



513676

CHAMBER ACTION

<u>Senate</u>	.	<u>House</u>
Comm: RCS	.	
4/17/2008	.	
	.	
	.	

1 The Committee on Community Affairs (Wise) recommended the
2 following **amendment**:

3

4 Senate Amendment (with title amendment)
5 Delete everything after the enacting clause
6 and insert:

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

10 175.032 Definitions.--For any municipality, special fire
11 control district, chapter plan, local law municipality, local law
12 special fire control district, or local law plan under this
13 chapter, the following words and phrases have the following
14 meanings:

15 (4) "Creditable service" or "credited service" means the
16 aggregate number of years of service, and fractional parts of
17 years of service, of any firefighter, omitting intervening years

Bill No. SB 976



513676

18 and fractional parts of years when such firefighter may not have
19 been employed by the municipality or special fire control
20 district, subject to the following conditions:

21 (c) Credited service under this chapter shall be provided
22 only for service as a firefighter, as defined in subsection (8),
23 or for military service and does ~~shall~~ not include credit for any
24 other type of service. A municipality may, by local ordinance, or
25 a special fire control district may, by resolution, provide for
26 the purchase of credit for military service prior to employment
27 as well as for prior service as a firefighter for some other
28 employer as long as a firefighter is not entitled to receive a
29 benefit for such other prior service as a firefighter. For
30 purposes of determining credit for prior service as a
31 firefighter, in addition to service as a firefighter in this
32 state, credit may be given for federal, other state, or county
33 service if such prior service is recognized by the Division of
34 State Fire Marshal as provided under chapter 633. The firefighter
35 must provide proof to the board of trustees that such service is
36 equivalent to the definition of firefighter under subsection (8).

37 (8) (a) "Firefighter" means any person employed solely by a
38 constituted fire department of any municipality or special fire
39 control district who is certified as a firefighter as a condition
40 of employment in accordance with ~~the provisions of~~ s. 633.35 and
41 whose duty it is to extinguish fires, to protect life, or to
42 protect property. The term includes all certified supervisory and
43 command personnel whose duties include, in whole or in part, the
44 supervision, training, guidance, and management responsibilities
45 of full-time firefighters, part-time firefighters, or auxiliary
46 firefighters, but does not include part-time firefighters or
47 auxiliary firefighters. However, for purposes of this chapter



513676

48 only, "firefighter" also includes public safety officers who are
49 responsible for performing both police and fire services, who are
50 certified as police officers or firefighters, and who are
51 certified by their employers to the Chief Financial Officer as
52 participating in this chapter prior to October 1, 1979. Effective
53 October 1, 1979, public safety officers who have not been
54 certified as participating in this chapter are ~~shall be~~
55 considered police officers for retirement purposes and are ~~shall~~
56 ~~be~~ eligible to participate in chapter 185. Any plan may provide
57 that the fire chief has ~~shall have~~ an option to participate, or
58 not participate, in that plan.

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

61 175.061 Board of trustees; members; terms of office;
62 meetings; legal entity; costs; attorney's fees.--For any
63 municipality, special fire control district, chapter plan, local
64 law municipality, local law special fire control district, or
65 local law plan under this chapter:

66 (1) In each municipality and in each special fire control
67 district there is hereby created a board of trustees of the
68 firefighters' pension trust fund, which shall be solely
69 responsible for administering the trust fund. Effective October
70 1, 1986, and thereafter:

71 (a) The membership of the board of trustees for a chapter
72 plan shall consist of five members, two of whom, unless otherwise
73 prohibited by law, shall be legal residents of the municipality
74 or special fire control district and, who shall be appointed by
75 the governing body of the municipality or special fire control
76 district, and two of whom shall be full-time firefighters as
77 defined in s. 175.032 who shall be elected by a majority of the



