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A bill to be entitled  
 An act relating to the City of Orlando, Orange County,  
 relating to the pension fund of the police department of  
 the city; amending chapter 22414, Laws of Florida (1943),  
 as amended; defining participants; providing an effective  
 date for all retirements; defining credited service to  
 include both full and fractional years of service;  
 providing for a change in the computation of monthly  
 pension for members with between 20 and 25 years of  
 credited service; providing for reinstatement into the  
 pension plan for members who retire and become reemployed  
 as sworn members; providing for a BACKDROP retirement  
 option plan as an improvement to present pension benefits;  
 providing that additional costs of certain benefits be  
 borne by members; providing an effective date.

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

Section 1. Section 4 of chapter 22414, Laws of Florida  
 (1943), as amended, is amended to read:

Section 4. Participant defined; effective date of  
retirement established ~~Employees Included.~~--

(1) For the purposes of this retirement plan, all sworn  
 members of the Orlando Police Department who are employed and  
 certified as law enforcement officers pursuant to Florida  
 Statutes ch. 943 and ~~employed~~ on a permanent, full-time basis  
 by the City in positions subject to withholding of federal  
 income and FICA taxes ~~and~~ regardless of duty assignment, are  
mandatory participants in this retirement plan, and are  
hereinafter referred to as "members" or "participants." ~~which is~~



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31 ~~mandatory as to those so employed. Non-police officer civilian~~  
32 ~~employees of the Department are excluded from this retirement~~  
33 ~~plan, such employees being covered by the General Employees~~  
34 ~~Retirement Plan of the City of Orlando.~~

35 (2) Any retirement under this plan, whether for service or  
36 disability, shall be effective the first day of the month  
37 following the last day the member is in an active pay status  
38 prior to retiring (or effective date of retirement for a  
39 BACKDROP participant).

40 Section 2. Subsections (1) and (2) of section 6 of chapter  
41 22414, Laws of Florida (1943), as amended, are amended to read:

42 Section 6. Service Requirements for Voluntary Retirement;  
43 Benefits upon Death of Retired Member.

44 (1) For the purposes of this retirement plan, the  
45 following definitions shall apply:

46 (a) "Credited service" means personal service rendered the  
47 City of Orlando Police Department while a participant in this  
48 plan, together with qualifying military service, which shall be  
49 credited to each member's credited service account each plan  
50 year in accordance with rules established by the Board of  
51 Trustees. For purposes of benefit calculation, "year of  
52 service" shall include both full and fractional years of  
53 service, calculated on the appropriate fractional basis. In no  
54 event shall a member be credited with more than 1 year of  
55 service for all service performed during a plan year.

56 (b) "Average monthly salary" means one thirty-sixth of the  
57 total amount of salary paid a member for the member's last 3  
58 years of credited service, or by one sixtieth of the total  
59 salary paid a member for the member's 5 best years of the last  
60 10 years of service, whichever is greater. If the member does



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61 not have 3 years of credited service, average monthly salary is  
62 the aggregate amount of salary paid the member for the member's  
63 total period of credited service divided by the member's total  
64 period of credited service.

65 (2) Any member of the Police Department who is employed by  
66 the police department on July 1, 2003, or initially becomes so  
67 employed after July 1, 2003, may retire after 20 years of  
68 credited service therein and shall receive and be paid a monthly  
69 pension of an amount equal to 70 ~~60~~ percent of his average  
70 monthly salary. Said average monthly salary shall be determined  
71 by computing the average monthly salary for said member's last 3  
72 years of service or by computing the member's average monthly  
73 salary for the 5 best years of the last 10 years of service,  
74 whichever amount is greater. Provided, further, that in  
75 addition to the aforesaid 70 ~~60~~ percent pension, a member who  
76 retires with more than 20 years' active service in the  
77 department shall receive 2 4 percent of said average monthly  
78 salary computed as stated herein for each full year of said  
79 service in excess of 20 years service. Said 2 4 percent  
80 increment shall be limited to 5 years of additional service.

