

1                   A bill to be entitled  
2           An act relating to firefighter and municipal police  
3           pensions; amending s. 175.032, F.S.; revising the  
4           definition of "creditable service" for purposes of  
5           determining credit for prior service as a firefighter;  
6           revising the definition of "firefighter"; amending s.  
7           175.061, F.S.; authorizing the terms of office for the  
8           board of trustees of the firefighters' pension trust fund  
9           to be revised under certain circumstances; authorizing the  
10          firefighters' pension trust fund plan administrator to  
11          withhold funds to pay for premiums for accident, health,  
12          and long-term care insurance for the retiree and the  
13          retiree's spouse and dependents; providing an exemption  
14          from liability under certain circumstances; amending s.  
15          175.071, F.S.; requiring the board of trustees to perform  
16          its powers subject to certain fiduciary standards and  
17          ethics provisions; increasing the percentage of assets of  
18          the firefighters' pension trust fund that the board of  
19          trustees may invest in foreign securities; authorizing  
20          certain individuals to sign drafts issued upon the  
21          firefighters' pension trust fund; amending s. 175.101,  
22          F.S.; clarifying boundaries of a special fire control  
23          district for purposes of assessment and imposition of the  
24          excise tax on property insurance premiums; amending s.  
25          175.171, F.S.; authorizing retired firefighters to change  
26          their designation of joint annuitant or beneficiary up to  
27          two times without the approval of the board of trustees or  
28          the prior joint annuitant or beneficiary; amending s.

29 | 175.361, F.S.; revising fund distribution procedures with  
30 | respect to plan termination; providing that the Department  
31 | of Management Services shall effect the termination of the  
32 | fund; amending s. 185.02, F.S.; revising the definition of  
33 | "creditable service" for purposes of determining credit  
34 | for prior service as a police officer; amending s. 185.05,  
35 | F.S.; revising municipal police officers' retirement trust  
36 | fund board of trustee selection procedures; authorizing  
37 | the terms of office for the board of trustees of the  
38 | municipal police officers' retirement trust fund to be  
39 | revised under certain circumstances; authorizing the plan  
40 | administrator to withhold funds to pay for premiums for  
41 | accident, health, and long-term care insurance for the  
42 | retiree and the retiree's spouse and dependents; providing  
43 | an exemption from liability under certain circumstances;  
44 | amending s. 185.06, F.S.; requiring the board of trustees  
45 | to perform its powers subject to certain fiduciary  
46 | standards and ethics provisions; increasing the percentage  
47 | of assets of the municipal police officers' retirement  
48 | trust fund that the board of trustees may invest in  
49 | foreign securities; authorizing certain individuals to  
50 | sign drafts issued upon the municipal police officers'  
51 | retirement trust fund; amending s. 185.161, F.S.;  
52 | authorizing retired police officers to change their  
53 | designation of joint annuitant or beneficiary up to two  
54 | times without the approval of the board of trustees or the  
55 | prior joint annuitant or beneficiary; amending s. 185.37,  
56 | F.S.; revising fund distribution procedures with respect

57 to plan termination; providing that the Department of  
58 Management Services shall effect the termination of the  
59 fund; providing an effective date.  
60

61 Be It Enacted by the Legislature of the State of Florida:  
62

63 Section 1. Paragraph (c) of subsection (4) and paragraph  
64 (a) of subsection (8) of section 175.032, Florida Statutes, are  
65 amended to read:

66 175.032 Definitions.--For any municipality, special fire  
67 control district, chapter plan, local law municipality, local  
68 law special fire control district, or local law plan under this  
69 chapter, the following words and phrases have the following  
70 meanings:

71 (4) "Creditable service" or "credited service" means the  
72 aggregate number of years of service, and fractional parts of  
73 years of service, of any firefighter, omitting intervening years  
74 and fractional parts of years when such firefighter may not have  
75 been employed by the municipality or special fire control  
76 district, subject to the following conditions:

77 (c) Credited service under this chapter shall be provided  
78 only for service as a firefighter, as defined in subsection (8),  
79 or for military service and shall not include credit for any  
80 other type of service. A municipality may, by local ordinance,  
81 or a special fire control district may, by resolution, provide  
82 for the purchase of credit for military service prior to  
83 employment as well as for prior service as a firefighter for  
84 some other employer as long as a firefighter is not entitled to

85 receive a benefit for such other prior service as a firefighter.  
86 For purposes of determining credit for prior service as a  
87 firefighter, in addition to service as a firefighter in this  
88 state, credit may be given for federal, other state, or county  
89 service, as long as such prior firefighter service is recognized  
90 by the Division of State Fire Marshal as provided under chapter  
91 633. The firefighter shall provide proof to the board of  
92 trustees that such service is equivalent to the definition of  
93 firefighter under subsection (8).

