



CHAMBER ACTION

The Committee on Insurance recommends the following:

**Committee Substitute**

Remove the entire bill and insert:

A bill to be entitled

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

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

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

175.351 Municipalities and special fire control districts having their own pension plans for firefighters.--For any municipality, special fire control district, local law municipality, local law special fire control district, or local



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29 law plan under this chapter, in order for municipalities and  
30 special fire control districts with their own pension plans for  
31 firefighters, or for firefighters and police officers, where  
32 included, to participate in the distribution of the tax fund  
33 established pursuant to s. 175.101, local law plans must meet  
34 the minimum benefits and minimum standards set forth in this  
35 chapter.

36 (1) PREMIUM TAX INCOME.--If a municipality has a pension  
37 plan for firefighters, or a pension plan for firefighters and  
38 police officers, where included, which in the opinion of the  
39 division meets the minimum benefits and minimum standards set  
40 forth in this chapter, the board of trustees of the pension  
41 plan, as approved by a majority of firefighters of the  
42 municipality, may:

43 (a) Place the income from the premium tax in s. 175.101 in  
44 such pension plan for the sole and exclusive use of its  
45 firefighters, or for firefighters and police officers, where  
46 included, where it shall become an integral part of that pension  
47 plan and shall be used to pay extra benefits to the firefighters  
48 included in that pension plan; or

49 (b) Place the income from the premium tax in s. 175.101 in  
50 a separate supplemental plan to pay extra benefits to  
51 firefighters, or to firefighters and police officers where  
52 included, participating in such separate supplemental plan.

53

54 The premium tax provided by this chapter shall in all cases be  
55 used in its entirety to provide extra benefits to firefighters,  
56 or to firefighters and police officers, where included. However,



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57 | local law plans in effect on October 1, 1998, shall be required  
58 | to comply with the minimum benefit provisions of this chapter  
59 | only to the extent that additional premium tax revenues become  
60 | available to incrementally fund the cost of such compliance as  
61 | provided in s. 175.162(2)(a). When a plan is in compliance with  
62 | such minimum benefit provisions, as subsequent additional  
63 | premium tax revenues become available, they shall be used to  
64 | provide extra benefits. For the purpose of this chapter,  
65 | "additional premium tax revenues" means revenues received by a  
66 | municipality or special fire control district pursuant to s.  
67 | 175.121 that exceed that amount received for calendar year 1997  
68 | and the term "extra benefits" means benefits in addition to or  
69 | greater than those provided to general employees of the  
70 | municipality. Local law plans created by special act before May  
71 | 23, 1939, shall be deemed to comply with this chapter. Any city  
72 | which entered into a collective bargaining agreement prior to  
73 | July 1, 2003, whereby the city has agreed to provide enhanced  
74 | benefits to firefighters, or firefighters and police officers,  
75 | where included, prior to receipt of additional premium tax  
76 | revenues may, as a permissive alternative to paragraph (a),  
77 | provide extra benefits to the members prior to receipt of  
78 | additional premium tax revenues to fund such benefit  
79 | improvements. The municipality shall advance to the appropriate  
80 | plan the difference between actuarially determined costs of the  
81 | extra benefits to be provided and the additional premium tax  
82 | revenues received at the time of advancement. Thereafter, the  
83 | municipality shall annually advance to the plan the difference  
84 | in the actuarially determined cost of the extra benefits which



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85 were funded by the initial advance and the available additional  
86 premium tax revenues until such time as the growth in the  
87 available additional premium tax revenues is sufficient to fund  
88 the costs of the extra benefits provided by the initial advance.  
89 At such time, all additional premium tax revenues in excess of  
90 the costs of the benefit improvements shall be credited against  
91 the municipality's required contributions until the funds  
92 credited to the municipality equal the funds advanced by the  
93 municipality to the plan with interest. Thereafter, all  
94 available additional premium tax revenues shall be used to  
95 provide additional benefits. Interest may be assessed against  
96 the funds advanced at a rate not to exceed the rate permitted by  
97 law, provided such interest is agreed to by the certified  
98 bargaining agent, where applicable, or a majority of  
99 firefighters, or firefighters and police officers, where  
100 included in the pension plan. In no event shall the municipality  
101 be relieved of its fiduciary responsibility, as determined by  
102 the plan actuary, of funding these extra benefits if the  
103 additional premium tax revenues are not sufficient to fund the  
104 extra benefits. Prior to an agreement between the municipality  
105 and the firefighters, or firefighters and police officers where  
106 included, being implemented, the plan administrator shall submit  
107 such agreement and the actuarial impact statement prepared by  
108 the plan actuary to the Division of Retirement for its  
109 determination and approval that said agreement is in compliance  
110 with the requirements of part VII of chapter 112.

