

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

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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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 17 of chapter 24981, Laws of Florida, 1947, as amended, is amended and readopted to read: (Substantial rewording of section. See ch. 93-374, Laws of Florida, as amended by chapters 95-476, 96-527, 97-327, 99-456, and 2000-409, Laws of Florida, for present text.)

Section 17. West Palm Beach Firefighters Pension

Fund.--

(1) Creation of fund.--There is hereby created a special fund for the Fire Department of the City of West Palm Beach to be known as the West Palm Beach Firefighters Pension Fund. All assets of every description held in the name of the West Palm Beach Firemen's Relief and Pension Fund and in the

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1 name of the West Palm Beach Firefighters Pension Fund have
2 been and shall continue to be combined.

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

6 1. "Actuarial equivalent value," "actuarial
7 equivalence," or "single sum value" means the stated
8 determination using an interest rate of 8.25 percent per year
9 and the 1983 Group Annuity Mortality Table for males.

10 2. "Beneficiary" means any person who is not at
11 retirement but who is entitled to receive a benefit from the
12 West Palm Beach Firefighters Pension Fund or the West Palm
13 Beach Firemen's Relief and Pension Fund, as applicable.

14 3. "Board of Trustees" or "Board" means the Board of
15 Trustees provided for in this act.

16 4. "City" means the City of West Palm Beach, Florida.

17 5. "Department" means the Fire Department of the City.

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

22 7. "Final average salary" means the average of the
23 monthly salary paid a member in the 3 best years of
24 employment.

25 8. "Firefighter" means any person employed in the
26 Department who is certified as a firefighter as a condition of
27 employment in accordance with the provisions of section
28 633.35, Florida Statutes.

29 9. "Fund" or "Pension Fund" means the West Palm Beach
30 Firefighters Pension Fund or the West Palm Beach Firemen's
31 Relief and Pension Fund, as applicable.

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1 10. "Member" means any person who is included in the
2 membership of the Fund in accordance with paragraph (h).

3 11. "Pension" means a monthly amount payable from the
4 Fund throughout the future life of a person, or for a limited
5 period of time, as provided in this act.

6 12. "Qualified health professional" means a person
7 duly and regularly engaged in the practice of his or her
8 profession who holds a professional degree from a university
9 or college and has had special professional training or skill
10 regarding the physical or mental condition, disability, or
11 lack thereof, upon which he or she is to present evidence to
12 the Board.

13 13. "Qualified public depository" means any bank or
14 savings association organized and existing under the laws of
15 Florida and any bank or savings association organized under
16 the laws of the United States that has its principal place of
17 business in Florida, or has a branch office which is
18 authorized under the laws of Florida or the United States to
19 receive deposits in Florida, that meets all of the
20 requirements of chapter 280, Florida Statutes, and that has
21 been designated by the Treasurer of the State of Florida as a
22 qualified public depository.

23 14. "Retirant" or "retiree" means any member who
24 retires with a pension payable from the Fund.

25 15. "Retirement" means a member's withdrawal from City
26 employment with a pension payable from the Fund.

27 16. "Salary" means:

28 a. The fixed monthly compensation paid to a
29 firefighter and shall include those items that have been
30 included as compensation in accordance with past practice.

31 However, the term shall not be construed to include lump sum

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1 payments for accumulated leave.

2 b. On and after October 1, 2001, "salary," for the
3 purpose of pension contributions, shall be defined as payments
4 made to a firefighter by the City for: regular hours worked;
5 step-up pay; longevity pay; all authorized leave time, which
6 includes compensatory time used, earned personal leave used,
7 emergency leave used, sick leave used, sick leave pay bank
8 used, vacation time used, holiday time used, emergency leave,
9 bereavement leave, and administrative leave; certification
10 pay, which includes paramedic, hazardous material technician,
11 special operations, dive rescue, fire service instructor, fire
12 inspector, and SWAT certification pay; fire inspector standby
13 pay; educational bonus incentive; pay received from the City
14 during military training; and sick leave conversion when such
15 leave is converted during the course of active employment. The
16 definition of "salary" specifically excludes any lump sum
17 payments for accumulated leave such as that received upon
18 final payoff. Employees who are specifically excluded from
19 bargaining unit recognition as set forth in Article 2, but who
20 are members of the West Palm Beach Firefighters Pension Fund,
21 shall continue to make contributions on management incentive
22 benefits. This definition of compensation shall not include
23 any duty employment that is performed for other than the City
24 of West Palm Beach per Article 31, Salary Plan.

25 17. "Service," "credited service," or "service credit"
26 means the total number of years, and fractional parts of
27 years, of employment of any member in the employ of the
28 Department, omitting intervening years and fractional parts of
29 years of service when the member was not employed by the City.
30 However, no member shall receive credit for years, or
31 fractional parts of years, of service for which the member has

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1 withdrawn his or her contributions to the Fund, unless the
2 member repays into the Fund the contributions withdrawn, with
3 interest, within 60 months after reemployment. Further, a
4 member may voluntarily leave his or her contributions in the
5 Fund for a period of 5 years after leaving the employ of the
6 Department, pending the possibility of his or her being
7 rehired by the Department and remaining employed for a period
8 of not less than 3 years, without losing credit for the time
9 he or she has participated actively as a firefighter. If he or
10 she does not remain employed for a period of at least 3 years
11 as a firefighter with the Department upon reemployment, within
12 5 years his or her contributions shall be returned without
13 interest in accordance with paragraph (5)(i). In determining
14 the aggregate number of years of service of any member, the
15 time spent in the military service of the United States or
16 United States Merchant Marine by the member on leave of
17 absence from the Department for such reason shall be added to
18 the years of service, provided such time shall not exceed 5
19 years. Further, to receive credit for such service the member
20 must return to employment as a firefighter of the City within
21 1 year after the date of release from such active service.

22 (b) Gender and number.--The masculine gender includes
23 the feminine, and words of the singular with respect to
24 persons shall include the plural and vice versa.

25 (c) Board of Trustees created.--There is hereby created
26 a Board of Trustees, which shall be solely responsible for
27 administering the West Palm Beach Firefighters Pension Fund
28 and the West Palm Beach Firemen's Relief and Pension Fund. The
29 Board shall be a legal entity, with the power to bring and
30 defend lawsuits of every kind, nature, and description, and
31 shall be independent of the City to the extent required to

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1 accomplish the intent, requirements, and responsibilities
2 provided for in this act and applicable law. The Board shall
3 consist of five trustees, as follows:

4 1. Two legal residents of the City, who shall be
5 appointed by the City. Each resident-trustee shall serve as a
6 trustee for a period of 2 years, unless sooner replaced by the
7 City, at whose pleasure he or she shall serve, and may succeed
8 himself or herself as trustee.

9 2. Two full-time firefighters shall be elected by a
10 majority of the firefighters who are members of the Fund.
11 Elections shall be held under such reasonable rules and
12 regulations as the Board shall from time to time adopt. Each
13 member-trustee shall serve as a trustee for a period of 2
14 years, unless he or she sooner ceases to be a firefighter in
15 the employ of the Department, whereupon the members shall
16 choose a successor in the same manner as the original
17 appointment. Each member-trustee may succeed himself or
18 herself as trustee.

19 3. A fifth trustee shall be chosen by a majority of
20 the other four trustees. This fifth person's name shall be
21 submitted to the City, which shall, as a ministerial duty,
22 appoint such person to the Board as a fifth trustee. The fifth
23 person shall serve as trustee for a period of 2 years, and may
24 succeed himself or herself as trustee.

25 (d) Board vacancy; how filled.--In the event a trustee
26 provided for in subparagraph (c)2. ceases to be a firefighter
27 in the employ of the Department, such trustee shall be
28 considered to have resigned from the Board. In the event a
29 trustee provided for in subparagraph (c)2. shall resign, be
30 removed, or become ineligible to serve as a trustee, the Board
31 shall, by resolution, declare the office of trustee vacated as

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1 of the date of adoption of said resolution. If such a vacancy
2 occurs in the office of trustee within 90 days of the next
3 succeeding election for trustee, the vacancy shall be filled
4 at the next regular election for the next term; otherwise, the
5 vacancy shall be filled for the unexpired portion of the term
6 by the members in the same manner as an original appointment.
7 In the event a trustee provided for in subparagraph (c)1. or
8 subparagraph (c)3. shall resign, be removed, or become
9 ineligible to serve as a trustee, the Board shall, by
10 resolution, declare the office of trustee vacated as of the
11 date of adoption of said resolution. A successor for the
12 unexpired portion of the term shall be chosen in the same
13 manner as an original appointment.

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

26 (f) Board chair.--The Board shall elect a chair from
27 among the trustees.

28 (g) Board secretary.--The Board shall elect a
29 secretary from among the trustees. The secretary shall keep a
30 complete minute book of the actions, proceedings, and hearings
31 of the Board.