94 (8) (a) "Firefighter" means any person employed solely by a  
95 constituted fire department of any municipality or special fire  
96 control district who is certified as a firefighter as a  
97 condition of employment in accordance with the provisions of s.  
98 633.35 and whose duty it is to extinguish fires, to protect  
99 life, or to protect property. "Firefighter" includes all  
100 certified supervisory and command personnel whose duties  
101 include, in whole or in part, the supervision, training,  
102 guidance, and management responsibilities of full-time  
103 firefighters, part-time firefighters, or auxiliary firefighters  
104 but does not include part-time firefighters or auxiliary  
105 firefighters. However, for purposes of this chapter only,  
106 "firefighter" also includes public safety officers who are  
107 responsible for performing both police and fire services, who  
108 are certified as police officers or firefighters, and who are  
109 certified by their employers to the Chief Financial Officer as  
110 participating in this chapter prior to October 1, 1979.  
111 Effective October 1, 1979, public safety officers who have not  
112 been certified as participating in this chapter shall be

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113 considered police officers for retirement purposes and shall be  
114 eligible to participate in chapter 185. Any plan may provide  
115 that the fire chief shall have an option to participate, or not,  
116 in that plan.

117 Section 2. Paragraph (a) of subsection (1) and subsection  
118 (7) of section 175.061, Florida Statutes, are amended to read:

119 175.061 Board of trustees; members; terms of office;  
120 meetings; legal entity; costs; attorney's fees.--For any  
121 municipality, special fire control district, chapter plan, local  
122 law municipality, local law special fire control district, or  
123 local law plan under this chapter:

124 (1) In each municipality and in each special fire control  
125 district there is hereby created a board of trustees of the  
126 firefighters' pension trust fund, which shall be solely  
127 responsible for administering the trust fund. Effective October  
128 1, 1986, and thereafter:

129 (a) The membership of the board of trustees for a chapter  
130 plan shall consist of five members, two of whom, unless  
131 otherwise prohibited by law, shall be legal residents of the  
132 municipality or special fire control district, who shall be  
133 appointed by the governing body of the municipality or special  
134 fire control district, and two of whom shall be full-time  
135 firefighters as defined in s. 175.032 who shall be elected by a  
136 majority of the active firefighters who are members of such  
137 plan. With respect to any chapter plan or local law plan that,  
138 on January 1, 1997, allowed retired firefighters to vote in such  
139 elections, retirees may continue to vote in such elections. The  
140 fifth member shall be chosen by a majority of the previous four

141 members as provided for herein, and such person's name shall be  
142 submitted to the governing body of the municipality or special  
143 fire control district. Upon receipt of the fifth person's name,  
144 the governing body of the municipality or special fire control  
145 district shall, as a ministerial duty, appoint such person to  
146 the board of trustees as its fifth member. The fifth member  
147 shall have the same rights as each of the other four members  
148 appointed or elected as herein provided, shall serve as trustee  
149 for a period of 2 years, and may succeed himself or herself in  
150 office. Each resident member shall serve as trustee for a period  
151 of 2 years, unless sooner replaced by the governing body at  
152 whose pleasure he or she shall serve, and may succeed himself or  
153 herself as a trustee. Each firefighter member shall serve as  
154 trustee for a period of 2 years, unless he or she sooner leaves  
155 the employment of the municipality or special fire control  
156 district as a firefighter, whereupon a successor shall be chosen  
157 in the same manner as an original appointment. Each firefighter  
158 may succeed himself or herself in office. The terms of office of  
159 the appointed and elected members of the board may be amended by  
160 municipal ordinance, special act of the Legislature, or  
161 resolution adopted by the governing body of the special fire  
162 control district to extend the terms of office from 2 years to 4  
163 years. The length of the terms of office shall be the same for  
164 all board members.

165 (7) The board of trustees may, upon written request by the  
166 retiree of the plan, or by a dependent, when authorized by the  
167 retiree or the retiree's beneficiary, authorize the plan  
168 administrator to withhold from the monthly retirement payment

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169 those funds that are necessary to pay for the benefits being  
 170 received through the governmental entity from which the employee  
 171 retired, to pay the certified bargaining agent of the  
 172 governmental entity, and to make any payments for child support  
 173 or alimony. Further, the board of trustees may, upon the written  
 174 request of the retiree of the plan, authorize the plan  
 175 administrator to withhold from the retirement payment those  
 176 funds that are necessary to pay for premiums for accident,  
 177 health, and long-term care insurance for the retiree and the  
 178 retiree's spouse and dependents. A retirement plan does not  
 179 incur any liability for participation in this permissive program  
 180 if its actions are taken in good faith.

181 Section 3. Subsection (1) of section 175.071, Florida  
 182 Statutes, is amended to read:

183 175.071 General powers and duties of board of  
 184 trustees.--For any municipality, special fire control district,  
 185 chapter plan, local law municipality, local law special fire  
 186 control district, or local law plan under this chapter:

187 (1) The board of trustees, subject to the fiduciary  
 188 standards in ss. 112.656, 112.661, and 518.11 and the Code of  
 189 Ethics in ss. 112.311-112.3187, may:

190 (a) Invest and reinvest the assets of the firefighters'  
 191 pension trust fund in annuity and life insurance contracts of  
 192 life insurance companies in amounts sufficient to provide, in  
 193 whole or in part, the benefits to which all of the participants  
 194 in the firefighters' pension trust fund shall be entitled under  
 195 the provisions of this chapter and pay the initial and  
 196 subsequent premiums thereon.

