



1                                   A bill to be entitled  
 2           An act relating to the West Palm Beach Police Pension Fund  
 3           of the City of West Palm Beach, Palm Beach County;  
 4           revising provisions relating to chapter 185 share accounts  
 5           and deferred retirement option plan accounts; providing an  
 6           effective date.

7  
 8   Be It Enacted by the Legislature of the State of Florida:

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

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

15           (11) Chapter 185 share accounts.--

16           (c) Annual allocation of accounts.--

17           3. Effective October 1, 2002, vested Participants have the  
 18           option to select between two methods to credit investment  
 19           earnings to their account. The method may be changed each year  
 20           effective October 1; however, the method must be elected prior  
 21           to October 1. The methods are:

22           a. The investment earnings (or losses) credited to the  
 23           individual member accounts shall be the same percentage as are  
 24           earned (or lost) by the total investment earnings (or losses) of  
 25           the Fund as a whole, unless the Board dedicates a separate  
 26           investment portfolio for chapter 185, 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 | b. A fixed annual rate of 8.25 percent.

31 | Section 2. Subparagraphs 4. and 5. of paragraph (a) of  
32 | subsection (13) of section 16 of chapter 24981, Laws of Florida,  
33 | 1947, as amended by chapter 2002-359, Laws of Florida, are  
34 | amended to read:

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

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

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

38 | 4. Upon a member's election to participate in the DROP, he  
39 | or she shall cease to be a member and shall no longer accrue any  
40 | benefits under the Pension Fund, except for the benefits  
41 | provided under subsection (11), Chapter 185 share accounts. For  
42 | all Fund purposes, the member becomes a retirant, except that a  
43 | DROP participant shall continue to receive shares of the chapter  
44 | moneys in accordance with subsection (11), Chapter 185 share  
45 | accounts. DROP members shall also be eligible to vote as  
46 | members for purposes of election of the member-trustee. The  
47 | amount of credited service shall freeze as of the date of entry  
48 | into the DROP.

49 | ~~5. Notwithstanding any provision of this section to the~~  
50 | ~~contrary, the Police Chief in the Department may, at his or her~~  
51 | ~~option, extend his or her participation in the DROP beyond 5~~  
52 | ~~years or 30 years of total service. For purposes of this~~  
53 | ~~subsection, "Police Chief" means a member who has been promoted~~  
54 | ~~from police officer through the ranks of the Department to the~~  
55 | ~~position of Police Chief. Any such Police Chief shall not~~



56 ~~participate in the DROP beyond the attainment of 33 years of~~  
57 ~~service, and the total years of participation in the DROP shall~~  
58 ~~not exceed 8 years.~~

59 Section 3. Subparagraph 2. of paragraph (b) of subsection  
60 (13) of section 16 of chapter 24981, Laws of Florida, 1947, as  
61 amended by chapter 2002-359, Laws of Florida, is amended to  
62 read:

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

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

65 (b) Amounts payable upon election to participate in  
66 DROP.--

67 2. Effective October 1, 2002, DROP Participants have the  
68 option to select between two methods to credit investment  
69 earnings to their account. The method may be changed each year  
70 effective October 1; however, the method must be elected prior  
71 to October 1. The methods are:

72 a. ~~Payments to the DROP earn interest~~ Earnings using the  
73 rate of investment return earned (or lost) on Pension Fund  
74 assets as reported by the Fund's investment monitor. DROP  
75 assets are commingled with the Pension Fund assets for  
76 investment purposes.

77 b. A fixed rate of 8.25 percent.

78  
79 However, if a police officer does not terminate employment at  
80 the end of participation in the DROP, interest credits shall  
81 cease on the ~~current balance and on all future DROP deposits.~~

82 Section 4. Sub-subparagraph e. is added to subparagraph 4.  
83 of paragraph (b) of subsection (13) of section 16 of chapter



84 24981, Laws of Florida, 1947, amended by chapter 2002-359, Laws  
 85 of Florida, to read:

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

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

88 (b) Amounts payable upon election to participate in  
 89 DROP.--

90 4. Upon termination of employment, participants in the  
 91 DROP shall receive the balance of the DROP account in accordance  
 92 with the following rules:

93 e. Costs, fees, and expenses of administration shall be  
 94 debited from the individual member accounts on a proportionate  
 95 basis, taking the cost, fees, and expenses of administration of  
 96 the Fund as a whole, multiplied by a fraction, the numerator of  
 97 which is the total assets in all individual member accounts and  
 98 the denominator of which is the total assets of the Fund as a  
 99 whole.

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