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1 (h) Membership.--All firefighters and all who hold a
2 position of firefighter in the employ of the Department shall
3 be members in the Fund. All firefighters, including the chief,
4 who were in the employ of the Department as of April 30, 1959,
5 shall be given credit for service rendered in the employ of
6 the Department prior to May 1, 1959. New members to the Fund
7 are required to undergo a physical examination for purposes of
8 determining preexisting conditions. This physical examination
9 shall be conducted in conjunction with the City's postoffer,
10 preemployment physical examination. The Board's medical
11 director shall review the results of this physical examination
12 and provide notice to the Board and the member of any abnormal
13 findings of the examination. This physical examination will be
14 used for the purposes of establishing a physical profile of
15 the member for determining preexisting conditions and
16 presumptive illnesses as provided for in subsection (6). After
17 review, if further physical examination is required, such
18 examination shall be conducted at Board expense.

19 (i) Compensation.--The trustees of the Fund shall not
20 receive any compensation for their services as such, but may
21 receive expenses and per diem as provided by law.

22 (2) Professional and clerical services.--

23 (a) Pension administrator.--The pension administrator
24 of the Fund shall be designated by the Board and shall carry
25 out its orders and directions.

26 (b) Legal counsel.--The City Attorney shall give
27 advice to the Board in all matters pertaining to its duties in
28 the administration of the Fund whenever requested, shall
29 represent and defend the Board as its attorney in all suits
30 and actions at law or in equity that may be brought against
31 it, and shall bring all suits and actions in its behalf that

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1 may be required or determined by the Board. However, if the
2 Board so elects, it may employ independent legal counsel at
3 the Fund's expense for the purposes set forth in this act.

4 (c) Actuary.--The Board shall designate an enrolled
5 actuary, who shall be its technical advisor and who shall
6 perform such actuarial services as are required.

7 (d) Certified public accountant.--The Board shall
8 employ, at its expense, a certified public accountant to
9 conduct an independent audit of the Fund. The certified public
10 accountant shall be independent of the Board and the City.

11 (e) Additional professional, technical, or other
12 services.--The Board shall have the authority to employ such
13 professional, technical, or other advisors as required to
14 carry out the provisions of this act.

15 (3) Sources of revenue.--The financing of the Fund
16 shall consist of the following sources of revenue:

17 (a) Taxes of insurance companies.--The moneys returned
18 to the City as provided by chapter 175, Florida Statutes,
19 shall be used to fund the share account benefit described in
20 paragraph (5)(j). The City shall not opt out of participation
21 in chapter 175, Florida Statutes, or any similar statutory
22 enactment unless exigent circumstances exist, such as the
23 bankruptcy of the City or changes or amendments to the statute
24 regarding extra benefits by the Legislature. If any statutory
25 changes are made by the Legislature, the City and the Board
26 may renegotiate the impact of such changes, if necessary.

27 (b) Member contributions.--The member shall contribute
28 6.45 percent of his or her salary to the Fund, which shall be
29 deducted each pay period from the salary of each member in the
30 Department. Effective the first full payroll period after
31 January 1, 2002, the member shall contribute 7.85 percent of

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1 his or her salary to the Fund, which shall be deducted each
2 pay period from the salary of each member in the Department.
3 Effective the first full payroll period after October 1, 2002,
4 the member shall contribute 8.85 percent of his or her salary
5 to the Fund, which shall be deducted each pay period from the
6 salary of each member in the Department. Effective the first
7 full payroll period after October 1, 2003, the member shall
8 contribute 9.85 percent of his or her salary to the Fund,
9 which shall be deducted each pay period from the salary of
10 each member in the Department. The contribution increase over
11 6.85 percent is to be used to purchase eligibility for
12 participation in the postretirement health insurance benefits.

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

22 (d) Gifts, etc.--All gifts, bequests, and devises when
23 donated for the Fund.

24 (e) Interest from deposits.--All accretions to the
25 Fund by way of interest or dividends on bank deposits or
26 otherwise.

27 (f) Other sources.--All other sources of income now or
28 hereafter authorized by law for the augmentation of the Fund.

29 (4) Custodian of funds.--All moneys and securities of
30 the Fund may be deposited with the cash management coordinator
31 of the City, acting in a ministerial capacity only, who shall

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1 be bonded and shall be liable in the same manner and to the
2 same extent as he or she is liable for the safekeeping of
3 funds for the City. However, any funds and securities so
4 deposited with the cash management coordinator shall be kept
5 in a separate fund by the cash management coordinator or
6 clearly identified as funds and securities of the Fund. In
7 lieu thereof, the Board shall deposit the funds and securities
8 in a qualified public depository designated by the Board. The
9 cash management coordinator or other depository shall receive
10 all moneys due said Fund from all sources whatsoever. All tax
11 revenue received pursuant to the provisions of chapter 175,
12 Florida Statutes, shall be deposited into the Fund no more
13 than 5 days after receipt. Member contributions withheld by
14 the City on behalf of a member shall be deposited into the
15 Fund immediately.

16 (a) Disbursements from the Fund.--The Board may issue
17 drafts upon the Fund pursuant to this act and rules and
18 regulations prescribed by the Board, provided that such drafts
19 shall be issued in accordance with generally accepted
20 accounting procedures, American Institute of Certified Public
21 Accountants guidelines, and rules of the State of Florida
22 Auditor General. All such drafts shall be consecutively
23 numbered, signed by the chair and secretary, and each draft
24 shall, upon its face, state the purpose for which it is drawn.
25 For this purpose, the chair and secretary shall be bonded. The
26 Board shall retain such drafts when paid, as permanent
27 vouchers for disbursements made, and no moneys shall be
28 otherwise drawn from the Fund. Payments from the Fund shall be
29 made only upon a specific or general motion or resolution
30 previously adopted by the Board authorizing such payment or
31 payments.

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- 1 (b) Investment of moneys.--The Board shall have the
2 power and authority to invest and reinvest the moneys of the
3 Fund, and to hold, purchase, sell, assign, transfer, and
4 dispose of any securities and investments held in said Fund.
5 The aim of the investment policies shall be to preserve the
6 integrity and security of Fund principal, to maintain a
7 balanced investment portfolio, to maintain and enhance the
8 value of Fund principal, and to secure the maximum total
9 return on investments that is consonant with safety of
10 principal, provided that such investments and reinvestments
11 shall be limited to the following:
- 12 1. Direct obligations of the United States Government
13 or any agency thereof and debentures and other evidences of
14 indebtedness which are fully guaranteed by the United States
15 Government or any agency thereof for the payment of principal
16 and interest.
- 17 2. Direct obligations of the State of Florida.
- 18 3. In debt securities, preferred and common stocks and
19 mutual fund shares subject to the limitations set forth in
20 this section.
- 21 4. In time or savings accounts of a national bank, a
22 state bank insured by the Bank Insurance Fund, a savings and
23 loan association to the extent that deposits are guaranteed by
24 the Savings Association Insurance Fund which is administered
25 by the Federal Deposit Insurance Corporation, or a state or
26 federally chartered credit union whose share accounts are
27 insured by the National Credit Union Share Insurance Fund.
- 28 5. Of the total Fund principal in the pension or
29 retirement system, including the amounts deposited in banks or
30 associations, the total thereof invested in preferred stocks
31 shall not aggregate more than 5 percent, and the total amount

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1 thereof invested in common stocks and mutual fund shares shall
2 not aggregate more than 70 percent. Percentages shall be based
3 on market value at the end of each reporting period (September
4 30).

5 6. The following minimum standards shall govern the
6 eligibility of securities for purchase as investments:

7 a. All corporate and association securities and mutual
8 fund shares shall be issued by a corporation or other legal
9 person incorporated or otherwise organized within the United
10 States and domiciled therein to the extent required by section
11 175.071(1)(b), Florida Statutes.

12 b. Not more than 10 percent of the total fund
13 principal at market value shall be invested in any one issuing
14 company other than obligations of the United States or an
15 agency thereof.

16 c. All bonds, stocks, or other evidence of
17 indebtedness issued or guaranteed by a corporation shall be
18 listed on any one or more of the recognized national stock
19 exchanges and, in the case of bonds only, shall hold a rating
20 in one of the four highest classifications by a major rating
21 service. Said bonds and preferred stocks that are convertible
22 into common stocks shall be considered common stocks and the
23 purchase of same shall be limited by the provisions of
24 subparagraph 5.

25 d. The Board shall engage the services of professional
26 investment counsel to assist and advise the trustees in the
27 performance of their duties.

28 e. At least once every 3 years, the Board shall retain
29 an independent consultant professionally qualified to evaluate
30 the performance of its professional money manager or
31 investment counsel. The independent consultant shall make

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1 recommendations to the Board at its next regularly scheduled
2 meeting.

3 (c) Maximum of cash not invested.--No more than 10
4 percent of the assets of the Fund shall be held in cash or in
5 noninterest-bearing deposits.

6 (d) Administrative expenses.--The administrative
7 expenses of the Fund shall be paid by the Fund.

8 (e) Restrictions on the use of assets of Fund.--The
9 assets of the Fund shall be used only for the payment of
10 benefits and other disbursements authorized by this act and
11 shall be used for no other purpose.