197 (b) Invest and reinvest the assets of the firefighters'  
198 pension trust fund in:

199 1. Time or savings accounts of a national bank, a state  
200 bank insured by the Bank Insurance Fund, or a savings, building,  
201 and loan association insured by the Savings Association  
202 Insurance Fund which is administered by the Federal Deposit  
203 Insurance Corporation or a state or federal chartered credit  
204 union whose share accounts are insured by the National Credit  
205 Union Share Insurance Fund.

206 2. Obligations of the United States or obligations  
207 guaranteed as to principal and interest by the government of the  
208 United States.

209 3. Bonds issued by the State of Israel.

210 4. Bonds, stocks, or other evidences of indebtedness  
211 issued or guaranteed by a corporation organized under the laws  
212 of the United States, any state or organized territory of the  
213 United States, or the District of Columbia, provided:

214 a. The corporation is listed on any one or more of the  
215 recognized national stock exchanges or on the National Market  
216 System of the NASDAQ Stock Market and, in the case of bonds  
217 only, holds a rating in one of the three highest classifications  
218 by a major rating service; and

219 b. The board of trustees shall not invest more than 5  
220 percent of its assets in the common stock or capital stock of  
221 any one issuing company, nor shall the aggregate investment in  
222 any one issuing company exceed 5 percent of the outstanding  
223 capital stock of that company or the aggregate of its



224 investments under this subparagraph at cost exceed 50 percent of  
 225 the assets of the fund.

226  
 227 This paragraph shall apply to all boards of trustees and  
 228 participants. However, in the event that a municipality or  
 229 special fire control district has a duly enacted pension plan  
 230 pursuant to, and in compliance with, s. 175.351, and the  
 231 trustees thereof desire to vary the investment procedures  
 232 herein, the trustees of such plan shall request a variance of  
 233 the investment procedures as outlined herein only through a  
 234 municipal ordinance, special act of the Legislature, or  
 235 resolution by the governing body of the special fire control  
 236 district; where a special act, or a municipality by ordinance  
 237 adopted prior to July 1, 1998, permits a greater than 50-percent  
 238 equity investment, such municipality shall not be required to  
 239 comply with the aggregate equity investment provisions of this  
 240 paragraph. Notwithstanding any other provision of law to the  
 241 contrary, nothing in this section may be construed to take away  
 242 any preexisting legal authority to make equity investments that  
 243 exceed the requirements of this paragraph. The board of trustees  
 244 may invest up to 25 ~~40~~ percent of plan assets in foreign  
 245 securities.

246 (c) Issue drafts upon the firefighters' pension trust fund  
 247 pursuant to this act and rules and regulations prescribed by the  
 248 board of trustees. All such drafts shall be consecutively  
 249 numbered, be signed by the chair and secretary or by two  
 250 individuals designated by the board who are subject to the same  
 251 fiduciary standards as required for the board of trustees under

252 this subsection, and state upon their faces the purpose for  
 253 which the drafts are drawn. The treasurer or depository of each  
 254 municipality or special fire control district shall retain such  
 255 drafts when paid, as permanent vouchers for disbursements made,  
 256 and no money shall be otherwise drawn from the fund.

257 (d) Convert into cash any securities of the fund.

258 (e) Keep a complete record of all receipts and  
 259 disbursements and of the board's acts and proceedings.

260 Section 4. Subsection (1) of section 175.101, Florida  
 261 Statutes, is amended to read:

262 175.101 State excise tax on property insurance premiums  
 263 authorized; procedure.--For any municipality, special fire  
 264 control district, chapter plan, local law municipality, local  
 265 law special fire control district, or local law plan under this  
 266 chapter:

267 (1) Each municipality or special fire control district in  
 268 this state described and classified in s. 175.041, having a  
 269 lawfully established firefighters' pension trust fund or  
 270 municipal fund or special fire control district fund, by  
 271 whatever name known, providing pension benefits to firefighters  
 272 as provided under this chapter, may assess and impose on every  
 273 insurance company, corporation, or other insurer now engaged in  
 274 or carrying on, or who shall hereinafter engage in or carry on,  
 275 the business of property insurance as shown by the records of  
 276 the Office of Insurance Regulation of the Financial Services  
 277 Commission an excise tax in addition to any lawful license or  
 278 excise tax now levied by each of the municipalities or special  
 279 fire control districts, respectively, amounting to 1.85 percent

280 of the gross amount of receipts of premiums from policyholders  
281 on all premiums collected on property insurance policies  
282 covering property within the corporate limits of such  
283 municipalities or within the legally defined boundaries of  
284 special fire control districts, respectively. Whenever the  
285 boundaries of a special fire control district that has lawfully  
286 established a firefighters' pension trust fund encompass a  
287 portion of the corporate territory of a municipality that has  
288 also lawfully established a firefighters' pension trust fund,  
289 that portion of the tax receipts attributable to insurance  
290 policies covering property situated both within the municipality  
291 and the special fire control district shall be given to the fire  
292 service provider. For the purpose of this section, the  
293 boundaries of a special fire control district shall be deemed to  
294 include an area that has been annexed until the completion of  
295 the 4-year period provided for in s. 171.093(4), or other  
296 agreed-upon extension, or when a special fire control district  
297 is providing services pursuant to an interlocal agreement  
298 executed pursuant to s. 171.093(3). The agent shall identify the  
299 fire service provider on the property owner's application for  
300 insurance. Remaining revenues collected pursuant to this chapter  
301 shall be distributed to the municipality or special fire control  
302 district according to the location of the insured property.