81 Section 3. Present subsection (4) of section 20 of chapter  
82 22414 (1943), Laws of Florida, as amended, is renumbered as  
83 subsection (5), and a new subsection (4) is added to said  
84 section, to read:

85 (4) Notwithstanding the provisions of subsections (1) and  
86 (2), a person who is retired under the provisions of this plan  
87 and who is reemployed as a sworn member of the City of Orlando  
88 Police Department shall be reinstated as a participant in the  
89 pension plan and upon reinstatement shall be accorded all  
90 provided rights therein, provided that the retiree will not



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91 receive or be entitled to any pension benefit payment during the  
92 period of reemployment. Upon subsequent termination of  
93 employment said member will only be entitled to receive a  
94 recalculated pension payment based on total credited service and  
95 average monthly salary based on months of actual service,  
96 whether or not continuous, computed as provided in the plan.

97 Section 4. Section 28 is added to chapter 22414 (1943),  
98 Laws of Florida, as amended, to read:

99 Section 28. BACKDROP Retirement Option Plan.--

100 (1) BACKDROP Retirement Option Plan.--The BACKDROP  
101 Retirement Option Plan, hereinafter referred to as the  
102 "BACKDROP," allows any eligible member who has elected to  
103 participate in the BACKDROP, hereinafter referred to as a  
104 "BACKDROP participant," to receive a lump-sum payment, or other  
105 payment, in addition to a monthly pension, upon termination of  
106 employment. No benefits shall be paid under this section unless  
107 the BACKDROP participant has terminated employment.

108 (2) BACKDROP Eligibility.--Any member who is an employee  
109 of the police department on July 1, 2003, or initially becomes  
110 employed after July 1, 2003, may elect to participate in the  
111 BACKDROP following the date upon which the member completes 21  
112 years of credited service as a full-time police officer with the  
113 City of Orlando and is eligible for a service retirement  
114 pension. A member may participate in the BACKDROP only once.

115 (3) BACKDROP Participation.--

116 (a) A member may apply to participate in the BACKDROP by  
117 submitting an application to the Board of Trustees, which shall  
118 include the following:

119 1. A written election to participate in the BACKDROP.  
120 Once submitted to the Board of Trustees, this election will be



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121 irrevocable.

122 2. Selection of the BACKDROP participation and termination  
123 dates that satisfy the limitation stated in subsections (2) and  
124 (5). Such termination date shall be included in a binding  
125 letter of resignation.

126 3. A properly completed BACKDROP application for a service  
127 retirement pension.

128 4. A properly completed designation of named beneficiaries  
129 in the event the member dies while having funds remaining in a  
130 BACKDROP account.

131 5. Any other relevant information as may be required by  
132 the Board of Trustees.

133 (b) The effective date of BACKDROP participation for a  
134 participant who has elected to receive benefits under the  
135 pension plan shall be the first day of the month selected by the  
136 member to begin participation in the BACKDROP.

137 (c) A BACKDROP participant shall not accrue additional  
138 credited service under the pension plan after the effective date  
139 of BACKDROP participation.

140 (4) Benefits Payable Under the BACKDROP.--Under a  
141 BACKDROP, an eligible member may retire with a retroactive date  
142 of retirement. A member may not select a retroactive retirement  
143 date earlier than the date upon which the member first became  
144 eligible for a service retirement pension, and in no event shall  
145 the retroactive date of retirement be more than 36 months prior  
146 to the date of BACKDROP election. The monthly service retirement  
147 pension shall be determined as of the retroactive retirement  
148 date. The member shall then be credited with an account balance  
149 in a BACKDROP account that is equal to the amount the member  
150 would have received during the BACKDROP period had the member



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151 received a regular service retirement pension on the retroactive  
152 retirement date. Upon termination of employment, the BACKDROP  
153 participant shall receive or transfer the balance of this  
154 BACKDROP account, pursuant to subsection (9), and shall begin to  
155 receive the monthly service retirement pension adjusted to  
156 reflect the retroactive retirement date.