111 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No  
112 retirement plan or amendment to a retirement plan shall be



113 proposed for adoption unless the proposed plan or amendment  
 114 contains an actuarial estimate of the costs involved. No such  
 115 proposed plan or proposed plan change shall be adopted without  
 116 the approval of the municipality, special fire control district,  
 117 or, where permitted, the Legislature. Copies of the proposed  
 118 plan or proposed plan change and the actuarial impact statement  
 119 of the proposed plan or proposed plan change shall be furnished  
 120 to the division prior to the last public hearing thereon. Such  
 121 statement shall also indicate whether the proposed plan or  
 122 proposed plan change is in compliance with s. 14, Art. X of the  
 123 State Constitution and those provisions of part VII of chapter  
 124 112 which are not expressly provided in this chapter.  
 125 Notwithstanding any other provision, only those local law plans  
 126 created by special act of legislation prior to May 23, 1939,  
 127 shall be deemed to meet the minimum benefits and minimum  
 128 standards only in this chapter.

129 (3) Notwithstanding any other provision, with respect to  
 130 any supplemental plan municipality:

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

135 (b) Section 175.061(1)(b) shall not apply, and a local law  
 136 plan and a supplemental plan shall continue to be administered  
 137 by a board or boards of trustees numbered, constituted, and  
 138 selected as the board or boards were numbered, constituted, and  
 139 selected on December 1, 2000.



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

142 (4) The retirement plan setting forth the benefits and the  
143 trust agreement, if any, covering the duties and  
144 responsibilities of the trustees and the regulations of the  
145 investment of funds must be in writing, and copies thereof must  
146 be made available to the participants and to the general public.

147 Section 2. Section 185.35, Florida Statutes, is amended to  
148 read:

149 185.35 Municipalities having their own pension plans for  
150 police officers.--For any municipality, chapter plan, local law  
151 municipality, or local law plan under this chapter, in order for  
152 municipalities with their own pension plans for police officers,  
153 or for police officers and firefighters where included, to  
154 participate in the distribution of the tax fund established  
155 pursuant to s. 185.08, local law plans must meet the minimum  
156 benefits and minimum standards set forth in this chapter:

157 (1) PREMIUM TAX INCOME.--If a municipality has a pension  
158 plan for police officers, or for police officers and  
159 firefighters where included, which, in the opinion of the  
160 division, meets the minimum benefits and minimum standards set  
161 forth in this chapter, the board of trustees of the pension  
162 plan, as approved by a majority of police officers of the  
163 municipality, may:

164 (a) Place the income from the premium tax in s. 185.08 in  
165 such pension plan for the sole and exclusive use of its police  
166 officers, or its police officers and firefighters where  
167 included, where it shall become an integral part of that pension



168 plan and shall be used to pay extra benefits to the police  
169 officers included in that pension plan; or

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

174  
175 The premium tax provided by this chapter shall in all cases be  
176 used in its entirety to provide extra benefits to police  
177 officers, or to police officers and firefighters, where  
178 included. However, local law plans in effect on October 1, 1998,  
179 shall be required to comply with the minimum benefit provisions  
180 of this chapter only to the extent that additional premium tax  
181 revenues become available to incrementally fund the cost of such  
182 compliance as provided in s. 185.16(2). When a plan is in  
183 compliance with such minimum benefit provisions, as subsequent  
184 additional tax revenues become available, they shall be used to  
185 provide extra benefits. For the purpose of this chapter,  
186 "additional premium tax revenues" means revenues received by a  
187 municipality pursuant to s. 185.10 that exceed the amount  
188 received for calendar year 1997 and the term "extra benefits"  
189 means benefits in addition to or greater than those provided to  
190 general employees of the municipality. Local law plans created  
191 by special act before May 23, 1939, shall be deemed to comply  
192 with this chapter. Any city which entered into a collective  
193 bargaining agreement prior to July 1, 2003, whereby the city has  
194 agreed to provide enhanced benefits to police officers, or  
195 police officers and firefighters, where included, prior to