303  
304 This section also applies to any municipality consisting of a  
305 single consolidated government which is made up of a former  
306 county and one or more municipalities, consolidated pursuant to  
307 the authority in s. 3 or s. 6(e), Art. VIII of the State

308 Constitution, and to property insurance policies covering  
 309 property within the boundaries of the consolidated government,  
 310 regardless of whether the properties are located within one or  
 311 more separately incorporated areas within the consolidated  
 312 government, provided the properties are being provided fire  
 313 protection services by the consolidated government. This section  
 314 also applies to any municipality, as provided in s.  
 315 175.041(3)(c), which has entered into an interlocal agreement to  
 316 receive fire protection services from another municipality  
 317 participating under this chapter. The excise tax may be levied  
 318 on all premiums collected on property insurance policies  
 319 covering property located within the corporate limits of the  
 320 municipality receiving the fire protection services, but will be  
 321 available for distribution to the municipality providing the  
 322 fire protection services.

323 Section 5. Paragraph (c) of subsection (1) of section  
 324 175.171, Florida Statutes, is amended to read:

325 175.171 Optional forms of retirement income.--For any  
 326 municipality, special fire control district, chapter plan, local  
 327 law municipality, local law special fire control district, or  
 328 local law plan under this chapter:

329 (1) In lieu of the amount and form of retirement income  
 330 payable in the event of normal or early retirement as specified  
 331 in s. 175.162, a firefighter, upon written request to the board  
 332 of trustees and subject to the approval of the board of  
 333 trustees, may elect to receive a retirement income or benefit of  
 334 equivalent actuarial value payable in accordance with one of the  
 335 following options:

336 (c) Such other amount and form of retirement payments or  
337 benefits as, in the opinion of the board of trustees, will best  
338 meet the circumstances of the retiring firefighter.

339 1. The firefighter upon electing any option of this  
340 section will designate the joint pensioner or beneficiary (or  
341 beneficiaries) to receive the benefit, if any, payable under the  
342 plan in the event of his or her death, and will have the power  
343 to change such designation from time to time, but any such  
344 change shall be deemed a new election and will be subject to  
345 approval by the board of trustees. Such designation will name a  
346 joint pensioner or one or more primary beneficiaries where  
347 applicable. If a firefighter has elected an option with a joint  
348 pensioner or beneficiary and his or her retirement income  
349 benefits have commenced, the firefighter may thereafter change  
350 the designated joint pensioner or beneficiary, but only if the  
351 board of trustees consents to such change and if the joint  
352 pensioner last previously designated by the firefighter is alive  
353 when the firefighter files with the board of trustees a request  
354 for such change.

355 2. The consent of a firefighter's joint pensioner or  
356 beneficiary to any such change shall not be required.

357 3. The board of trustees may request such evidence of the  
358 good health of the joint pensioner that is being removed as it  
359 may require and the amount of the retirement income payable to  
360 the firefighter upon designation of a new joint pensioner shall  
361 be actuarially redetermined taking into account the age and sex  
362 of the former joint pensioner, the new joint pensioner, and the  
363 firefighter. Each such designation will be made in writing on a

364 form prepared by the board of trustees and on completion will be  
 365 filed with the board of trustees. In the event that no  
 366 designated beneficiary survives the firefighter, such benefits  
 367 as are payable in the event of the death of the firefighter  
 368 subsequent to his or her retirement shall be paid as provided in  
 369 s. 175.181.

370 4. Notwithstanding the provisions of this paragraph, the  
 371 retired firefighter may change his or her designation of joint  
 372 annuitant or beneficiary up to two times as provided in s.  
 373 175.333 without the approval of the board of trustees or the  
 374 prior joint annuitant or beneficiary. The retiree does not have  
 375 to provide proof of good health of the joint annuitant or  
 376 beneficiary being removed, and the joint annuitant or  
 377 beneficiary does not have to be living.

378 Section 6. Section 175.361, Florida Statutes, is amended  
 379 to read:

380 175.361 Termination of plan and distribution of fund.--For  
 381 any municipality, special fire control district, chapter plan,  
 382 local law municipality, local law special fire control district,  
 383 or local law plan under this chapter, the plan may be terminated  
 384 by the municipality or special fire control district. Upon  
 385 termination of the plan by the municipality or special fire  
 386 control district for any reason or because of a transfer,  
 387 merger, or consolidation of governmental units, services, or  
 388 functions as provided in chapter 121, or upon written notice by  
 389 the municipality or special fire control district to the board  
 390 of trustees that contributions under the plan are being  
 391 permanently discontinued, the rights of all employees to

392 benefits accrued to the date of such termination and the amounts  
 393 credited to the employees' accounts are nonforfeitable. The fund  
 394 shall be ~~apportioned and~~ distributed in accordance with the  
 395 following procedures:

396 (1) The board of trustees shall determine the date of  
 397 distribution and the asset value required to fund all the  
 398 nonforfeitable benefits ~~to be distributed~~, after taking into  
 399 account the expenses of such distribution. The board shall  
 400 inform the municipality or special fire control district if  
 401 additional assets are required, in which event such municipality  
 402 or special fire control district shall continue to financially  
 403 support the plan until all nonforfeitable benefits have been  
 404 funded.

