



HB 1245

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1 A bill to be entitled

2 An act relating to municipal police and firefighter  
3 pensions; amending s. 175.351, F.S.; authorizing certain  
4 municipalities to provide extra benefits to firefighter  
5 pension plans prior to the receipt of additional premium  
6 tax revenues; providing a procedure; amending s. 185.35,  
7 F.S.; authorizing certain municipalities to provide extra  
8 benefits in police officer pension plans under certain  
9 circumstances; providing a procedure; providing an  
10 effective date.

11  
12 Be It Enacted by the Legislature of the State of Florida:

13  
14 Section 1. Section 175.351, Florida Statutes, is amended  
15 to read:

16 175.351 Municipalities and special fire control districts  
17 having their own pension plans for firefighters.--For any  
18 municipality, special fire control district, local law  
19 municipality, local law special fire control district, or local  
20 law plan under this chapter, in order for municipalities and  
21 special fire control districts with their own pension plans for  
22 firefighters, or for firefighters and police officers, where  
23 included, to participate in the distribution of the tax fund  
24 established pursuant to s. 175.101, local law plans must meet  
25 the minimum benefits and minimum standards set forth in this  
26 chapter.

27 (1) PREMIUM TAX INCOME.--If a municipality has a pension  
28 plan for firefighters, or a pension plan for firefighters and  
29 police officers, where included, which in the opinion of the  
30 division meets the minimum benefits and minimum standards set



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31 forth in this chapter, the board of trustees of the pension  
32 plan, as approved by a majority of firefighters of the  
33 municipality, may:

34 (a) Place the income from the premium tax in s. 175.101 in  
35 such pension plan for the sole and exclusive use of its  
36 firefighters, or for firefighters and police officers, where  
37 included, where it shall become an integral part of that pension  
38 plan and shall be used to pay extra benefits to the firefighters  
39 included in that pension plan; or

40 (b) Place the income from the premium tax in s. 175.101 in  
41 a separate supplemental plan to pay extra benefits to  
42 firefighters, or to firefighters and police officers where  
43 included, participating in such separate supplemental plan.

44  
45 The premium tax provided by this chapter shall in all cases be  
46 used in its entirety to provide extra benefits to firefighters,  
47 or to firefighters and police officers, where included. However,  
48 local law plans in effect on October 1, 1998, shall be required  
49 to comply with the minimum benefit provisions of this chapter  
50 only to the extent that additional premium tax revenues become  
51 available to incrementally fund the cost of such compliance as  
52 provided in s. 175.162(2)(a). When a plan is in compliance with  
53 such minimum benefit provisions, as subsequent additional  
54 premium tax revenues become available, they shall be used to  
55 provide extra benefits. For the purpose of this chapter,  
56 "additional premium tax revenues" means revenues received by a  
57 municipality or special fire control district pursuant to s.  
58 175.121 that exceed that amount received for calendar year 1997  
59 and the term "extra benefits" means benefits in addition to or  
60 greater than those provided to general employees of the



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61 municipality. Local law plans created by special act before May  
62 23, 1939, shall be deemed to comply with this chapter. As a  
63 permissive alternative to paragraphs (a) and (b), a  
64 municipality, after meeting the minimum benefit provisions of  
65 this chapter, with the approval of the certified bargaining  
66 agent, where applicable, or a majority of firefighters, or  
67 firefighters and police officers, where included in the pension  
68 plan, may provide extra benefits to the members prior to receipt  
69 of additional premium tax revenues to fund such benefit  
70 improvements. The municipality shall advance to the appropriate  
71 plan the difference between actuarially determined costs of the  
72 extra benefits to be provided and the additional premium tax  
73 revenues received at the time of advancement. Thereafter, the  
74 municipality shall annually advance to the plan the difference  
75 in the actuarially determined cost of the extra benefits which  
76 were funded by the initial advance and the available additional  
77 premium tax revenues until such time as the growth in the  
78 available additional premium tax revenues is sufficient to fund  
79 the costs of the extra benefits provided by the initial advance.  
80 At such time, all additional premium tax revenues in excess of  
81 the costs of the benefit improvements shall be credited against  
82 the municipality's required contributions until the funds  
83 credited to the municipality equal the funds advanced by the  
84 municipality to the plan with interest. Thereafter, all  
85 available additional premium tax revenues shall be used to  
86 provide additional benefits. Interest may be assessed against  
87 the funds advanced at a rate not to exceed the rate permitted by  
88 law, provided such interest is agreed to by the certified  
89 bargaining agent, where applicable, or a majority of  
90 firefighters or firefighters and police officers, where included



