
28 1, 1999-September 30, 2000, fiscal year of the actuarial cost  
29 estimate dated March 24, 2000, there shall be a minimum  
30 contribution reserve established by the Pension Fund for the  
31 City of West Palm Beach. The reserve shall be credited with

Amendment No. 1 (for drafter's use only)

1 any amounts contributed to the Pension Fund by the City of  
 2 West Palm Beach during the October 1, 1999-September 30, 2000,  
 3 fiscal year in excess of \$1,462,965. This amount has been  
 4 determined by combining the contribution requirement from the  
 5 September 30, 1998, actuarial valuation report dated May 7,  
 6 1999, with the subsequent actuarial cost estimate dated March  
 7 24, 2000, both of which were prepared by the Fund's actuary.

8           Section 2. All special laws and parts of special laws,  
 9 ordinances, or regulations insofar as they are in conflict or  
 10 inconsistent with the provisions of this act be and the same  
 11 are repealed.

12           Section 3. This act shall take effect upon becoming a  
 13 law.

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