405 (2) The board of trustees shall determine the method of  
 406 distribution of the asset value, that is, whether distribution  
 407 shall be by payment in cash, by the maintenance of another or  
 408 substituted trust fund, by the purchase of insured annuities, or  
 409 otherwise, for each firefighter entitled to benefits under the  
 410 plan as specified in subsection (3).

411 (3) The board of trustees shall distribute ~~apportion~~ the  
 412 asset value as of the date of termination in the manner set  
 413 forth in this subsection, on the basis that the amount required  
 414 to provide any given retirement income shall mean the  
 415 actuarially computed single-sum value of such retirement income,  
 416 except that if the method of distribution determined under  
 417 subsection (2) involves the purchase of an insured annuity, the  
 418 amount required to provide the given retirement income shall  
 419 mean the single premium payable for such annuity. The actuarial

420 single sum value shall not be less than the employee's  
421 accumulated contributions to the plan, with interest if provided  
422 by the plan, less the value of any plan benefits previously paid  
423 to the employee.

424 ~~(a) Apportionment shall first be made in respect of each~~  
425 ~~retired firefighter receiving a retirement income hereunder on~~  
426 ~~such date, each person receiving a retirement income on such~~  
427 ~~date on account of a retired (but since deceased) firefighter,~~  
428 ~~and each firefighter who has, by such date, become eligible for~~  
429 ~~normal retirement but has not yet retired, in the amount~~  
430 ~~required to provide such retirement income, provided that, if~~  
431 ~~such asset value is less than the aggregate of such amounts,~~  
432 ~~such amounts shall be proportionately reduced so that the~~  
433 ~~aggregate of such reduced amounts will be equal to such asset~~  
434 ~~value.~~

435 ~~(b) If there is any asset value remaining after the~~  
436 ~~apportionment under paragraph (a), apportionment shall next be~~  
437 ~~made in respect of each firefighter in the service of the~~  
438 ~~municipality or special fire control district on such date who~~  
439 ~~has completed at least 10 years of credited service, in the~~  
440 ~~firefighters' pension trust fund for at least 10 years, and who~~  
441 ~~is not entitled to an apportionment under paragraph (a), in the~~  
442 ~~amount required to provide the actuarial equivalent of the~~  
443 ~~accrued normal retirement income, based on the firefighter's~~  
444 ~~credited service and earnings to such date, and each former~~  
445 ~~participant then entitled to a benefit under the provisions of~~  
446 ~~s. 175.211 who has not by such date reached his or her normal~~  
447 ~~retirement date, in the amount required to provide the actuarial~~



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448 ~~equivalent of the accrued normal retirement income to which he~~  
449 ~~or she is entitled under s. 175.211; provided that, if such~~  
450 ~~remaining asset value is less than the aggregate of the amounts~~  
451 ~~apportioned hereunder, such latter amounts shall be~~  
452 ~~proportionately reduced so that the aggregate of such reduced~~  
453 ~~amounts will be equal to such remaining asset value.~~

454 ~~(c) If there is any asset value after the apportionments~~  
455 ~~under paragraphs (a) and (b), apportionment shall lastly be made~~  
456 ~~in respect of each firefighter in the service of the~~  
457 ~~municipality or special fire control district on such date who~~  
458 ~~is not entitled to an apportionment under paragraphs (a) and (b)~~  
459 ~~in the amount equal to the firefighter's total contributions to~~  
460 ~~the plan to date of termination; provided that, if such~~  
461 ~~remaining asset value is less than the aggregate of the amounts~~  
462 ~~apportioned hereunder, such latter amounts shall be~~  
463 ~~proportionately reduced so that the aggregate of such reduced~~  
464 ~~amounts will be equal to such remaining asset value.~~

465 (4)(d) In the event that there is asset value remaining  
466 after the full distribution ~~apportionment~~ specified in  
467 subsection (3), and after the payment of any expenses incurred  
468 with such distribution ~~paragraphs (a), (b), and (c)~~, such excess  
469 shall be returned to the municipality or special fire control  
470 district, less return to the state of the state's contributions,  
471 provided that, if the excess is less than the total  
472 contributions made by the municipality or special fire control  
473 district and the state to date of termination of the plan, such  
474 excess shall be divided proportionately to the total

475 contributions made by the municipality or special fire control  
 476 district and the state.

477 (5)~~(4)~~ The board of trustees shall distribute, in  
 478 accordance with the manner of distribution determined under  
 479 subsection (2), the amounts determined ~~apportioned~~ under  
 480 subsection (3).

481  
 482 If, after a period of 24 months after the date on which the plan  
 483 terminated or the date on which the board received written  
 484 notice that the contributions thereunder were being permanently  
 485 discontinued, the municipality or special fire control district  
 486 or the board of trustees of the firefighters' pension trust fund  
 487 affected has not complied with all the provisions in this  
 488 section, the Department of Management Services ~~division~~ shall  
 489 effect the termination of the fund in accordance with this  
 490 section.