513676

78 active firefighters who are members of the ~~such~~ plan. With
79 respect to any chapter plan or local law plan that, on January 1,
80 1997, allowed retired firefighters to vote in ~~such~~ elections,
81 retirees may continue to vote in such elections. The fifth member
82 shall be chosen by a majority of the previous four members as
83 provided for herein, and such person's name shall be submitted to
84 the governing body of the municipality or special fire control
85 district. Upon receipt of the fifth person's name, the governing
86 body of the municipality or special fire control district shall,
87 as a ministerial duty, appoint such person to the board of
88 trustees as its fifth member. The fifth member shall have the
89 same rights as each of the other four members ~~appointed or~~
90 ~~elected as herein provided~~, shall serve as trustee for a period
91 of 2 years, and may succeed himself or herself in office. Each
92 resident member shall serve as trustee for a period of 2 years,
93 unless ~~sooner~~ replaced by the governing body at whose pleasure he
94 or she shall serve, and may succeed himself or herself as a
95 trustee. Each firefighter member shall serve as trustee for a
96 period of 2 years, unless he or she ~~sooner~~ leaves the employment
97 of the municipality or special fire control district as a
98 firefighter, whereupon a successor shall be chosen in the same
99 manner as an original appointment. Each firefighter may succeed
100 himself or herself in office. The terms of office of the
101 appointed and elected members of the board may be amended by
102 municipal ordinance, special act of the Legislature, or
103 resolution adopted by the governing body of the special fire
104 control district to extend the terms of office from 2 years to 4
105 years. The length of the terms of office must be the same for all
106 board members.



513676

107 (7) The board of trustees may, upon written request by a
108 ~~the~~ retiree of the plan, or by a dependent, ~~when~~ authorized by
109 the retiree or the retiree's beneficiary, authorize the plan
110 administrator to withhold from the monthly retirement payment
111 those funds that are necessary to pay for the benefits being
112 received through the governmental entity from which the employee
113 retired, to pay the certified bargaining agent of the
114 governmental entity, and to make any payments for child support
115 or alimony. Further, the board of trustees may, upon the written
116 request of the retiree of the plan, authorize the plan
117 administrator to withhold from the retirement payment those funds
118 that are necessary to pay the accident, health, and long-term
119 care insurance premiums for the retiree and the retiree's spouse
120 and dependents. A retirement plan does not incur any liability
121 for participation in this permissive program if its actions are
122 taken in good faith.

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

125 175.071 General powers and duties of board of
126 trustees.--For any municipality, special fire control district,
127 chapter plan, local law municipality, local law special fire
128 control district, or local law plan under this chapter:

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

132 (a) Invest and reinvest the assets of the firefighters'
133 pension trust fund in annuity and life insurance contracts of
134 life insurance companies in amounts sufficient to provide, in
135 whole or in part, the benefits to which all of the participants
136 in the firefighters' pension trust fund are ~~shall be~~ entitled



513676

137 | under the provisions of this chapter and pay the initial and
138 | subsequent premiums thereon.

139 | (b) Invest and reinvest the assets of the firefighters'
140 | pension trust fund in:

141 | 1. Time or savings accounts of a national bank, a state
142 | bank insured by the Bank Insurance Fund, ~~or~~ a savings, building,
143 | and loan association insured by the Savings Association Insurance
144 | Fund which is administered by the Federal Deposit Insurance
145 | Corporation, or a state or federal chartered credit union whose
146 | share accounts are insured by the National Credit Union Share
147 | Insurance Fund.

148 | 2. Obligations of the United States or obligations
149 | guaranteed as to principal and interest by the government of the
150 | United States.

151 | 3. Bonds issued by the State of Israel.

152 | 4. Bonds, stocks, or other evidences of indebtedness issued
153 | or guaranteed by a corporation organized under the laws of the
154 | United States, any state or organized territory of the United
155 | States, or the District of Columbia, provided:

156 | a. The corporation is listed on any one or more of the
157 | recognized national stock exchanges or on the National Market
158 | System of the NASDAQ Stock Market and, in the case of bonds only,
159 | holds a rating in one of the three highest classifications by a
160 | major rating service; and

161 | b. The board of trustees may ~~shall~~ not invest more than 5
162 | percent of its assets in the common stock or capital stock of any
163 | one issuing company, nor shall the aggregate investment in any
164 | one issuing company exceed 5 percent of the outstanding capital
165 | stock of that company or the aggregate of its investments under



513676

166 | this subparagraph at cost exceed 50 percent of the assets of the
167 | fund.