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196 receipt of additional premium tax revenues may, as a permissive  
197 alternative to paragraph (a), provide extra benefits to the  
198 members prior to receipt of additional premium tax revenues to  
199 fund such benefit improvements. The municipality shall advance  
200 to the appropriate plan the difference between actuarially  
201 determined costs of the extra benefits to be provided and the  
202 additional premium tax revenues received at the time of  
203 advancement. Thereafter, the municipality shall annually advance  
204 to the plan the difference in the actuarially determined cost of  
205 the extra benefits which were funded by the initial advance and  
206 the available additional premium tax revenues until such time as  
207 the growth in the available additional premium tax revenues is  
208 sufficient to fund the costs of the extra benefits provided by  
209 the initial advance. At such time, all additional premium tax  
210 revenues in excess of the costs of the benefit improvements  
211 shall be credited against the municipality's required  
212 contributions until the funds credited to the municipality equal  
213 the funds advanced by the municipality to the plan with  
214 interest. Thereafter, all available additional premium tax  
215 revenues shall be used to provide additional benefits. Interest  
216 may be assessed against the funds advanced at a rate not to  
217 exceed the rate permitted by law, provided such interest is  
218 agreed to by the certified bargaining agent, where applicable,  
219 or a majority of police officers, or police officers and  
220 firefighters, where included in the pension plan. In no event  
221 shall the municipality be relieved of its fiduciary  
222 responsibility, as determined by the plan actuary, of funding  
223 these extra benefits if the additional premium tax revenues are





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224 | not sufficient to fund the extra benefits. Prior to an agreement  
225 | between the municipality and the police officers, or police  
226 | officers and firefighters where included, being implemented, the  
227 | plan administrator shall submit such agreement and the actuarial  
228 | impact statement prepared by the plan actuary to the Division of  
229 | Retirement for its determination and approval that said  
230 | agreement is in compliance with the requirements of part VII of  
231 | chapter 112.

232 | (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No  
233 | retirement plan or amendment to a retirement plan shall be  
234 | proposed for adoption unless the proposed plan or amendment  
235 | contains an actuarial estimate of the costs involved. No such  
236 | proposed plan or proposed plan change shall be adopted without  
237 | the approval of the municipality or, where permitted, the  
238 | Legislature. Copies of the proposed plan or proposed plan change  
239 | and the actuarial impact statement of the proposed plan or  
240 | proposed plan change shall be furnished to the division prior to  
241 | the last public hearing thereon. Such statement shall also  
242 | indicate whether the proposed plan or proposed plan change is in  
243 | compliance with s. 14, Art. X of the State Constitution and  
244 | those provisions of part VII of chapter 112 which are not  
245 | expressly provided in this chapter. Notwithstanding any other  
246 | provision, only those local law plans created by special act of  
247 | legislation prior to May 23, 1939, shall be deemed to meet the  
248 | minimum benefits and minimum standards only in this chapter.

249 | (3) Notwithstanding any other provision, with respect to  
250 | any supplemental plan municipality:



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

255 (b) Section 185.05(1)(b) shall not apply, and a local law  
256 plan and a supplemental plan shall continue to be administered  
257 by a board or boards of trustees numbered, constituted, and  
258 selected as the board or boards were numbered, constituted, and  
259 selected on December 1, 2000.

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

262 (4) The retirement plan setting forth the benefits and the  
263 trust agreement, if any, covering the duties and  
264 responsibilities of the trustees and the regulations of the  
265 investment of funds must be in writing and copies made available  
266 to the participants and to the general public.

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