491 Section 7. Paragraph (c) of subsection (5) of section  
 492 185.02, Florida Statutes, is amended to read:

493 185.02 Definitions.--For any municipality, chapter plan,  
 494 local law municipality, or local law plan under this chapter,  
 495 the following words and phrases as used in this chapter shall  
 496 have the following meanings, unless a different meaning is  
 497 plainly required by the context:

498 (5) "Creditable service" or "credited service" means the  
 499 aggregate number of years of service and fractional parts of  
 500 years of service of any police officer, omitting intervening  
 501 years and fractional parts of years when such police officer may

502 not have been employed by the municipality subject to the  
 503 following conditions:

504 (c) Credited service under this chapter shall be provided  
 505 only for service as a police officer, as defined in subsection  
 506 (11), or for military service and shall not include credit for  
 507 any other type of service. A municipality may, by local  
 508 ordinance, provide for the purchase of credit for military  
 509 service occurring prior to employment as well as prior service  
 510 as a police officer for some other employer as long as the  
 511 police officer is not entitled to receive a benefit for such  
 512 other prior service as a police officer. For purposes of  
 513 determining credit for prior service as a police officer, in  
 514 addition to service as a police officer in this state, credit  
 515 may be given for federal, other state, or county service, as  
 516 long as such prior police service is recognized by the Criminal  
 517 Justice Standards and Training Commission within the Department  
 518 of Law Enforcement as provided under chapter 943. The police  
 519 officer shall provide proof to the board of trustees that such  
 520 service is equivalent to the definition of police officer under  
 521 subsection (11).

522 Section 8. Paragraph (a) of subsection (1) and subsection  
 523 (6) of section 185.05, Florida Statutes, are amended to read:

524 185.05 Board of trustees; members; terms of office;  
 525 meetings; legal entity; costs; attorney's fees.--For any  
 526 municipality, chapter plan, local law municipality, or local law  
 527 plan under this chapter:

528 (1) In each municipality described in s. 185.03 there is  
 529 hereby created a board of trustees of the municipal police

530 officers' retirement trust fund, which shall be solely  
531 responsible for administering the trust fund. Effective October  
532 1, 1986, and thereafter:

533 (a) The membership of the board of trustees for chapter  
534 plans shall consist of five members, two of whom, unless  
535 otherwise prohibited by law, shall be legal residents of the  
536 municipality, who shall be appointed by the legislative body of  
537 the municipality, and two of whom shall be police officers as  
538 defined in s. 185.02 who shall be elected by a majority of the  
539 active police officers who are members of such plan. With  
540 respect to any chapter plan or local law plan that, on January  
541 1, 1997, allowed retired police officers to vote in such  
542 elections, retirees may continue to vote in such elections. The  
543 fifth member shall be chosen by a majority of the previous four  
544 members, and such person's name shall be submitted to the  
545 legislative body of the municipality. Upon receipt of the fifth  
546 person's name, the legislative body of the municipality shall,  
547 as a ministerial duty, appoint such person to the board of  
548 trustees as its fifth member. The fifth member shall have the  
549 same rights as each of the other four members appointed or  
550 elected as herein provided, shall serve as trustee for a period  
551 of 2 years, and may succeed himself or herself in office. Each  
552 resident member shall serve as trustee for a period of 2 years,  
553 unless sooner replaced by the legislative body at whose pleasure  
554 the member shall serve, and may succeed himself or herself as a  
555 trustee. Each police officer member shall serve as trustee for a  
556 period of 2 years, unless he or she sooner leaves the employment  
557 of the municipality as a police officer, whereupon ~~the~~

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558 ~~legislative body of the municipality shall choose~~ a successor  
559 shall be chosen in the same manner as an original appointment.  
560 Each police officer may succeed himself or herself in office.  
561 The terms of office of the appointed and elected members of the  
562 board may be amended by municipal ordinance or special act of  
563 the Legislature to extend the terms of office from 2 years to 4  
564 years. The length of the terms of office shall be the same for  
565 all board members.

566 (6) The board of trustees may, upon written request by the  
567 retiree of the plan, or by a dependent, when authorized by the  
568 retiree or the retiree's beneficiary, authorize the plan  
569 administrator to withhold from the monthly retirement payment  
570 those funds that are necessary to pay for the benefits being  
571 received through the governmental entity from which the employee  
572 retired, to pay the certified bargaining agent of the  
573 governmental entity, and to make any payments for child support  
574 or alimony. Further, the board of trustees may, upon the written  
575 request of the retiree of the plan, authorize the plan  
576 administrator to withhold from the retirement payment those  
577 funds that are necessary to pay for premiums for accident,  
578 health, and long-term care insurance for the retiree and the  
579 retiree's spouse and dependents. A retirement plan does not  
580 incur any liability for participation in this permissive program  
581 if its actions are taken in good faith.

582 Section 9. Subsection (1) of section 185.06, Florida  
583 Statutes, is amended to read:

584 185.06 General powers and duties of board of  
 585 trustees.--For any municipality, chapter plan, local law  
 586 municipality, or local law plan under this chapter:

587 (1) The board of trustees, subject to the fiduciary  
 588 standards in ss. 112.656, 112.661, and 518.11 and the Code of  
 589 Ethics in ss. 112.311-112.3187, may:

590 (a) Invest and reinvest the assets of the retirement trust  
 591 fund in annuity and life insurance contracts of life insurance  
 592 companies in amounts sufficient to provide, in whole or in part,  
 593 the benefits to which all of the participants in the municipal  
 594 police officers' retirement trust fund shall be entitled under  
 595 the provisions of this chapter, and pay the initial and  
 596 subsequent premiums thereon.