168 |
169 | This paragraph applies ~~shall apply~~ to all boards of trustees and
170 | participants. However, if ~~in the event that~~ a municipality or
171 | special fire control district has a duly enacted pension plan
172 | pursuant to, and in compliance with, s. 175.351, and the trustees
173 | of such plan thereof desire to vary the investment procedures
174 | ~~herein~~, the trustees ~~of such plan~~ shall request a variance of the
175 | investment procedures as outlined herein only through a municipal
176 | ordinance, special act of the Legislature, or resolution by the
177 | governing body of the special fire control district; where a
178 | special act, or a municipality by ordinance adopted prior to July
179 | 1, 1998, permits a greater than 50-percent equity investment,
180 | such municipality is ~~shall~~ not be required to comply with the
181 | aggregate equity investment provisions of this paragraph.
182 | Notwithstanding any other provision of law ~~to the contrary~~,
183 | nothing in this section may be construed to take away any
184 | preexisting legal authority to make equity investments that
185 | exceed the requirements of this paragraph. The board of trustees
186 | may invest up to 25 ~~10~~ percent of plan assets in foreign
187 | securities.

188 | (c) Issue drafts upon the firefighters' pension trust fund
189 | pursuant to this chapter ~~act~~ and rules ~~and regulations~~ prescribed
190 | by the board of trustees. All such drafts shall be consecutively
191 | numbered, be signed by the chair and secretary or by two
192 | individuals designated by the board who are subject to the same
193 | fiduciary standards required for the board of trustees under this
194 | subsection, and state upon their faces the purpose for which the
195 | drafts are drawn. The treasurer or depository of each



513676

196 municipality or special fire control district shall retain such
197 drafts when paid, as permanent vouchers for disbursements made,
198 and no money shall be otherwise drawn from the fund.

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

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

202 Section 4. Paragraph (b) of subsection (2) of section
203 175.091, Florida Statutes, is amended to read:

204 175.091 Creation and maintenance of fund.--For any
205 municipality, special fire control district, chapter plan, local
206 law municipality, local law special fire control district, or
207 local law plan under this chapter:

208 (2) Member contribution rates may be adjusted as follows:

209 (b) Firefighter member contributions may be increased by
210 consent of the members' collective bargaining representative or,
211 if none, by majority consent of firefighter members of the fund
212 to provide greater benefits. Increases in the firefighters'
213 contributions may not exceed the percent of payroll increase in
214 total required contributions identified in the actuarial impact
215 statement provided in conjunction with the pension benefit
216 improvement as required under s. 112.63.

217
218 Nothing in this section shall be construed to require adjustment
219 of member contribution rates in effect on the date this act
220 becomes a law, including rates that exceed 5 percent of salary,
221 provided that such rates are at least one-half of 1 percent of
222 salary.

223 Section 5. Subsection (1) of section 175.101, Florida
224 Statutes, is amended to read:

Bill No. SB 976



513676

225 175.101 State excise tax on property insurance premiums
226 authorized; procedure.--For any municipality, special fire
227 control district, chapter plan, local law municipality, local law
228 special fire control district, or local law plan under this
229 chapter:

230 (1) Each municipality or special fire control district in
231 this state described and classified in s. 175.041, having a
232 lawfully established firefighters' pension trust fund or
233 municipal fund or special fire control district fund, by whatever
234 name known, providing pension benefits to firefighters as
235 provided under this chapter, may assess and impose on every
236 insurance company, corporation, or other insurer ~~now~~ engaged in
237 ~~or carrying on, or who shall hereinafter engage in or carry on,~~
238 the business of property insurance, as shown by the records of
239 the Office of Insurance Regulation of the Financial Services
240 Commission, an excise tax in addition to any lawful license or
241 excise tax now levied by each of the municipalities or special
242 fire control districts, respectively, amounting to 1.85 percent
243 of the gross amount of receipts of premiums from policyholders on
244 all premiums collected on property insurance policies covering
245 property within the corporate limits of such municipalities or
246 within the legally defined boundaries of special fire control
247 districts, respectively. Whenever the boundaries of a special
248 fire control district that has lawfully established a
249 firefighters' pension trust fund encompass a portion of the
250 corporate territory of a municipality that has also lawfully
251 established a firefighters' pension trust fund, that portion of
252 the tax receipts attributable to insurance policies covering
253 property situated both within the municipality and the special
254 fire control district shall be given to the fire service



513676

255 provider. For the purpose of this section, the boundaries of a
256 special fire control district are deemed to include an area that
257 has been annexed until the completion of the 4-year period
258 provided for in s. 171.093(4), or other agreed-upon extension, or
259 when a special fire control district is providing services
260 pursuant to an interlocal agreement executed pursuant to s.
261 171.093(3). The agent shall identify the fire service provider on
262 the property owner's application for insurance. Remaining
263 revenues collected pursuant to this chapter shall be distributed
264 to the municipality or special fire control district according to
265 the location of the insured property.

