

By Senator Lynn

7-385-03

See HB 1245

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

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

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

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

29           (1) PREMIUM TAX INCOME.--If a municipality has a  
30 pension plan for firefighters, or a pension plan for  
31 firefighters and police officers, where included, which in the

1 opinion of the division meets the minimum benefits and minimum  
2 standards set forth in this chapter, the board of trustees of  
3 the pension plan, as approved by a majority of firefighters of  
4 the municipality, may:

5 (a) Place the income from the premium tax in s.  
6 175.101 in such pension plan for the sole and exclusive use of  
7 its firefighters, or for firefighters and police officers,  
8 where included, where it shall become an integral part of that  
9 pension plan and shall be used to pay extra benefits to the  
10 firefighters included in that pension plan; or

11 (b) Place the income from the premium tax in s.  
12 175.101 in a separate supplemental plan to pay extra benefits  
13 to firefighters, or to firefighters and police officers where  
14 included, participating in such separate supplemental plan.

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16 The premium tax provided by this chapter shall in all cases be  
17 used in its entirety to provide extra benefits to  
18 firefighters, or to firefighters and police officers, where  
19 included. However, local law plans in effect on October 1,  
20 1998, shall be required to comply with the minimum benefit  
21 provisions of this chapter only to the extent that additional  
22 premium tax revenues become available to incrementally fund  
23 the cost of such compliance as provided in s. 175.162(2)(a).  
24 When a plan is in compliance with such minimum benefit  
25 provisions, as subsequent additional premium tax revenues  
26 become available, they shall be used to provide extra  
27 benefits. For the purpose of this chapter, "additional premium  
28 tax revenues" means revenues received by a municipality or  
29 special fire control district pursuant to s. 175.121 that  
30 exceed that amount received for calendar year 1997 and the  
31 term "extra benefits" means benefits in addition to or greater

1 than those provided to general employees of the municipality.  
2 Local law plans created by special act before May 23, 1939,  
3 shall be deemed to comply with this chapter. As a permissive  
4 alternative to paragraphs (a) and (b), a municipality, after  
5 meeting the minimum benefit provisions of this chapter, with  
6 the approval of the certified bargaining agent, where  
7 applicable, or a majority of firefighters, or firefighters and  
8 police officers, where included in the pension plan, may  
9 provide extra benefits to the members prior to receipt of  
10 additional premium tax revenues to fund such benefit  
11 improvements. The municipality shall advance to the  
12 appropriate plan the difference between actuarially determined  
13 costs of the extra benefits to be provided and the additional  
14 premium tax revenues received at the time of advancement.  
15 Thereafter, the municipality shall annually advance to the  
16 plan the difference in the actuarially determined cost of the  
17 extra benefits which were funded by the initial advance and  
18 the available additional premium tax revenues until such time  
19 as the growth in the available additional premium tax revenues  
20 is sufficient to fund the costs of the extra benefits provided  
21 by the initial advance. At such time, all additional premium  
22 tax revenues in excess of the costs of the benefit  
23 improvements shall be credited against the municipality's  
24 required contributions until the funds credited to the  
25 municipality equal the funds advanced by the municipality to  
26 the plan with interest. Thereafter, all available additional  
27 premium tax revenues shall be used to provide additional  
28 benefits. Interest may be assessed against the funds advanced  
29 at a rate not to exceed the rate permitted by law, provided  
30 such interest is agreed to by the certified bargaining agent,  
31 where applicable, or a majority of firefighters or

1 firefighters and police officers, where included in the  
2 pension plan. In no event shall the municipality be relieved  
3 of its fiduciary responsibility, as determined by the plan  
4 actuary, of funding these extra benefits if the additional  
5 premium tax revenues are not sufficient to fund the extra  
6 benefits.

7 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No  
8 retirement plan or amendment to a retirement plan shall be  
9 proposed for adoption unless the proposed plan or amendment  
10 contains an actuarial estimate of the costs involved. No such  
11 proposed plan or proposed plan change shall be adopted without  
12 the approval of the municipality, special fire control  
13 district, or, where permitted, the Legislature. Copies of the  
14 proposed plan or proposed plan change and the actuarial impact  
15 statement of the proposed plan or proposed plan change shall  
16 be furnished to the division prior to the last public hearing  
17 thereon. Such statement shall also indicate whether the  
18 proposed plan or proposed plan change is in compliance with s.  
19 14, Art. X of the State Constitution and those provisions of  
20 part VII of chapter 112 which are not expressly provided in  
21 this chapter. Notwithstanding any other provision, only those  
22 local law plans created by special act of legislation prior to  
23 May 23, 1939, shall be deemed to meet the minimum benefits and  
24 minimum standards only in this chapter.

25 (3) Notwithstanding any other provision, with respect  
26 to any supplemental plan municipality:

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

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

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

8 (4) The retirement plan setting forth the benefits and  
9 the trust agreement, if any, covering the duties and  
10 responsibilities of the trustees and the regulations of the  
11 investment of funds must be in writing, and copies thereof  
12 must be made available to the participants and to the general  
13 public.