12 (5) Service pension.--

13 (a) Normal retirement.--

14 1. Any member whose entry or reentry in the employment
15 of the Department occurs after April 30, 1959, who has
16 attained age 50 years and who has acquired 15 or more years of
17 service credit or, effective for retirements after January 20,
18 2002, has 25 years of service credit without regard to age
19 shall, upon application filed with the Board, be retired and
20 shall be entitled to a monthly pension for the remainder of
21 his or her life equal to the greater of the following, as
22 applicable:

23 a. For a member who is actively employed by the
24 Department on or after October 1, 1998, or who is part of the
25 DROP on or after October 1, 1998, 3 percent of his or her
26 final average salary multiplied by the number of years, and
27 fraction of a year, of service credit earned from and after
28 October 1, 1982, plus 2-1/2 percent of his or her final
29 average salary multiplied by the number of years, and fraction
30 of a year, of service credit earned prior to October 1, 1982,
31 provided that in no case shall the total monthly pension

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1 payable to any such member exceed 78 percent of his or her
2 final average salary;

3 b. For members who terminated employment, retired, or
4 entered the DROP prior to October 1, 1998, except as provided
5 in sub-subparagraph a., 2-1/2 percent of his or her final
6 average salary multiplied by the number of years, and fraction
7 of a year, of service credit, provided that in no case shall
8 the total monthly pension payable to any member exceed 65
9 percent of his or her final average salary; or

10 c. The sum of the following:

11 (I) Two and one-half percent of final average salary
12 multiplied by the number of years, and fraction of a year, of
13 service credit to a maximum of 26 years of service, and 2
14 percent of his or her final average salary multiplied by the
15 number of years, and fraction of a year, in excess of 26 years
16 of service, for all years of service earned through September
17 30, 1988; and

18 (II) Two percent of final average salary multiplied by
19 the number of years, and fraction of a year, of service credit
20 earned on and after October 1, 1988.

21 2. Any member whose entry or reentry in the employment
22 of the Department occurs after April 30, 1959, and prior to
23 July 1, 1977, may elect upon his or her retirement to receive
24 a pension under the provisions of this subparagraph in lieu of
25 subparagraph 1., as follows: Any member who has attained age
26 55 years and who has acquired 20 or more years of service
27 credit shall, upon his or her application filed with the
28 Board, be retired and, when so retired, shall be entitled to a
29 monthly pension for the remainder of his or her life equal to
30 the greater of the following:

31 a. Two percent of final average salary multiplied by

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1 the number of years, or fraction of a year, of service credit
2 not to exceed 25 years, provided that in no case shall the
3 total monthly pension payable to any member exceed 65 percent
4 of his or her final average salary; or

5 b. The sum of the following:

6 (I) Two and one-half percent of final average salary
7 multiplied by the number of years, and fraction of a year, of
8 service credit to a maximum of 26 years of service, and 2
9 percent of final average salary multiplied by the number of
10 years and fraction of a year in excess of 26 years of service,
11 for all years of service earned through September 30, 1988;

12 and

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

16
17 The 3-percent benefit accrual factor in sub-subparagraph 1.a.
18 is contingent on and subject to the adoption and maintenance
19 of the assumptions set forth in subsection (22). If such
20 assumptions are modified by legislative, judicial, or
21 administrative agency action, and the modification results in
22 increased City contributions to the Pension Fund, the
23 3-percent accrual factor in sub-subparagraph 1.a. shall be
24 automatically decreased prospectively, from the date of the
25 action, to completely offset the increase in City
26 contributions. However, in no event shall the benefit accrual
27 factor in sub-subparagraph 1.a. be adjusted below 2.5 percent.
28 To the extent that the benefit accrual factor is less than 3
29 percent, the supplemental pension distribution calculation
30 under paragraph (d) shall be adjusted for employees who retire
31 on or after October 1, 1998, and those employees who were

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1 members of the DROP on October 1, 1998. The adjustment shall
2 be to decrease the minimum return of 8.25 percent needed to
3 afford the supplemental pension distribution, when the amount
4 of the reduction is zero if an employee has been credited with
5 16 or more years with the 3-percent benefit accrual factor or
6 1.25 percent if an employee has been credited with no more
7 than a 2.5-percent benefit accrual factor. If an employee has
8 been credited with less than 16 years at the 3-percent benefit
9 accrual factor, then the accumulated amount over 2.5 percent
10 for each year of service divided by .5 percent divided by 16
11 subtracted from 1 multiplied by 1.25 percent is the reduction
12 from 8.25 percent. An example of the calculation of the
13 minimum return for supplemental pension distribution as
14 described above is set forth in Appendix B to the collective
15 bargaining agreement between the City of West Palm Beach and
16 the West Palm Beach Association of Firefighters, Local
17 727-IAFF, October 1, 1998-September 30, 2001.

18 (b) Vested deferred retirement.--A member who leaves
19 the employ of the Department with 10 or more years of credited
20 service who is not eligible for any other retirement benefit
21 under this act shall be entitled to the applicable pension
22 provided for in paragraph (a) or paragraph (c). Payment of
23 this pension shall begin the first day of the calendar month
24 following the month in which the member's application is filed
25 with and accepted by the Board on or after attainment of age
26 50 years. If applicable, the amount of the pension shall be
27 determined in accordance with paragraph (c).

28 (c) Early retirement.--Any member may retire from the
29 service of the Department as of the first day of any calendar
30 month which is prior to the member's normal retirement date
31 but subsequent to the date as of which the member has both

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1 attained the age of 50 and has been a member of this Fund for
2 10 continuous years. In the event of early retirement, the
3 monthly amount of retirement income shall be computed as
4 described in paragraph (a), taking into account his or her
5 credited service to the date of actual retirement and his or
6 her final average salary as of such date. The amount of
7 retirement income shall be actuarially reduced to take into
8 account the member's younger age and earlier commencement of
9 retirement income benefits. The early retirement reduction
10 shall be 3 percent for each year by which the member's age at
11 retirement preceded the member's normal retirement age.

12 (d) Supplemental pension distribution.--

13 1.a. The actuary for the Pension Fund shall determine
14 the rate of investment return earned on Pension Fund assets
15 during the 12-month period ending each September 30. The rate
16 determined shall be the rate reported in the most recent
17 actuarial report submitted pursuant to part VII of chapter
18 112, Florida Statutes.

19 b. The actuary for the Pension Fund shall determine
20 the actuarial present value, as of September 30, of future
21 pension payments to eligible persons, as described in
22 subparagraph 3., who are then being paid a pension. The
23 actuarial present values shall be calculated using an interest
24 rate of 7 percent per year compounded yearly and a mortality
25 table as approved by the Board of Trustees and as used in the
26 most recent actuarial report submitted pursuant to part VII of
27 chapter 112, Florida Statutes.

28 c. A distribution amount shall be determined as of
29 each September 30. For distributions made after October 1,
30 1998, there shall be two different calculations to determine
31 the distribution amount. For those employees who retire on or

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1 after October 1, 1998, or who are part of the DROP on or after
2 October 1, 1998, the distribution amount shall be equal to
3 factor (i) for each applicable member multiplied by the sum of
4 factor (ii) and the positive difference, if any, between
5 factor (iii) and 8.25 percent. For those employees who have
6 retired before October 1, 1998, except as provided in this
7 sub-subparagraph, the distribution amount shall be equal to
8 factor (i) for each applicable member multiplied by the sum of
9 factor (ii) and the positive difference, if any, between
10 factor (iii) and 7 percent. For purposes of both calculations,
11 factor (i) is the actuarial present value determined in
12 sub-subparagraph 1.b. for the respective group. Factor (ii) is
13 one-half of the investment return rate in sub-subparagraph
14 1.a. in excess of 9 percent. Factor (iii) is the rate of
15 investment return in sub-subparagraph 1.a., not to exceed 9
16 percent. The distribution amount shall not exceed accumulated
17 net actuarial experience from all pension liabilities and
18 assets. If the net actuarial experience is favorable,
19 cumulatively, commencing with the experience for the year
20 ended September 30, 1985, after offset for all prior
21 supplemental distributions, the supplemental distribution may
22 be made. If the net actuarial experience is unfavorable,
23 cumulatively, commencing with the experience for the year
24 ended September 30, 1985, after offset for all prior
25 supplemental distributions, no supplemental distribution may
26 be made, and the City must amortize the loss until it is
27 offset by cumulative favorable experience.

28
29 If an actuarial report submitted as provided in this paragraph
30 is not state accepted prior to distribution, and if a
31 deficiency to the Pension Fund results, the deficiency shall

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1 be made up from the next available supplemental pension
2 distribution, unless sooner made up by agreement between the
3 Board of Trustees and the City. No such deficiency shall be
4 permitted to continue for a period of greater than 3 years
5 from the date of payment of the supplemental pension
6 distribution which resulted in the deficiency.

7 2. The Board of Trustees shall determine annually if
8 there is to be a supplemental pension distribution. The
9 supplemental pension distribution is that portion of the
10 distribution amount, as defined in sub-subparagraph 1.c., to
11 be distributed to eligible persons.

12 3. Eligible persons are:

13 a. Pensioners.

14 b. Surviving spouses.

15 c. Surviving dependent children.

16 d. Surviving dependent parents.

17 e. Pensioners' estates for the year following death
18 only.

19
20 Eligible persons are initially eligible if they have been in
21 receipt of a pension for at least 1 year on the first
22 distribution date following their retirement. A survivor
23 beneficiary of a deceased retired member shall be considered
24 to have been in receipt of a pension for at least 1 year if at
25 least 12 monthly pension payments have been made on account of
26 the retirement. A surviving spouse may count the retirement
27 period, if any, of the deceased member toward the 1-year
28 requirement. Surviving spouses, children, and parents and
29 retired members who receive pension adjustments under the
30 prior escalator clause are not eligible for the supplemental
31 pension distribution.