266
267 This section also applies to any municipality consisting of a
268 single consolidated government which is made up of a former
269 county and one or more municipalities, consolidated pursuant to
270 the authority in s. 3 or s. 6(e), Art. VIII of the State
271 Constitution, and to property insurance policies covering
272 property within the boundaries of the consolidated government,
273 regardless of whether the properties are located within one or
274 more separately incorporated areas within the consolidated
275 government, provided the properties are being provided fire
276 protection services by the consolidated government. This section
277 also applies to any municipality, as provided in s.
278 175.041(3)(c), which has entered into an interlocal agreement to
279 receive fire protection services from another municipality
280 participating under this chapter. The excise tax may be levied on
281 all premiums collected on property insurance policies covering
282 property located within the corporate limits of the municipality
283 receiving the fire protection services, but is ~~will be~~ available

Bill No. SB 976



513676

284 for distribution to the municipality providing the fire
285 protection services.

286 Section 6. Paragraph (c) of subsection (1) of section
287 175.171, Florida Statutes, is amended to read:

288 175.171 Optional forms of retirement income.--For any
289 municipality, special fire control district, chapter plan, local
290 law municipality, local law special fire control district, or
291 local law plan under this chapter:

292 (1) In lieu of the amount and form of retirement income
293 payable in the event of normal or early retirement as specified
294 in s. 175.162, a firefighter, upon written request to the board
295 of trustees and subject to the approval of the board of trustees,
296 may elect to receive a retirement income or benefit of equivalent
297 actuarial value payable in accordance with one of the following
298 options:

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

302 1. The firefighter upon electing any option of this section
303 ~~shall will~~ designate the joint annuitant ~~pensioner~~ or beneficiary
304 ~~(or beneficiaries)~~ to receive the benefit, if any, payable under
305 the plan in the event of his or her death, and may ~~will have the~~
306 ~~power to~~ change such designation ~~from time to time~~, but any such
307 change shall be deemed a new election and is ~~will be~~ subject to
308 approval by the board of trustees. Such designation must ~~will~~
309 name a joint annuitant ~~pensioner~~ or one or more primary
310 beneficiaries where applicable. If a firefighter has elected an
311 option with a joint annuitant ~~pensioner~~ or beneficiary and his or
312 her retirement income benefits have commenced, the firefighter
313 may ~~thereafter~~ change the designated joint annuitant ~~pensioner~~ or

Bill No. SB 976



513676

314 beneficiary, but only if the board of trustees consents to such
315 change and if the joint annuitant ~~pensioner~~ last previously
316 designated by the firefighter is alive when the firefighter files
317 with the board of trustees a request for such change.

318 2. The consent of a firefighter's joint annuitant ~~pensioner~~
319 or beneficiary to any such change is ~~shall~~ not ~~be~~ required.

320 3. The board of trustees may request ~~such~~ evidence of the
321 good health of the joint annuitant ~~pensioner~~ that is being
322 removed ~~as it may require~~ and the amount of the retirement income
323 payable to the firefighter upon designation of a new joint
324 annuitant ~~pensioner~~ shall be actuarially redetermined taking into
325 account the age and sex of the former joint annuitant ~~pensioner~~,
326 the new joint annuitant ~~pensioner~~, and the firefighter. Each such
327 designation must ~~will~~ be made in writing on a form prepared by
328 the board of trustees and on completion must ~~will~~ be filed with
329 the board of trustees. If ~~In the event that~~ no designated
330 beneficiary survives the firefighter, such benefits as are
331 payable in the event of the death of the firefighter subsequent
332 to his or her retirement shall be paid as provided in s. 175.181.