157 (5) BACKDROP Participation Duration.--

158 (a) An eligible member may participate in the BACKDROP for  
159 a period not to exceed 36 months. Notwithstanding, BACKDROP  
160 participation may not commence or continue beyond the date when  
161 the member's combined years of credited service and time in the  
162 BACKDROP equals 360 months.

163 (b) Notwithstanding the provisions of paragraph (a), for  
164 60 days after this act becomes law, a member with more than 324  
165 months of credited service may elect the BACKDROP option and  
166 shall not be subject to the combined years of credited service  
167 and BACKDROP participation limitation of 360 months. Said  
168 member is subject to the maximum BACKDROP participation period  
169 of 36 months. A member with more than 324 months of credited  
170 service as of the effective date of BACKDROP who does not elect  
171 to participate in the BACKDROP, as set forth herein, during this  
172 one-time window period shall forfeit the right to deviate from  
173 the conditions for participation in the BACKDROP set forth in  
174 paragraph (a).

175 (6) BACKDROP Accounts.--Individual BACKDROP accounts shall  
176 be established to account for each BACKDROP participant's  
177 accrued BACKDROP benefits, but there shall be no requirement  
178 that funds be segregated for any BACKDROP participant. In the  
179 case of a member who selects the BACKDROP option, the amount of  
180 that member's pension contributions made during the BACKDROP



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181 period shall not be refunded or credited to the member.

182 (7) BACKDROP Benefits Earnings.--Any BACKDROP  
183 participant's BACKDROP account shall accrue earnings at 8  
184 percent simple interest compounded annually, unless the parties  
185 otherwise agree.

186 (8) Cost-of-Living Increase.--A BACKDROP participant will  
187 not be eligible to participate in cost-of-living increases  
188 during the BACKDROP period. Cost-of-living increases will be  
189 made pursuant to section 18, after the BACKDROP participant's  
190 termination of employment.

191 (9) Payment Options and Conditions.--

192 (a) Following the termination of employment, the BACKDROP  
193 participant, or if deceased such BACKDROP participant's  
194 beneficiaries, shall elect on forms provided by the Board of  
195 Trustees to receive payment of the balance of the BACKDROP  
196 account in accordance with one of the options listed below. For  
197 a BACKDROP participant or beneficiaries who fail to elect a  
198 method of payment within 60 days of termination of employment,  
199 the Board of Trustees shall pay the balance of the DROP account  
200 in one lump sum as provided in subparagraph 1.

201 1. The balance of the BACKDROP account, less any taxes  
202 remitted to the Internal Revenue Service, shall be paid to the  
203 BACKDROP participant or beneficiaries.

204 2. The balance of the BACKDROP account shall be paid  
205 directly to the custodian of an eligible retirement plan as  
206 defined in applicable provisions of the Internal Revenue Code.  
207 However, in the case of an eligible rollover distribution to the  
208 widow or widower as a beneficiary, an eligible retirement plan  
209 is an individual retirement account or an individual retirement  
210 annuity as described in applicable provisions of the Internal



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211 Revenue Code.

212 3. The balance of the BACKDROP account shall be paid by a  
 213 method that is in compliance with the Internal Revenue Code and  
 214 as adopted by the Board of Trustees.

215 (b) All payments and benefits shall be made in accordance  
 216 with applicable provisions of the Internal Revenue Code.

217 (10) Death of a BACKDROP Participant.--Upon the death of a  
 218 BACKDROP participant, the named BACKDROP beneficiaries shall be  
 219 paid the balance of the BACKDROP account in accordance with  
 220 subsection (9). Other pension benefits due to the participant's  
 221 survivors shall be paid in accordance with applicable provisions  
 222 of this pension plan.

223 Section 5. Cost of Benefits.--Any actuarially determined  
 224 additional cost resulting from the benefits in sections 2 and 4  
 225 of this bill shall be borne by the members of the pension plan.

226 Section 6. This act shall take effect July 1, 2003.