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1 4. The supplemental pension distribution dates shall
2 be the April 1 following the effective date of this subsection
3 and each April 1 thereafter. Each eligible person shall be
4 paid his or her allocated portion of the applicable
5 supplemental pension distribution amount from the preceding
6 September 30. A pensioner's estate is entitled to a pro rata
7 share of the deceased retiree's supplemental pension
8 distribution based on the number of months that the deceased
9 retiree received a pension during the year ending the
10 September 30 prior to the pensioner's death after initial
11 eligibility.

12 5. Each supplemental pension distribution amount shall
13 be allocated among the eligible persons in the proportion that
14 an eligible person's supplemental pension distribution points
15 bears to the aggregate amount of supplemental pension
16 distribution points of all eligible persons. An eligible
17 person shall be credited with supplemental pension
18 distribution points as follows:

19 a. Three and eighty-five hundredths of a point
20 multiplied by the service credit of the member at the time of
21 retirement or prior to death; however, in the computation of
22 the supplemental pension distribution due the in-line-of-duty
23 pensioner, the maximum service credit of 26 years shall be
24 used.

25 b. Maximum service credit shall be 26 years.

26 c. Allocations for surviving spouses and surviving
27 dependent children who are eligible to receive supplemental
28 pension distributions shall be 75 percent of the years of
29 service earned by the pensioner. Allocations for duty death
30 beneficiaries (surviving spouse and surviving children) shall
31 be based upon 75 percent of 26 years of service.

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1 (e) Payment of benefits.--

2 1. First payment.--Service pensions shall be payable
3 on the first day of each month. The first payment shall be
4 payable on the first day of the month coincident with or next
5 following the date of retirement, or death, provided the
6 member has completed the applicable age and service
7 requirements.

8 2. Last payment.--The last payment shall be the
9 payment due next preceding the member's death, except that
10 payments shall be continued to the designated beneficiary or
11 beneficiaries if a 10-year certain benefit, a joint and
12 survivor option, or beneficiary benefits, as applicable, are
13 payable.

14 (f) Normal form of retirement income.--

15 1. Married member.--The normal form of retirement
16 benefit for a married member or for a member with a dependent
17 child or children or parent or parents shall be a service
18 pension and beneficiary benefits. The service benefit shall
19 provide monthly payments for the life of the member.
20 Thereafter, beneficiary benefits shall be paid as provided in
21 subsection (7).

22 2. Unmarried member.--The normal form of retirement
23 benefit for an unmarried member without a dependent child or
24 children or parent or parents shall be a 10-year certain
25 benefit. This benefit shall pay monthly benefits for the
26 member's lifetime. In the event the member dies after his or
27 her retirement but before receiving retirement benefits for a
28 period of 10 years, the same monthly benefit shall be paid to
29 the beneficiary or beneficiaries as designated by the member
30 for the balance of such 10-year period or, if no beneficiary
31 is designated, to heirs at law, or estate of the member, as

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1 provided in section 175.181, Florida Statutes.
2 (g) Optional forms of retirement income.--
3 1.a. In the event of normal, early, or disability
4 retirement, in lieu of the normal form of retirement income
5 payable as specified in paragraph (a), paragraph (b),
6 paragraph (c), or subsection (6) and in lieu of the
7 beneficiary benefits as specified in subsection (7), a member,
8 upon written request to the Board and subject to the approval
9 of the Board, may elect to receive a retirement income of
10 equivalent actuarial value payable in accordance with one of
11 the following options:
12 (I) Lifetime option.--A retirement income of a larger
13 monthly amount, payable to the member for his or her lifetime
14 only.
15 (II) Joint and survivor option.--A retirement income
16 of a modified monthly amount, payable to the member during the
17 joint lifetime of the member and a dependent joint pensioner
18 designated by the member, and following the death of either of
19 them, 100 percent, 75 percent, 66-2/3 percent, or 50 percent
20 of such monthly amounts, payable to the survivor for the
21 lifetime of the survivor.
22 b. The member, upon electing any option of this
23 paragraph, shall designate the joint pensioner or beneficiary
24 or beneficiaries to receive the benefit, if any, payable in
25 the event of his or her death, and will have the power to
26 change such designation from time to time; but any such change
27 shall be deemed a new election and shall be subject to
28 approval by the Board. Such designation shall name a joint
29 pensioner or one or more primary beneficiaries where
30 applicable. If a member has elected an option with a joint
31 pensioner or beneficiary and his or her retirement income

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1 benefits have commenced, he or she may thereafter change the
2 designated joint pensioner or beneficiary only twice.

3 c. The consent of a member's joint pensioner or
4 beneficiary to any such change shall not be required. However,
5 the spouse of a married member must consent to any election to
6 waive a joint and survivor benefit by signing the election
7 form before a notary public. The spouse's written consent must
8 acknowledge the effect of such a waiver. Consent of the spouse
9 shall not be required if the spouse cannot be located, or for
10 such other circumstances as may be prescribed by the Secretary
11 of the Treasury of the United States. Any consent by a spouse
12 shall be effective only with respect to such spouse.

13 d. The Board may request such evidence of the good
14 health of the joint pensioner that is being added as it may
15 require; and the amount of the retirement income payable to
16 the member upon the designation of a new joint pensioner shall
17 be actuarially redetermined, taking into account the age and
18 sex of the former joint pensioner, the new joint pensioner,
19 and the member. Each such designation shall be filed with the
20 Board. In the event that no designated beneficiary survives
21 the member, such benefits as are payable in the event of the
22 death of the member subsequent to his or her retirement shall
23 be paid as provided in subparagraph (h)2.

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

27 a. If a member dies prior to his or her normal
28 retirement date or early retirement date, whichever first
29 occurs, retirement benefits shall be paid in accordance with
30 subsection (7).

31 b. If the designated beneficiary or beneficiaries or

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1 joint pensioner dies before the member's retirement, the
2 option elected shall be canceled automatically and a
3 retirement income of the normal form and amount shall be
4 payable to the member upon the member's retirement as if the
5 election has not been made, unless a new election is made in
6 accordance with the provisions of this paragraph or a new
7 beneficiary is designated by the member prior to retirement.

8 c. If a member continues in the employ of the
9 Department after meeting the age and service requirements set
10 forth in paragraph (a) or paragraph (c) and dies prior to the
11 member's actual retirement, and while an option made pursuant
12 to this subparagraph is in effect, monthly retirement income
13 payments shall be paid, under the option, to a beneficiary or
14 beneficiaries designated by the member in the amount or
15 amounts computed as if the member has retired under the option
16 on the date on which the member's death occurred.

17 3. No member may make any change in his or her
18 retirement option after the date of cashing or depositing the
19 first retirement check.

20 (h) Designation of beneficiary.--

21 1. Each member may, on a form provided for that
22 purpose, signed and filed with the Board, designate a
23 beneficiary or beneficiaries to receive the benefit, if any,
24 which may be payable in the event of the member's death; and
25 each designation may be revoked by such member by signing and
26 filing with the Board a new designation of beneficiary form.
27 However, after the benefits have commenced, a retirant may
28 change his or her designation of joint annuitant or
29 beneficiary only twice. If the retirant desires to change his
30 or her joint annuitant or beneficiary, the retirant shall file
31 with the Board a notarized notice of such change either by

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1 registered letter or on a form as provided by the Board. Upon
2 receipt of a completed change of joint annuitant form or such
3 other notice, the Board shall adjust the member's monthly
4 benefit by the application of actuarial tables and
5 calculations developed to ensure that the benefit paid is the
6 actuarial equivalent of the present value of the member's
7 current benefit.

8 2. Absence or death of beneficiary.--If a deceased
9 member fails to name a beneficiary in the manner prescribed in
10 subparagraph 1., or if the beneficiary or beneficiaries named
11 by a deceased member predecease the member, the beneficiary
12 benefits, if any, which may be payable with respect to such
13 deceased member may be paid, in the discretion of the Board
14 to:

15 a. The spouse or dependent child or children of the
16 member;

17 b. The dependent living parent or parents of the
18 member; or

19 c. The estate of the member.

20 (i) Refund of contributions.--In the event a member
21 leaves the employ of the Department or dies with less than 10
22 years of credited service, and no service pension, disability
23 pension, or beneficiary benefit is payable, the contributions
24 made by him or her to the Fund shall be refunded, without
25 interest (less any disability payments paid to the member), to
26 the member or, in the event of death, to the beneficiary or to
27 the member's estate.

28 (j) Chapter 175, Florida Statutes, share accounts.--

29 1. Individual member accounts.--A separate account
30 shall be established and maintained in each member's name
31 effective on or after October 1, 1988.

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1 2. Share account funding.--

2 a. Each individual member account shall be credited
3 with a pro rata share of all of the moneys received from
4 chapter 175, Florida Statutes, tax revenues in June 1988 and
5 thereafter.

6 b. In addition, any forfeitures as provided in
7 subparagraph 5. shall be credited to the individual member
8 accounts in accordance with the formula set forth in
9 subparagraph 3.

