



HB 0549

2003
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CHAMBER ACTION

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The Committee on Local Government & Veterans' Affairs recommends the following:

Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to the West Palm Beach Police Pension Fund of the City of West Palm Beach, Palm Beach County; revising provisions relating to chapter 185 share accounts and deferred retirement option plan accounts; providing an effective date.

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

Section 1. Subparagraph 3. of paragraph (c) of subsection (11) of section 16 of chapter 24981, Laws of Florida, 1947, as amended by chapter 2002-359, Laws of Florida, is amended to read:

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

(11) Chapter 185 share accounts.--

(c) Annual allocation of accounts.--

3. Effective October 1, 2002, vested Participants have the option to select between two methods to credit investment



29 | earnings to their account. The method may be changed each year
 30 | effective October 1; however, the method must be elected prior
 31 | to October 1. The methods are:

32 | a. The investment earnings (or losses) credited to the
 33 | individual member accounts shall be the same percentage as are
 34 | earned (or lost) by the total investment earnings (or losses) of
 35 | the Fund as a whole, unless the Board dedicates a separate
 36 | investment portfolio for chapter 185, Florida Statutes, share
 37 | accounts, in which case the investment earnings (or losses)
 38 | shall be measured by the investment earnings (or losses) of the
 39 | separate investment portfolio.

40 | b. A fixed annual rate of 8.25 percent.

41 | Section 2. Subparagraphs 4. and 5. of paragraph (a) of
 42 | subsection (13) of section 16 of chapter 24981, Laws of Florida,
 43 | 1947, as amended by chapter 2002-359, Laws of Florida, are
 44 | amended to read:

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

46 | (13) Deferred Retirement Option Plan (DROP).--

47 | (a) Eligibility to participate in the DROP.--

48 | 4. Upon a member's election to participate in the DROP, he
 49 | or she shall cease to be a member and shall no longer accrue any
 50 | benefits under the Pension Fund, except for the benefits
 51 | provided under subsection (11), Chapter 185 share accounts. For
 52 | all Fund purposes, the member becomes a retirant, except that a
 53 | DROP participant shall continue to receive shares of the chapter
 54 | moneys in accordance with subsection (11), Chapter 185 share
 55 | accounts. DROP members shall also be eligible to vote as
 56 | members for purposes of election of the member-trustee. The



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57 amount of credited service shall freeze as of the date of entry
58 into the DROP.

59 ~~5. Notwithstanding any provision of this section to the~~
60 ~~contrary, the Police Chief in the Department may, at his or her~~
61 ~~option, extend his or her participation in the DROP beyond 5~~
62 ~~years or 30 years of total service. For purposes of this~~
63 ~~subsection, "Police Chief" means a member who has been promoted~~
64 ~~from police officer through the ranks of the Department to the~~
65 ~~position of Police Chief. Any such Police Chief shall not~~
66 ~~participate in the DROP beyond the attainment of 33 years of~~
67 ~~service, and the total years of participation in the DROP shall~~
68 ~~not exceed 8 years.~~

69 Section 3. Subparagraph 2. of paragraph (b) of subsection
70 (13) of section 16 of chapter 24981, Laws of Florida, 1947, as
71 amended by chapter 2002-359, Laws of Florida, is amended to
72 read:

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

74 (13) Deferred Retirement Option Plan (DROP).--

75 (b) Amounts payable upon election to participate in
76 DROP.--

77 2. Effective October 1, 2002, DROP Participants have the
78 option to select between two methods to credit investment
79 earnings to their account. The method may be changed each year
80 effective October 1; however, the method must be elected prior
81 to October 1. The methods are:

82 a. ~~Payments to the DROP earn interest~~ Earnings using the
83 rate of investment return earned (or lost) on Pension Fund
84 assets as reported by the Fund's investment monitor. DROP



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85 assets are commingled with the Pension Fund assets for
 86 investment purposes.

87 b. A fixed rate of 8.25 percent.

88
 89 However, if a police officer does not terminate employment at
 90 the end of participation in the DROP, interest credits shall
 91 cease on the ~~current balance and on all future DROP deposits.~~

92 Section 4. Sub-subparagraph e. is added to subparagraph 4.
 93 of paragraph (b) of subsection (13) of section 16 of chapter
 94 24981, Laws of Florida, 1947, amended by chapter 2002-359, Laws
 95 of Florida, to read:

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

97 (13) Deferred Retirement Option Plan (DROP).--

98 (b) Amounts payable upon election to participate in
 99 DROP.--

100 4. Upon termination of employment, participants in the
 101 DROP shall receive the balance of the DROP account in accordance
 102 with the following rules:

103 e. Costs, fees, and expenses of administration shall be
 104 debited from the individual member accounts on a proportionate
 105 basis, taking the cost, fees, and expenses of administration of
 106 the Fund as a whole, multiplied by a fraction, the numerator of
 107 which is the total assets in all individual member accounts and
 108 the denominator of which is the total assets of the Fund as a
 109 whole.

110 Section 5. This act shall take effect upon becoming a law.