597 (b) Invest and reinvest the assets of the retirement trust  
 598 fund in:

599 1. Time or savings accounts of a national bank, a state  
 600 bank insured by the Bank Insurance Fund, or a savings and loan  
 601 association insured by the Savings Association Insurance Fund  
 602 which is administered by the Federal Deposit Insurance  
 603 Corporation or a state or federal chartered credit union whose  
 604 share accounts are insured by the National Credit Union Share  
 605 Insurance Fund.

606 2. Obligations of the United States or obligations  
 607 guaranteed as to principal and interest by the United States.

608 3. Bonds issued by the State of Israel.

609 4. Bonds, stocks, or other evidences of indebtedness  
 610 issued or guaranteed by a corporation organized under the laws

611 of the United States, any state or organized territory of the  
 612 United States, or the District of Columbia, provided:

613 a. The corporation is listed on any one or more of the  
 614 recognized national stock exchanges or on the National Market  
 615 System of the NASDAQ Stock Market and, in the case of bonds  
 616 only, holds a rating in one of the three highest classifications  
 617 by a major rating service; and

618 b. The board of trustees shall not invest more than 5  
 619 percent of its assets in the common stock or capital stock of  
 620 any one issuing company, nor shall the aggregate investment in  
 621 any one issuing company exceed 5 percent of the outstanding  
 622 capital stock of the company or the aggregate of its investments  
 623 under this subparagraph at cost exceed 50 percent of the fund's  
 624 assets.

625  
 626 This paragraph shall apply to all boards of trustees and  
 627 participants. However, in the event that a municipality has a  
 628 duly enacted pension plan pursuant to, and in compliance with,  
 629 s. 185.35 and the trustees thereof desire to vary the investment  
 630 procedures herein, the trustees of such plan shall request a  
 631 variance of the investment procedures as outlined herein only  
 632 through a municipal ordinance or special act of the Legislature;  
 633 where a special act, or a municipality by ordinance adopted  
 634 prior to July 1, 1998, permits a greater than 50-percent equity  
 635 investment, such municipality shall not be required to comply  
 636 with the aggregate equity investment provisions of this  
 637 paragraph. Notwithstanding any other provision of law to the  
 638 contrary, nothing in this section may be construed to take away

639 any preexisting legal authority to make equity investments that  
 640 exceed the requirements of this paragraph. The board of trustees  
 641 may invest up to 25 ~~40~~ percent of plan assets in foreign  
 642 securities.

643 (c) Issue drafts upon the municipal police officers'  
 644 retirement trust fund pursuant to this act and rules and  
 645 regulations prescribed by the board of trustees. All such drafts  
 646 shall be consecutively numbered, be signed by the chair and  
 647 secretary or by two individuals designated by the board who are  
 648 subject to the same fiduciary standards as required for the  
 649 board of trustees under this subsection, and state upon their  
 650 faces the purposes for which the drafts are drawn. The city  
 651 treasurer or other depository shall retain such drafts when  
 652 paid, as permanent vouchers for disbursements made, and no money  
 653 shall otherwise be drawn from the fund.

654 (d) Finally decide all claims to relief under the board's  
 655 rules and regulations and pursuant to the provisions of this  
 656 act.

657 (e) Convert into cash any securities of the fund.

658 (f) Keep a complete record of all receipts and  
 659 disbursements and of the board's acts and proceedings.

660 Section 10. Paragraph (c) is added to subsection (1) of  
 661 section 185.161, Florida Statutes, to read:

662 185.161 Optional forms of retirement income.--For any  
 663 municipality, chapter plan, local law municipality, or local law  
 664 plan under this chapter:

665 (1)



666           (c) Notwithstanding the provisions in paragraph (b), the  
 667 retired police officer may change his or her designation of  
 668 joint annuitant or beneficiary up to two times as provided in s.  
 669 185.341 without the approval of the board of trustees or the  
 670 prior joint annuitant or beneficiary. The retiree does not have  
 671 to provide proof of good health of the joint annuitant or  
 672 beneficiary being removed, and the joint annuitant or  
 673 beneficiary does not have to be living.

674           Section 11. Section 185.37, Florida Statutes, is amended  
 675 to read:

676           185.37 Termination of plan and distribution of fund.--For  
 677 any municipality, chapter plan, local law municipality, or local  
 678 law plan under this chapter, the plan may be terminated by the  
 679 municipality. Upon termination of the plan by the municipality  
 680 for any reason, or because of a transfer, merger, or  
 681 consolidation of governmental units, services, or functions as  
 682 provided in chapter 121, or upon written notice to the board of  
 683 trustees by the municipality that contributions under the plan  
 684 are being permanently discontinued, the rights of all employees  
 685 to benefits accrued to the date of such termination or  
 686 discontinuance and the amounts credited to the employees'  
 687 accounts are nonforfeitable. The fund shall be ~~apportioned and~~  
 688 distributed in accordance with the following procedures:

689           (1) The board of trustees shall determine the date of  
 690 distribution and the asset value required to fund all the  
 691 nonforfeitable benefits to be distributed, after taking into  
 692 account the expenses of such distribution. The board shall  
 693 inform the municipality if additional assets are required, in

694 which event such municipality shall continue to financially  
 695 support the plan until all nonforfeitable benefits have been  
 696 funded.