10 3. Annual allocation of accounts.--

11 a. 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 175, Florida Statutes, tax revenues
17 were received.

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

22 c. The investment earnings or losses credited to the
23 individual member accounts shall be in the same percentage as
24 are 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 175, Florida Statutes, share
27 accounts, in which case the investment earnings or losses
28 shall be measured by the investment earnings or losses of the
29 separate investment portfolio.

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

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1 proportionate basis, taking the cost, fees, and expenses of
2 administration of the Fund as a whole, multiplied by a
3 fraction, the numerator of which is the total assets in all
4 individual member accounts and the denominator of which is the
5 total assets of the Fund as a whole. The proportionate share
6 of the costs, fees, and expenses shall be debited from each
7 individual member account on a pro rata basis in the same
8 manner as chapter 175, Florida Statutes, tax revenues are
9 credited to each individual member account (i.e., based on pay
10 periods).

11 e. 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 4. Eligibility for benefits.--Any member who
17 terminates employment with the City, upon the member's filing
18 an application with the Board, shall be entitled to 100
19 percent of the value of his or her individual member account,
20 provided the member meets any of the following criteria:

21 a. The member is eligible to receive a service pension
22 as provided in this subsection;

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

25 (I) A nonduty disability pension as provided in
26 paragraph (6)(a); or

27 (II) Beneficiary benefits for nonduty death as
28 provided in paragraph (7)(a); or

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

31 (I) A duty disability pension as provided in paragraph

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1 (6)(c); or

2 (II) Beneficiary benefits for death in the line of
3 duty as provided in paragraph (7)(b).

4 5. Forfeitures.--Any member who has less than 10 years
5 of credited service and who is not eligible for payment of
6 benefits after termination of employment with the City shall
7 forfeit his or her individual member account. The amounts
8 credited to said individual member account shall be
9 redistributed to the other individual member accounts in the
10 same manner as chapter 175, Florida Statutes, tax revenues are
11 credited (i.e., based on pay periods).

12 6. Payment of benefits.--The normal form of benefit
13 payment shall be a lump sum payment of the entire balance of
14 the individual member account; or, upon the written election
15 of the member, upon a form prescribed by the Board, payment
16 may be made either by:

17 a. Installments.--The account balance shall be paid
18 out to the retirant in three equal payments paid over 3 years,
19 the first payment to be made upon approval of the Board; or

20 b. Annuity.--The account balance shall be paid out in
21 monthly installments over the lifetime of the member or until
22 the entire balance is exhausted. The monthly amount paid shall
23 be determined by the Fund's actuary in accordance with
24 selections made by the member in a form provided by the Board.

25 7. Death of a member.--If a member dies and is
26 eligible for benefits from the individual member account, the
27 entire balance of the individual member account shall be paid
28 in a lump sum to the beneficiaries designated in accordance
29 with paragraph (h). If a member fails to designate a
30 beneficiary or, if the beneficiary predeceases the member, the
31 entire balance shall be paid in a lump sum in the following

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- 1 order:
- 2 a. To the spouse;
- 3 b. If there is no spouse or the spouse is not alive,
4 to the member's surviving child or children on a pro rata
5 basis;
- 6 c. If there are no children or no child is alive, to
7 the member's parent or parents; or
- 8 d. If no parent is alive, to the estate of the member.
- 9 (k) Deferred Retirement Option Plan (DROP).--
- 10 1. Eligibility to participate in the DROP.--
- 11 a. Any member who is eligible to receive an early or
12 normal retirement pension may participate in the DROP. Members
13 shall elect to participate by applying to the Board of
14 Trustees on a form provided for that purpose.
- 15 b. Election to participate shall be forfeited if not
16 exercised within the first 35 years of combined credited
17 service.
- 18 c. A member shall not participate in the DROP beyond
19 the time of attaining 37 years of service and the total years
20 of participation in the DROP shall not exceed 5 years. For
21 example:
- 22 (I) Members with 32 years of credited service at the
23 time of entry shall participate for only 5 years.
- 24 (II) Members with 33 years of credited service at the
25 time of entry shall participate for only 4 years.
- 26 (III) Members with 34 years of credited service at the
27 time of entry shall participate for only 3 years.
- 28 (IV) Members with 35 years of credited service at the
29 time of entry shall participate for only 2 years.
- 30 d. Upon a member's election to participate in the
31 DROP, he or she shall cease to be a member and shall no longer

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1 accrue any benefits under the Pension Fund, except for the
2 benefits provided under paragraph (j) of this subsection,
3 chapter 175, Florida Statutes, share accounts. For all Fund
4 purposes, the member becomes a retirant, except that a DROP
5 participant shall continue to receive shares of the chapter
6 175, Florida Statutes, money in accordance with paragraph (j),
7 chapter 175, Florida Statutes, share accounts. The amount of
8 credited service and final average salary shall freeze as of
9 the date of entry into the DROP.

10 2. Amounts payable upon election to participate in the
11 DROP.--

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

19 b. Payments to the DROP earn interest using the rate
20 of investment return earned on Pension Fund assets as reported
21 by the Fund's investment monitor. DROP assets are commingled
22 with the Pension Fund assets for investment purposes. However,
23 if a member does not terminate employment at the end of
24 participation in the DROP, interest credit shall cease on the
25 current balance and on all future DROP deposits.

26 c. No payments shall be made from the DROP until the
27 member terminates employment with the Department.

28 d. Upon termination of employment, participants in the
29 DROP shall receive the balance of the DROP account in
30 accordance with the following rules:

31 (I) Members may elect to receive payment upon

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1 termination of employment or defer payment of the DROP until
2 the latest day under sub-sub-subparagraph (III).

3 (II) Payments shall be made in either:

4 (A) Lump sum.--The entire account balance shall be
5 paid to the retirant upon approval of the Board of Trustees.

6 (B) Installments.--The account balance shall be paid
7 out to the retirant in three equal payments paid over 3 years,
8 the first payment to be made upon approval of the Board of
9 Trustees.

10 (C) Annuity.--The account balance shall be paid out in
11 monthly installments over the lifetime of the member or until
12 the entire balance is exhausted. The monthly amount paid shall
13 be determined by the Fund's actuary in accordance with
14 selections made by the member in a form provided by the Board
15 of Trustees.

16 (III) Any form of payment selected by a member must
17 comply with the minimum distribution requirements of the IRC
18 401(A)(9), and are subject to the requirements of subsection
19 (19).

20 (IV) The beneficiary of the DROP participant who dies
21 before payments from DROP begin shall have the same right as
22 the participant in accordance with subsection (7).

23 3. Loans from the DROP.--

24 a. Availability of loans.--

25 (I) Loans are available to members only after
26 termination of employment, provided the member had
27 participated in the DROP for a period of 12 months.

28 (II) Loans may only be made from a member's own
29 account.

30 (III) There may be no more than one loan at a time.

31 b. Amount of loan.--

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- 1 (I) Loans may be made up to a maximum of 50 percent of
2 account balance.
- 3 (II) The maximum dollar amount of a loan is \$50,000,
4 reduced by the highest outstanding loan balance during the
5 last 12 months.
- 6 (III) The minimum amount of a loan is \$5,000.
- 7 c. Limitation on loans.--Loans shall be made from the
8 amounts paid into the DROP and earnings thereon.
- 9 d. Term of the loan.--
- 10 (I) The loan must be for at least 1 year.
- 11 (II) The loan shall be no longer than 5 years.
- 12 e. Loan interest rate.--
- 13 (I) The interest rate shall be fixed at the time the
14 loan is originated for the entire term of the loan.
- 15 (II) The interest rate shall be equal to the lowest
16 prime rate published by the Wall Street Journal on the last
17 day of each calendar quarter preceding the date of the loan
18 application.
- 19 f. Defaults of loans.--
- 20 (I) Loans shall be in default if 2 consecutive months'
21 repayments are missed or if a total of 4 months' repayments
22 are missed.
- 23 (II) Upon default, the entire balance becomes due and
24 payable immediately.
- 25 (III) If a loan in default is not repaid in full
26 immediately, the loan may be canceled and the outstanding
27 balance treated as a distribution, which may be taxable.
- 28 (IV) Upon default of a loan, a member shall not be
29 eligible for additional loans.
- 30 g. Miscellaneous provisions.--
- 31 (I) All loans must be evidenced by a written loan

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1 agreement signed by the member and the Board of Trustees. The
2 agreement shall contain a promissory note.

3 (II) A member's spouse must consent in writing to the
4 loan. The consent shall acknowledge the effect of the loan on
5 the member's account balance.

6 (III) Loans shall be considered general assets of the
7 Fund.

8 (IV) Loans shall be subject to administrative fees to
9 be set by the Board of Trustees.

10 4. After-tax contributions to the DROP.--

11 a. A member may make after-tax contributions to the
12 DROP. The maximum amount that may be contributed is the lesser
13 of:

14 (I) The IRS 415(c) limit.

15 (II) The amount allowable under IRC 401(m).

16 b. After-tax contributions to the DROP shall earn
17 interest in the same manner as set forth in sub-subparagraph
18 2.b.

19 c. Distributions to members or their beneficiaries of
20 after-tax contributions may be withdrawn at any time on or
21 after termination of employment. However, payments must be
22 made at least as promptly as required under subsection (19).