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91 in the pension plan. In no event shall the municipality be  
92 relieved of its fiduciary responsibility, as determined by the  
93 plan actuary, of funding these extra benefits if the additional  
94 premium tax revenues are not sufficient to fund the extra  
95 benefits.

96 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No  
97 retirement plan or amendment to a retirement plan shall be  
98 proposed for adoption unless the proposed plan or amendment  
99 contains an actuarial estimate of the costs involved. No such  
100 proposed plan or proposed plan change shall be adopted without  
101 the approval of the municipality, special fire control district,  
102 or, where permitted, the Legislature. Copies of the proposed  
103 plan or proposed plan change and the actuarial impact statement  
104 of the proposed plan or proposed plan change shall be furnished  
105 to the division prior to the last public hearing thereon. Such  
106 statement shall also indicate whether the proposed plan or  
107 proposed plan change is in compliance with s. 14, Art. X of the  
108 State Constitution and those provisions of part VII of chapter  
109 112 which are not expressly provided in this chapter.  
110 Notwithstanding any other provision, only those local law plans  
111 created by special act of legislation prior to May 23, 1939,  
112 shall be deemed to meet the minimum benefits and minimum  
113 standards only in this chapter.

114 (3) Notwithstanding any other provision, with respect to  
115 any supplemental plan municipality:

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



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120 (b) Section 175.061(1)(b) shall not apply, and a local law  
121 plan and a supplemental plan shall continue to be administered  
122 by a board or boards of trustees numbered, constituted, and  
123 selected as the board or boards were numbered, constituted, and  
124 selected on December 1, 2000.

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

127 (4) The retirement plan setting forth the benefits and the  
128 trust agreement, if any, covering the duties and  
129 responsibilities of the trustees and the regulations of the  
130 investment of funds must be in writing, and copies thereof must  
131 be made available to the participants and to the general public.

132 Section 2. Section 185.35, Florida Statutes, is amended to  
133 read:

134 185.35 Municipalities having their own pension plans for  
135 police officers.--For any municipality, chapter plan, local law  
136 municipality, or local law plan under this chapter, in order for  
137 municipalities with their own pension plans for police officers,  
138 or for police officers and firefighters where included, to  
139 participate in the distribution of the tax fund established  
140 pursuant to s. 185.08, local law plans must meet the minimum  
141 benefits and minimum standards set forth in this chapter:

142 (1) PREMIUM TAX INCOME.--If a municipality has a pension  
143 plan for police officers, or for police officers and  
144 firefighters where included, which, in the opinion of the  
145 division, meets the minimum benefits and minimum standards set  
146 forth in this chapter, the board of trustees of the pension  
147 plan, as approved by a majority of police officers of the  
148 municipality, may:



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149 (a) Place the income from the premium tax in s. 185.08 in  
 150 such pension plan for the sole and exclusive use of its police  
 151 officers, or its police officers and firefighters where  
 152 included, where it shall become an integral part of that pension  
 153 plan and shall be used to pay extra benefits to the police  
 154 officers included in that pension plan; or

155 (b) May place the income from the premium tax in s. 185.08  
 156 in a separate supplemental plan to pay extra benefits to the  
 157 police officers, or police officers and firefighters where  
 158 included, participating in such separate supplemental plan.