697 (2) The board of trustees shall determine the method of  
 698 distribution of the asset value, that is, whether distribution  
 699 shall be by payment in cash, by the maintenance of another or  
 700 substituted trust fund, by the purchase of insured annuities, or  
 701 otherwise, for each police officer entitled to benefits under  
 702 the plan, as specified in subsection (3).

703 (3) The board of trustees shall distribute ~~apportion~~ the  
 704 asset value as of the date of termination in the manner set  
 705 forth in this subsection, on the basis that the amount required  
 706 to provide any given retirement income shall mean the  
 707 actuarially computed single-sum value of such retirement income,  
 708 except that if the method of distribution determined under  
 709 subsection (2) involves the purchase of an insured annuity, the  
 710 amount required to provide the given retirement income shall  
 711 mean the single premium payable for such annuity. The actuarial  
 712 single sum value shall not be less than the employee's  
 713 accumulated contributions to the plan, with interest if provided  
 714 by the plan, less the value of any plan benefits previously paid  
 715 to the employee.

716 ~~(a) Apportionment shall first be made in respect of each~~  
 717 ~~retired police officer receiving a retirement income hereunder~~  
 718 ~~on such date, each person receiving a retirement income on such~~  
 719 ~~date on account of a retired (but since deceased) police~~  
 720 ~~officer, and each police officer who has, by such date, become~~  
 721 ~~eligible for normal retirement but has not yet retired, in the~~

722 ~~amount required to provide such retirement income, provided~~  
723 ~~that, if such asset value is less than the aggregate of such~~  
724 ~~amounts, such amounts shall be proportionately reduced so that~~  
725 ~~the aggregate of such reduced amounts will be equal to such~~  
726 ~~asset value.~~

727 ~~(b) If there is any asset value remaining after the~~  
728 ~~apportionment under paragraph (a), apportionment shall next be~~  
729 ~~made in respect of each police officer in the service of the~~  
730 ~~municipality on such date who has completed at least 10 years of~~  
731 ~~credited service, in the municipal police officers' retirement~~  
732 ~~trust fund for at least 10 years, and who is not entitled to an~~  
733 ~~apportionment under paragraph (a), in the amount required to~~  
734 ~~provide the actuarial equivalent of the accrued normal~~  
735 ~~retirement income, based on the police officer's credited~~  
736 ~~service and earnings to such date, and each former participant~~  
737 ~~then entitled to a benefit under the provisions of s. 185.19 who~~  
738 ~~has not by such date reached his or her normal retirement date,~~  
739 ~~in the amount required to provide the actuarial equivalent of~~  
740 ~~the accrued normal retirement income to which he or she is~~  
741 ~~entitled under s. 185.19, provided that, if such remaining asset~~  
742 ~~value is less than the aggregate of the amounts apportioned~~  
743 ~~hereunder, such latter amounts shall be proportionately reduced~~  
744 ~~so that the aggregate of such reduced amounts will be equal to~~  
745 ~~such remaining asset value.~~

746 ~~(c) If there is an asset value after the apportionments~~  
747 ~~under paragraphs (a) and (b), apportionment shall lastly be made~~  
748 ~~in respect of each police officer in the service of the~~  
749 ~~municipality on such date who is not entitled to an~~

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750 ~~apportionment under paragraphs (a) and (b) in the amount equal~~  
751 ~~to the police officer's total contributions to the plan to date~~  
752 ~~of termination, provided that, if such remaining asset value is~~  
753 ~~less than the aggregate of the amounts apportioned hereunder,~~  
754 ~~such latter amounts shall be proportionately reduced so that the~~  
755 ~~aggregate of such reduced amounts will be equal to such~~  
756 ~~remaining asset value.~~

757 (4)~~(d)~~ In the event that there is asset value remaining  
758 after the full distribution ~~apportionment~~ specified in  
759 subsection (3), and after the payment of any expenses incurred  
760 with such distribution ~~paragraphs (a), (b), and (c),~~ such excess  
761 shall be returned to the municipality, less return to the state  
762 of the state's contributions, provided that, if the excess is  
763 less than the total contributions made by the municipality and  
764 the state to date of termination of the plan, such excess shall  
765 be divided proportionately to the total contributions made by  
766 the municipality and the state.

767 (5)~~(4)~~ The board of trustees shall distribute, in  
768 accordance with the manner of distribution determined under  
769 subsection (2), the amounts determined ~~apportioned~~ under  
770 subsection (3).

771  
772 If, after a period of 24 months after the date on which the plan  
773 terminated or the date on which the board received written  
774 notice that the contributions thereunder were being permanently  
775 discontinued, the municipality or the board of trustees of the  
776 municipal police officers' retirement trust fund affected has  
777 not complied with all the provisions in this section, the

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778 | Department of Management Services ~~division~~ shall effect the  
779 | termination of the fund in accordance with this section.

780 |       Section 12. This act shall take effect July 1, 2008.