23 d. Loans shall not be made against after-tax
24 contributions.

25 (6) Disability pensions, medical examinations, return
26 to work, etc.--

27 (a) Nonduty disability requirements.--Any member with
28 5 or more years of service credit who is regularly employed in
29 the Department who becomes physically or mentally totally and
30 permanently disabled by illness, disease, or injury to perform
31 the duties of a firefighter shall, upon the member's

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1 application to the Board, be retired with a pension provided
2 for in this paragraph, provided that after a medical
3 examination of the member made by or under the direction of a
4 medical committee, the medical committee reports to the Board,
5 in writing, whether:

6 1. The member is wholly prevented from rendering
7 useful and efficient service as a firefighter; and

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

10
11 The Board may admit and consider any other evidence that it
12 deems appropriate. The final decision as to whether a member
13 meets the requirements for a nonduty disability pension rests
14 with the Board and shall be based on competent substantial
15 evidence on the record as a whole.

16 (b) Nonduty disability pension benefits.--Upon
17 retirement on account of disability as provided in paragraph
18 (a), a member shall receive a disability pension computed
19 according to subparagraph (5)(a)1., notwithstanding that he or
20 she might not have attained age 50 years and might not have 15
21 or more years of service credit. Further, if the member has at
22 least 10 years of service credit, the disability pension shall
23 not be less than 25 percent of the member's average monthly
24 salary at the time of disability. A disability retiree may
25 select optional forms of benefits in accordance with paragraph
26 (5)(g).

27 (c) Duty disability requirements.--Any member who is
28 regularly employed in the Department and who becomes
29 physically or mentally totally and permanently disabled to
30 perform the duties of a firefighter by reason of an injury or
31 disease arising out of and in the course of the performance of

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1 his or her duties as a firefighter in the employ of the City,
2 shall, upon his or her application to the Board, be retired
3 with a disability pension provided for in this paragraph,
4 provided that after a medical examination of the member made
5 by or under the direction of the medical committee, the
6 medical committee reports to the Board in writing, whether:

7 1. The member is wholly prevented from rendering
8 useful and efficient service as a firefighter; and

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

11
12 The Board shall admit and consider any other evidence that it
13 deems appropriate. Any condition or impairment of health of a
14 member caused by tuberculosis, hypertension, heart disease,
15 hepatitis, or meningococcal meningitis resulting in total
16 disability or death shall be presumed to have been accidental
17 and suffered in the line of duty unless the contrary is shown
18 by competent evidence, provided such member shall have
19 successfully passed a physical examination before entering
20 into such service, which examination failed to reveal any
21 evidence of such condition. In order to be entitled to the
22 presumption in the case of hepatitis, meningococcal
23 meningitis, or tuberculosis, the member must meet the
24 requirements of section 112.181, Florida Statutes. The final
25 decision as to whether a member meets the requirements for a
26 disability pension rests with the Board, based on competent
27 substantial evidence on the record as a whole.

28 (d) Duty disability pension benefits.--Upon retirement
29 on account of disability, as provided in paragraph (c), a
30 member shall receive a monthly pension for the remainder of
31 his or her life, equal to the greater of the following:

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- 1 1. Sixty-five percent of the final average salary; or
2 2. The sum of the following:
3 a. Two and one-half percent of the member's final
4 average salary multiplied by the number of years, and fraction
5 of a year, of his or her service credit to a maximum of 26
6 years of service, and 2 percent of his or her final average
7 salary multiplied by the number of years, and fraction of a
8 year, in excess of 26 years of service, for all years of
9 service earned through September 30, 1988; and
10 b. Two percent of the member's final average salary
11 multiplied by the number of years, and fraction of a year, of
12 his or her service credit earned on or after October 1, 1988.
13 (e) Medical committee.--The medical committee provided
14 for in this subsection shall consist of no less than two
15 qualified health professionals, one of whom shall be
16 designated by the Board and one by the member. If deemed
17 necessary by the Board, a third qualified health professional,
18 selected by the two committee members previously designated,
19 may be named to the medical committee. The medical committee
20 shall report to the Board the existence and degree of
21 permanent physical impairment of the member, if any, based
22 upon the most recent edition of the American Medical
23 Association's Guide to the Evaluation of Permanent Impairment,
24 if applicable.
25 (f) Exclusions from disability pensions.--No
26 disability pension shall be payable, either as a duty
27 disability pension or as a nonduty disability pension, if the
28 disability is a result of:
29 1. Excessive and habitual use by the member of drugs,
30 intoxicants, or narcotics;
31 2. Injury or disease sustained by the member while

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1 willfully and illegally participating in fights, riots, or
2 civil insurrections or while committing a crime;

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

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

7 5. Injury or disease sustained by the member while
8 working for anyone other than the City and arising out of such
9 employment; or

10 6. Injury or disease sustained by the member before
11 coming to work for the City. This exclusion applies to duty
12 disability applications only.

13 (g) Payment of disability pensions.--Monthly
14 disability retirement benefits shall be payable as of the date
15 the Board determines that the member was entitled to a
16 disability pension; however, the first payment shall actually
17 be paid on the first day of the first month after the Board
18 determines such entitlement. Any portion due for a partial
19 month shall be paid together with the first payment. If the
20 member recovers from the disability prior to his or her normal
21 retirement date, the last payment shall be the payment due
22 next preceding the date of such recovery or, if the member
23 dies without recovering from his or her disability, then the
24 following shall apply:

25 1. Married member.--Beneficiary benefits as set forth
26 in subsection (7) shall be paid if, at the time of death, the
27 member was married or had a dependent child or children or
28 parent or parents; or

29 2. Unmarried member with 10 years of service or
30 more.--Payments shall be made until the member's death or the
31 120th monthly payment, whichever is later; or

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1 3. Unmarried member with less than 10 years of
2 service.--Payments shall be made until the member's death.

3
4 Any monthly retirement income payments due after the death of
5 a disabled member shall be paid to the member's designated
6 beneficiary or beneficiaries or the member's estate as
7 provided in paragraph (5)(h) or subsection (7), as applicable.

8 (h) Reexamination of disability retirant.--At least
9 once each year during the first 5 years following a member's
10 retirement on account of disability, and at least once in each
11 3-year period thereafter, the Board shall require any
12 disability retirant who has not attained age 50 to undergo a
13 medical examination to be made by or under the direction of a
14 physician designated by the Board. However, if a disability
15 retirant has lost the firefighter certification, as required
16 by Florida Statutes, then the reexamination is discretionary.
17 If the retirant refuses to submit to the medical examination
18 in any such period, his or her disability pension may be
19 suspended by the Board until withdrawal of such refusal. If
20 such refusal continues for 1 year, all of the retirant's
21 rights in and to a disability pension may be revoked by the
22 Board. If, upon medical examination of the retirant, the
23 physician reports to the Board that the retirant is physically
24 able and capable of performing the duties of a firefighter in
25 the rank held by him or her at the time of retirement, the
26 member shall be returned to employment in the Department at a
27 salary not less than the salary of the rank last held by him
28 or her, provided that return to the employ of the Department
29 shall be subject to the approval of the Fire Chief. Should the
30 retirant become employed by the City, his or her disability
31 pension shall terminate.

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1 (i) Return to work of a disability retirant; service
2 credit.--In the event a disability retirant is returned to
3 employment in the department, as provided in paragraph (h),
4 his or her service credit at the time of disability retirement
5 shall be restored to his or her credit. In the event he or she
6 retired under the provisions of paragraph (c), he or she shall
7 be given service credit for the period he or she was in
8 receipt of a disability pension. If he or she retired under
9 the provisions of paragraph (a), 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 (j) Expenses of medical examinations for
13 disability.--The member shall be responsible for the expenses
14 of the physician the member designates for medical
15 examinations required under this subsection. Expenses for any
16 other medical examinations required under this subsection
17 shall be paid by the Fund.

18 (7) Beneficiary benefits.--

19 (a) Death while in service; 5 years or more
20 (nonduty).--In the event a member with 5 or more years of
21 service credit dies while in the employ of the Department, and
22 the Board finds his or her death to have occurred as the
23 result of causes arising outside the performance of his or her
24 duties as a firefighter in the employ of the City, the
25 following applicable pensions shall be paid:

26 1. Surviving spouse's benefits.--The surviving spouse
27 shall receive a pension equal to two-thirds of the pension the
28 member would otherwise have been entitled to receive under
29 paragraph (5)(a), as if the member had retired the day
30 preceding the date of his or her death, notwithstanding that
31 the member might not have met the age and service requirements

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1 for retirement as specified in subsection (5). Upon the
2 surviving spouse's death, the pension shall terminate.

3 2. Benefits for children, surviving spouse, etc.--In
4 the event the deceased member does not leave a surviving
5 spouse, or if the surviving spouse shall die, and the member
6 leaves an unmarried child or children under age 18, each such
7 child shall receive a pension of an equal share of the pension
8 to which said member's surviving spouse was or would have been
9 entitled. Upon any such child's adoption, marriage, death, or
10 attainment of age 18, the child's pension shall terminate and
11 said child's pension shall be apportioned to the deceased
12 member's remaining eligible children under age 18.