14 Section 2. Section 185.35, Florida Statutes, is  
15 amended to read:

16 185.35 Municipalities having their own pension plans  
17 for police officers.--For any municipality, chapter plan,  
18 local law municipality, or local law plan under this chapter,  
19 in order for municipalities with their own pension plans for  
20 police officers, or for police officers and firefighters where  
21 included, to participate in the distribution of the tax fund  
22 established pursuant to s. 185.08, local law plans must meet  
23 the minimum benefits and minimum standards set forth in this  
24 chapter:

25 (1) PREMIUM TAX INCOME.--If a municipality has a  
26 pension plan for police officers, or for police officers and  
27 firefighters where included, which, in the opinion of the  
28 division, meets the minimum benefits and minimum standards set  
29 forth in this chapter, the board of trustees of the pension  
30 plan, as approved by a majority of police officers of the  
31 municipality, may:

1 (a) Place the income from the premium tax in s. 185.08  
2 in such pension plan for the sole and exclusive use of its  
3 police officers, or its police officers and firefighters where  
4 included, where it shall become an integral part of that  
5 pension plan and shall be used to pay extra benefits to the  
6 police officers included in that pension plan; or

7 (b) May place the income from the premium tax in s.  
8 185.08 in a separate supplemental plan to pay extra benefits  
9 to the police officers, or police officers and firefighters  
10 where included, participating in such separate supplemental  
11 plan.

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13 The premium tax provided by this chapter shall in all  
14 cases be used in its entirety to provide extra benefits to  
15 police officers, or to police officers and firefighters, where  
16 included. However, local law plans in effect on October 1,  
17 1998, shall be required to comply with the minimum benefit  
18 provisions of this chapter only to the extent that additional  
19 premium tax revenues become available to incrementally fund  
20 the cost of such compliance as provided in s. 185.16(2). When  
21 a plan is in compliance with such minimum benefit provisions,  
22 as subsequent additional tax revenues become available, they  
23 shall be used to provide extra benefits. For the purpose of  
24 this chapter, "additional premium tax revenues" means revenues  
25 received by a municipality pursuant to s. 185.10 that exceed  
26 the amount received for calendar year 1997 and the term "extra  
27 benefits" means benefits in addition to or greater than those  
28 provided to general employees of the municipality. Local law  
29 plans created by special act before May 23, 1939, shall be  
30 deemed to comply with this chapter. As a permissive  
31 alternative to paragraphs (a) and (b), a municipality, after

1 meeting the minimum benefit provisions of this chapter, with  
2 the approval of the certified bargaining agent, where  
3 applicable, or a majority of police officers, or police  
4 officers and firefighters, where included in the pension plan,  
5 may provide extra benefits to the members prior to receipt of  
6 additional premium tax revenues to fund such benefit  
7 improvements. The municipality shall advance to the  
8 appropriate plan the difference between actuarially determined  
9 costs of the extra benefits to be provided and the additional  
10 premium tax revenues received at the time of advancement.  
11 Thereafter, the municipality shall annually advance to the  
12 plan the difference in the actuarially determined cost of the  
13 extra benefits which were funded by the initial advance and  
14 the available additional premium tax revenues until such time  
15 as the growth in the available additional premium tax revenues  
16 is sufficient to fund the costs of the extra benefits provided  
17 by the initial advance. At such time, all additional premium  
18 tax revenues in excess of the costs of the benefit  
19 improvements shall be credited against the municipality's  
20 required contributions until the funds credited to the  
21 municipality equal the funds advanced by the municipality to  
22 the plan with interest. Thereafter, all available additional  
23 premium tax revenues shall be used to provide additional  
24 benefits. Interest may be assessed against the funds advanced  
25 at a rate not to exceed the rate permitted by law, provided  
26 such interest is agreed to by the certified bargaining agent,  
27 where applicable, or a majority of police officers or police  
28 officers and firefighters, where included in the pension plan.  
29 In no event shall the municipality be relieved of its  
30 fiduciary responsibility, as determined by the plan actuary,  
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1 of funding these extra benefits if the additional premium tax  
2 revenues are not sufficient to fund the extra benefits.

3 (2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.--No  
4 retirement plan or amendment to a retirement plan shall be  
5 proposed for adoption unless the proposed plan or amendment  
6 contains an actuarial estimate of the costs involved. No such  
7 proposed plan or proposed plan change shall be adopted without  
8 the approval of the municipality or, where permitted, the  
9 Legislature. Copies of the proposed plan or proposed plan  
10 change and the actuarial impact statement of the proposed plan  
11 or proposed plan change shall be furnished to the division  
12 prior to the last public hearing thereon. Such statement shall  
13 also indicate whether the proposed plan or proposed plan  
14 change is in compliance with s. 14, Art. X of the State  
15 Constitution and those provisions of part VII of chapter 112  
16 which are not expressly provided in this chapter.

17 Notwithstanding any other provision, only those local law  
18 plans created by special act of legislation prior to May 23,  
19 1939, shall be deemed to meet the minimum benefits and minimum  
20 standards only in this chapter.

21 (3) Notwithstanding any other provision, with respect  
22 to any supplemental plan municipality:

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

27 (b) Section 185.05(1)(b) shall not apply, and a local  
28 law plan and a supplemental plan shall continue to be  
29 administered by a board or boards of trustees numbered,  
30 constituted, and selected as the board or boards were  
31 numbered, constituted, and selected on December 1, 2000.



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

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

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

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