159  
 160 The premium tax provided by this chapter shall in all cases be  
 161 used in its entirety to provide extra benefits to police  
 162 officers, or to police officers and firefighters, where  
 163 included. However, local law plans in effect on October 1, 1998,  
 164 shall be required to comply with the minimum benefit provisions  
 165 of this chapter only to the extent that additional premium tax  
 166 revenues become available to incrementally fund the cost of such  
 167 compliance as provided in s. 185.16(2). When a plan is in  
 168 compliance with such minimum benefit provisions, as subsequent  
 169 additional tax revenues become available, they shall be used to  
 170 provide extra benefits. For the purpose of this chapter,  
 171 "additional premium tax revenues" means revenues received by a  
 172 municipality pursuant to s. 185.10 that exceed the amount  
 173 received for calendar year 1997 and the term "extra benefits"  
 174 means benefits in addition to or greater than those provided to  
 175 general employees of the municipality. Local law plans created  
 176 by special act before May 23, 1939, shall be deemed to comply  
 177 with this chapter. As a permissive alternative to paragraphs (a)  
 178 and (b), a municipality, after meeting the minimum benefit



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179 provisions of this chapter, with the approval of the certified  
180 bargaining agent, where applicable, or a majority of police  
181 officers, or police officers and firefighters, where included in  
182 the pension plan, may provide extra benefits to the members  
183 prior to receipt of additional premium tax revenues to fund such  
184 benefit improvements. The municipality shall advance to the  
185 appropriate plan the difference between actuarially determined  
186 costs of the extra benefits to be provided and the additional  
187 premium tax revenues received at the time of advancement.  
188 Thereafter, the municipality shall annually advance to the plan  
189 the difference in the actuarially determined cost of the extra  
190 benefits which were funded by the initial advance and the  
191 available additional premium tax revenues until such time as the  
192 growth in the available additional premium tax revenues is  
193 sufficient to fund the costs of the extra benefits provided by  
194 the initial advance. At such time, all additional premium tax  
195 revenues in excess of the costs of the benefit improvements  
196 shall be credited against the municipality's required  
197 contributions until the funds credited to the municipality equal  
198 the funds advanced by the municipality to the plan with  
199 interest. Thereafter, all available additional premium tax  
200 revenues shall be used to provide additional benefits. Interest  
201 may be assessed against the funds advanced at a rate not to  
202 exceed the rate permitted by law, provided such interest is  
203 agreed to by the certified bargaining agent, where applicable,  
204 or a majority of police officers or police officers and  
205 firefighters, where included in the pension plan. In no event  
206 shall the municipality be relieved of its fiduciary  
207 responsibility, as determined by the plan actuary, of funding



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208 these extra benefits if the additional premium tax revenues are  
209 not sufficient to fund the extra benefits.

210 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No  
211 retirement plan or amendment to a retirement plan shall be  
212 proposed for adoption unless the proposed plan or amendment  
213 contains an actuarial estimate of the costs involved. No such  
214 proposed plan or proposed plan change shall be adopted without  
215 the approval of the municipality or, where permitted, the  
216 Legislature. Copies of the proposed plan or proposed plan change  
217 and the actuarial impact statement of the proposed plan or  
218 proposed plan change shall be furnished to the division prior to  
219 the last public hearing thereon. Such statement shall also  
220 indicate whether the proposed plan or proposed plan change is in  
221 compliance with s. 14, Art. X of the State Constitution and  
222 those provisions of part VII of chapter 112 which are not  
223 expressly provided in this chapter. Notwithstanding any other  
224 provision, only those local law plans created by special act of  
225 legislation prior to May 23, 1939, shall be deemed to meet the  
226 minimum benefits and minimum standards only in this chapter.

227 (3) Notwithstanding any other provision, with respect to  
228 any supplemental plan municipality:

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

233 (b) Section 185.05(1)(b) shall not apply, and a local law  
234 plan and a supplemental plan shall continue to be administered  
235 by a board or boards of trustees numbered, constituted, and  
236 selected as the board or boards were numbered, constituted, and  
237 selected on December 1, 2000.





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

240 (4) The retirement plan setting forth the benefits and the  
241 trust agreement, if any, covering the duties and  
242 responsibilities of the trustees and the regulations of the  
243 investment of funds must be in writing and copies made available  
244 to the participants and to the general public.

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