13 3. Benefits for dependent parents.--In the event a
14 member dies and does not leave a surviving spouse or children
15 eligible to receive a pension provided for in subparagraphs 1.
16 and 2., and the member leaves a parent or parents whom the
17 Board finds to have been dependent upon the member for 50
18 percent or more of their financial support, each such parent
19 shall receive a pension of an equal share of the pension to
20 which the member's surviving spouse would have been entitled.
21 Upon any such parent's remarriage or death, the parent's
22 pension shall terminate.

23 4. Estate.--In the event a member dies and does not
24 leave a surviving spouse, children, or parents eligible to
25 receive a pension provided for in subparagraph 1.,
26 subparagraph 2., or subparagraph 3., then the benefits
27 remaining, if any, shall be paid to the member's estate.

28 (b) Death in the line of duty.--In the event a member
29 dies while in the employ of the Department, and the Board
30 finds his or her death to be the natural and proximate result
31 of causes arising out of and in the actual performance of duty

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1 as a firefighter in the employ of the City, the following
2 applicable pensions shall be paid:

3 1. Surviving spouse's benefits.--The surviving spouse
4 shall receive a monthly pension equal to three-fourths of the
5 duty disability pension the member would otherwise have been
6 entitled to receive at the time of his or her death. Upon the
7 surviving spouse's death, the pension shall terminate.

8 2. Benefits for children, surviving spouse, etc.--In
9 the event the deceased member does not leave a surviving
10 spouse, or if the surviving spouse shall die, and the member
11 leaves an unmarried child or children under age 18, each such
12 child shall receive a pension of an equal share of the pension
13 to which the member's surviving spouse was or would have been
14 entitled. Upon any such child's adoption, marriage, death, or
15 attainment of age 18, the child's pension shall terminate and
16 said child's pension shall be apportioned to the deceased
17 member's remaining eligible children under age 18.

18 3. Benefits for dependent parents.--In the event a
19 member dies and does not leave a surviving spouse or children
20 eligible to receive a pension provided for in subparagraphs 1.
21 and 2., and the member leaves a parent or parents whom the
22 Board finds to have been dependent upon the member for 50
23 percent or more of their financial support, each such parent
24 shall receive a pension of an equal share of the pension to
25 which said member's surviving spouse would have been entitled.
26 Upon any such parent's remarriage or death, the parent's
27 pension shall terminate.

28 4. Estate.--In the event a member dies and does not
29 leave a surviving spouse, children, or parents eligible to
30 receive a pension provided for in subparagraph 1.,
31 subparagraph 2., or subparagraph 3., then the benefits

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1 remaining, if any, shall be paid to the member's estate.

2 (c) Death after retirement.--Upon the death of a
3 retirant, the following applicable pensions shall be paid:

4 1. Surviving spouse's benefits.--The surviving spouse
5 shall receive a pension equal to three-fourths of the
6 retirant's pension at the time of his or her death. Upon the
7 surviving spouse's death, the pension shall terminate.

8 2. Benefits for children, surviving spouse, etc.--In
9 the event a deceased retirant does not leave a surviving
10 spouse, or if the surviving spouse shall die, and the retirant
11 leaves an unmarried child or children under age 18, each such
12 child shall receive a pension of an equal share of the pension
13 to which the retirant's surviving spouse was or would have
14 been entitled. Upon any such child's adoption, marriage,
15 death, or attainment of age 18, the child's pension shall
16 terminate and said child's pension shall be apportioned to the
17 deceased retirant's remaining eligible children under age 18.

18 3. Benefits for dependent parents.--In the event a
19 retirant dies and does not leave a surviving spouse or
20 children eligible to receive a pension provided for in
21 subparagraphs 1. and 2., and the retirant leaves a parent or
22 parents whom the Board finds to have been dependent upon the
23 retirant for 50 percent or more of their financial support,
24 each such parent shall receive a pension of an equal share of
25 the pension to which the retirant's surviving spouse would
26 have been entitled. Upon any such parent's remarriage or
27 death, the parent's pension shall terminate.

28 4. Estate.--In the event a retirant dies and does not
29 leave a surviving spouse, children, or parents eligible to
30 receive a pension provided for in subparagraph 1.,
31 subparagraph 2., or subparagraph 3., then the benefits

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1 remaining, if any, shall be paid to the retirant's estate.

2 (8) Acceptance of pension no bar to subsequent
3 work.--The acceptance of a pension by a member upon retirement
4 shall not bar the member from engaging in any other business
5 thereafter.

6 (9) Pension not assignable or subject to
7 garnishment.--The pensions or other benefits accrued or
8 accruing to any person under the provision of this act and the
9 accumulated contributions and the cash securities in the Funds
10 created under this act shall not be subject to execution or
11 attachment or to any legal process whatsoever, and shall be
12 unassignable. However, pursuant to a court support order, the
13 Trustees may direct that the retirement benefits be paid for
14 alimony or child support in accordance with rules and
15 regulations adopted by the Board of Trustees.

16 (10) Transfer of funds.--All funds and assets
17 previously owned and controlled by the West Palm Beach
18 Firemen's Relief and Pension Fund are vested in the Board of
19 this Fund.

20 (11) Ordinances applicable.--All ordinances of the
21 City applicable to chapter 175, Florida Statutes, are hereby
22 made applicable to this act with equal force and effect. No
23 proposed change or amendment to this act shall be adopted
24 without approval required by section 175.351(2), Florida
25 Statutes.

26 (12) Existing benefits to continue.--This act, and any
27 amendments thereto, shall not be construed to decrease the
28 benefits payable to, or on account of, any member of the Fund.

29 (13) Workers' compensation offset.--The pension
30 benefits payable under this act shall not be offset by
31 workers' compensation benefits payable on account of the

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1 disability or death of a member except to the extent that the
2 total of the pension benefits and workers' compensation
3 benefits exceed the member's monthly average wage.

4 (14) Actuarial valuations.--The Fund shall be
5 actuarially evaluated annually.

6 (15) Review procedures.--

7 (a) The applicant for benefits under this chapter may,
8 within 20 days after being informed of the denial of his or
9 her request for pension benefits, appeal the denial by filing
10 a reply to the proposed order with the pension's secretary. If
11 no appeal is filed within the time period, then the proposed
12 order shall be final.

13 (b) The Board of Trustees shall hold a hearing within
14 45 days after the receipt of the appeal. Written notice of the
15 hearing shall be sent by certified mail return
16 receipt/restricted to individual, to the applicant at the
17 address listed on the application 10 days prior to the
18 hearing.

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

20 1. All parties shall have an opportunity to respond,
21 to present physical and testimonial evidence and argument on
22 all issues involved, to conduct cross-examination, to submit
23 rebuttal evidence, and to be represented by counsel. Medical
24 reports and depositions may be accepted in lieu of live
25 testimony at the Board's discretion.

26 2. All witnesses shall be sworn.

27 3. The applicant and the Board shall have an
28 opportunity to question all witnesses.

29 4. Formal rules of evidence and formal rules of civil
30 procedure shall not apply. The proceedings shall comply with
31 the essential requirements of due process and law.

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

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

6 b. Evidence received or considered.

7 c. All notices, pleadings, motions, and intermediate
8 rulings.

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

11 (d) Within 5 days after the first hearing, the Board
12 shall take one of the following actions:

13 1. Grant the pension benefits by overturning the
14 proposed order by a majority vote.

15 2. Deny the benefits and approve the proposed order as
16 a final order after making any changes in the order the Board
17 feels is necessary.

18 (e) Findings of fact by the Board shall be based on
19 competent, substantial evidence on the record.

20 (f) Within 20 calendar days after rendering its order,
21 the Board of Trustees shall send to the applicant, by
22 certified mail return receipt/restricted to individual, a copy
23 of the order.

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

27 (16) Lump sum payment of small retirement
28 income.--Notwithstanding any provision of the Fund to the
29 contrary, if the single sum value of the accrued retirement
30 income is less than \$5,000 as of the date of retirement or
31 termination of service, whichever is applicable, the Board of

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1 Trustees, in the exercise of its discretion, may specify that
2 the actuarial equivalent of such retirement income be paid in
3 lump sum.

4 (17) Pickup of employee contributions.--Effective the
5 first day of the first full payroll period of the first
6 calendar quarter following receipt of a favorable
7 determination letter from the Internal Revenue Service, the
8 City shall pick up the member contribution required by this
9 section. The contributions so picked up shall be treated as
10 employer contributions in determining tax treatment under the
11 United States Internal Revenue Code. The City shall pick up
12 the member contributions from funds established and available
13 for salaries, which funds would otherwise have been designated
14 as member contributions and paid to the Fund. Member
15 contributions picked up by the City pursuant to this
16 subsection shall be treated for all other purposes of making a
17 refund of members' contributions, and for all other purposes
18 of this and other laws, in the same manner and to the same
19 extent as member contributions made prior to the effective
20 date of this subsection. The intent of this subsection is to
21 comply with section 414(H)(2) of the Internal Revenue Code.

22 (18) Internal Revenue Code limits.--
23 (a) In no event may a member's annual benefit exceed
24 \$160,000, adjusted for cost of living in accordance with
25 Internal Revenue Code ("IRC") Section 415(d).

26 (b) If a member has less than 10 years of service with
27 the City, the applicable limitation in paragraph (a) shall be
28 reduced by multiplying such limitation by a fraction, not to
29 exceed 1. The numerator of such fraction shall be the number
30 of years, or part thereof, of service with the City; the
31 denominator shall be 10 years.

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1 (c) For purposes of this subsection, "annual benefit"
2 means a benefit payable annually in the form of a straight
3 life annuity with no ancillary or incidental benefits and with
4 no member or rollover contributions. To the extent that
5 ancillary benefits are provided, the limits set forth in
6 paragraph (a) shall be reduced actuarially, using an interest
7 rate assumption equal to the greater of 5 percent or the rate
8 being used for actuarial equivalence, to reflect such
9 ancillary benefits.

10 (d) If distribution of retirement benefits begins
11 before age 62, the dollar limitation as described in paragraph
12 (a) shall be reduced using an interest rate assumption equal
13 to the greater of 5 percent or the interest rate used for
14 actuarial equivalence; however, retirement benefits shall not
15 be reduced below \$75,000 if payment of benefits begins at or
16 after age 55, and not below the actuarial equivalent of
17 \$75,000 if payment of benefits begins before age 55. For a
18 member with 15 or more years of service with the City, the
19 reductions described above shall not reduce such member's
20 benefit below \$50,000, adjusted for cost of living in
21 accordance with IRC Section 415(d), but only for the year in
22 which such adjustment is effective. If retirement benefits
23 begin after age 65, the dollar limitation of paragraph (a)
24 shall be increased actuarially by using an interest assumption
25 equal to the lesser of 5 percent or the rate used for
26 actuarial equivalence.

27 (e) Compensation in excess of limitations set forth in
28 Section 401(a)(17) of the Internal Revenue Code shall be
29 disregarded. The limitation on compensation for an eligible
30 employee shall not be less than the amount which was allowed
31 to be taken into account hereunder as in effect on July 1,

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1 1993. "Eligible employee" is an individual who was a member
2 before the first plan year beginning after December 31, 1995.

3 (19) Required distributions.--In accordance with IRC
4 Section 401(9)(C), any and all benefit payments shall begin by
5 the later of:

6 (a) April 1 of the calendar year following the
7 calendar year of the member's retirement date; or

8 (b) April 1 of the calendar year following the
9 calendar year in which the employee attains age 70 1/2.

10 (20) Miscellaneous requirements.--

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

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

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

26 (d) False or misleading statements made to obtain
27 retirement benefits prohibited.--

28 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

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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 of subparagraph 1., a
8 participant or beneficiary of this plan may, in the discretion
9 of the Board of Trustees, be required to forfeit the right to
10 receive any or all benefits to which the person would
11 otherwise be entitled under this Plan. For the 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 (21) Rollover distributions.--

16 (a) This subsection applies to distributions made on
17 or after January 1, 1993. Notwithstanding any provision of the
18 Plan to the contrary that would otherwise limit a
19 distributee's election under this subsection, a distributee
20 may elect, at the time and in the manner prescribed by the
21 Board of Trustees, to have any portion of an eligible rollover
22 distribution paid directly to an eligible retirement plan
23 specified by the distributee in a direct rollover.

24 (b)1. "Eligible rollover distribution" is any
25 distribution of all or any portion of the balance to the
26 credit of the distributee, except that an eligible rollover
27 does not include any distribution that is one of a series of
28 substantially equal periodic payments (not less frequently
29 than annually) made for the life (or life expectancy) of the
30 distributee or the joint lives (or joint life expectancies) of
31 the distributee and the distributee's designated beneficiary,

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1 or for a specified period of 10 years or more; any
2 distribution to the extent such distribution is required under
3 section 401(a)(9) of the Code; and the portion of any
4 distribution that is not includable in gross income.

5 2. "Eligible retirement plan" is an individual
6 retirement account described in section 408(a) of the Code, an
7 individual retirement annuity described in section 408(b) of
8 the Code, an annuity plan described in section 403(a) of the
9 Code, or a qualified trust described in section 401(a) of the
10 Code that accepts the distributee's eligible rollover
11 distribution. However, in the case of an eligible rollover
12 distribution to the surviving spouse, an "eligible retirement
13 plan" is an individual retirement account or individual
14 retirement annuity.

15 3. "Distributee" includes an employee or former
16 employee. In addition, the employee's or former employee's
17 surviving spouse and the employee's or former employee's
18 spouse or former spouse who is entitled to payment for alimony
19 and child support under a domestic relations order determined
20 to be qualified by this Fund are distributees with regard to
21 the interest of the spouse or former spouse.

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

24 (22) Rollovers from qualified plans.--

25 (a) A member may roll over all or part of his or her
26 assets in another qualified plan to his or her chapter 175,
27 Florida Statutes, share account, provided all of the following
28 requirements are met:

29 1. Some or all of the amount distributed from the
30 other plan is rolled over to this plan no later than the 60th
31 day after distribution was made from the plan or, if

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1 distributions are made in installments, no later than the 60th
2 day after the last distribution was made.

3 2. The amount rolled over to the share account does
4 not include any amounts contributed by the member to the plan
5 on a posttax basis.

6 3. The rollover is made in cash.

7 4. The member certifies that the distribution is
8 eligible for a rollover.

9 5. Amounts which the Trustee accepts as a rollover to
10 this Fund shall, along with any earnings allocated to the
11 Trustee, be fully vested at all times.

12
13 The rollover may also be made to this plan from an individual
14 retirement account qualified under Code Section 408 when the
15 individual retirement was merely used as a conduit for funds
16 from another qualified plan and the rollover is made in
17 accordance with the rules provided in subparagraphs 1.-5.

18 Amounts rolled over may be segregated from other Fund assets.
19 The Trustee shall separately account for gains, losses, and
20 administrative expenses on these rollovers as provided for in
21 paragraphs (5)(d) and (j). In addition, the Fund may accept
22 the direct transfer of a member's benefits from another
23 qualified retirement plan or Internal Revenue Code section 457
24 plan. The Fund shall account for direct transfers in the same
25 manner as a rollover and shall obtain certification from the
26 member that the amounts are eligible for a rollover or direct
27 transfer to this Fund.

28 (b) Transfer of accumulated leave.--

29 1. Members eligible to receive accumulated sick leave,
30 accumulated vacation leave, or any other accumulated leave
31 payable upon separation shall have the leave transferred to

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1 the Fund up to the amount permitted by law. Any additional
2 amounts shall be paid directly to the member. Members on whose
3 behalf leave has been transferred shall maintain the entire
4 amount of the transferred leave balance in the DROP or Share
5 Account.

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

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

21 4. Amounts transferred under this section shall remain
22 invested in the Pension Fund for a period of not less than 1
23 year.

24 (23) Actuarial assumptions.--The following actuarial
25 assumptions shall be used for all purposes in connection with
26 this Fund, effective October 1, 1998:

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

29 (b) The assumed investment rate of return shall be
30 8.25 percent.

31 (24) Prior firefighter service.--Unless otherwise

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1 prohibited by law, the years, or fractional parts of years,
2 that a member previously served as a firefighter with the City
3 during a period of employment and for which accumulated
4 contributions were withdrawn from the fund, or the years, and
5 fractional parts of years, that a member served as a
6 firefighter for this or any other municipal, county, or state
7 fire department or district or any time served in the military
8 service of the Armed Forces of the United States shall be
9 added to the years of credited service, provided that the
10 member contributes to the fund the sum that would have been
11 contributed, based on the member's salary and the employee
12 contribution rate in effect at the time that the credited
13 service is requested, had the member been a member of this
14 system for the years, or fractional parts of years, for which
15 the credit is requested, plus the amount actuarially
16 determined, such that the crediting of service does not result
17 in any cost to the fund, plus payment of costs for all
18 professional services rendered to the board in connection with
19 the purchase of years of credited service.

20 (a) Payment by the member of the required amount may
21 be made within 6 months after the request for credit and in
22 one lump sum payment, or the member may buy back this time
23 over a period equal to the length of time being purchased or 5
24 years, whichever is greater, at an interest rate which is
25 equal to the Fund's actuarial assumption. A member may request
26 to purchase some or all years of service.

27 (b) The credit purchased under this section shall
28 count for all purposes, except vesting.

29 (c) In no event, however, may credited service be
30 purchased pursuant to this section for prior service with any
31 other municipal, county, or state fire department or district,

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1 if such prior service forms or will form the basis of a
2 retirement benefit or pension from another retirement system
3 or plan.

4 (d) In the event that a member who is in the process
5 of purchasing service suffers a disability and is awarded a
6 benefit from the plan, the member shall not be required to
7 complete the buyback. However, contributions made prior to the
8 date the disability payment begins will be retained by the
9 Fund.

10 (e) If a member who has either completed the purchase
11 of service or is in the process of purchasing service
12 terminates before vesting, the member's contributions shall be
13 refunded, including the buyback contributions.

14 (f) A request to purchase service may be made at any
15 time during the course of employment; however, the buyback is
16 a one-time opportunity.

17 Section 2. All special laws and parts of special laws,
18 ordinances, or regulations, insofar as they are in conflict or
19 inconsistent with the provisions of this act, are repealed.

20 Section 3. This act shall take effect upon becoming a
21 law.

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