333 4. Notwithstanding the provisions of this paragraph, a
334 retired firefighter may change his or her designation of joint
335 annuitant or beneficiary up to two times as provided in s.
336 175.333 without the approval of the board of trustees or the
337 prior joint annuitant or beneficiary. The retiree does not have
338 to provide proof of the good health of the joint annuitant or of
339 the beneficiary being removed, and the joint annuitant or
340 beneficiary does not have to be living.

341 Section 7. Section 175.361, Florida Statutes, is amended to
342 read:



513676

343 175.361 Termination of plan and distribution of fund.--For
344 any municipality, special fire control district, chapter plan,
345 local law municipality, local law special fire control district,
346 or local law plan under this chapter, the plan may be terminated
347 by the municipality or special fire control district. Upon
348 termination of the plan ~~by the municipality or special fire~~
349 ~~control district~~ for any reason or because of a transfer, merger,
350 or consolidation of governmental units, services, or functions as
351 provided in chapter 121, or upon written notice by the
352 municipality or special fire control district to the board of
353 trustees that contributions under the plan are being permanently
354 discontinued, the rights of all employees to benefits accrued to
355 the date of such termination and the amounts credited to the
356 employees' accounts are nonforfeitable. The fund shall be
357 ~~apportioned and~~ distributed in accordance with the following
358 procedures:

359 (1) The board of trustees shall determine the date of
360 distribution and the asset value required to fund all the
361 nonforfeitable benefits to be distributed, after taking into
362 account the expenses of such distribution. The board shall inform
363 the municipality or special fire control district if additional
364 assets are required, in which event the municipality or special
365 fire control district must continue to financially support the
366 plan until all nonforfeitable benefits have been funded.

367 (2) The board of trustees shall determine the method of
368 distribution of the asset value, that is, whether distribution
369 shall be by payment in cash, by the maintenance of another or
370 substituted trust fund, by the purchase of insured annuities, or
371 otherwise, for each firefighter entitled to benefits under the
372 plan as specified in subsection (3).



513676

373 (3) The board of trustees shall distribute ~~apportion~~ the
374 asset value as of the date of termination in the manner set forth
375 in this subsection, on the basis that the amount required to
376 provide any given retirement income means ~~shall mean~~ the
377 actuarially computed single-sum value of such retirement income,
378 except that if the method of distribution determined under
379 subsection (2) involves the purchase of an insured annuity, the
380 amount required to provide the given retirement income means
381 ~~shall mean~~ the single premium payable for such annuity. The
382 actuarial single-sum value may not be less than the employee's
383 accumulated contributions to the plan, with interest if provided
384 by the plan, less the value of any plan benefits previously paid
385 to the employee.

386 ~~(a) Apportionment shall first be made in respect of each~~
387 ~~retired firefighter receiving a retirement income hereunder on~~
388 ~~such date, each person receiving a retirement income on such date~~
389 ~~on account of a retired (but since deceased) firefighter, and~~
390 ~~each firefighter who has, by such date, become eligible for~~
391 ~~normal retirement but has not yet retired, in the amount required~~
392 ~~to provide such retirement income, provided that, if such asset~~
393 ~~value is less than the aggregate of such amounts, such amounts~~
394 ~~shall be proportionately reduced so that the aggregate of such~~
395 ~~reduced amounts will be equal to such asset value.~~

396 ~~(b) If there is any asset value remaining after the~~
397 ~~apportionment under paragraph (a), apportionment shall next be~~
398 ~~made in respect of each firefighter in the service of the~~
399 ~~municipality or special fire control district on such date who~~
400 ~~has completed at least 10 years of credited service, in the~~
401 ~~firefighters' pension trust fund for at least 10 years, and who~~
402 ~~is not entitled to an apportionment under paragraph (a), in the~~



513676

403 ~~amount required to provide the actuarial equivalent of the~~
404 ~~accrued normal retirement income, based on the firefighter's~~
405 ~~credited service and earnings to such date, and each former~~
406 ~~participant then entitled to a benefit under the provisions of s.~~
407 ~~175.211 who has not by such date reached his or her normal~~
408 ~~retirement date, in the amount required to provide the actuarial~~
409 ~~equivalent of the accrued normal retirement income to which he or~~
410 ~~she is entitled under s. 175.211; provided that, if such~~
411 ~~remaining asset value is less than the aggregate of the amounts~~
412 ~~apportioned hereunder, such latter amounts shall be~~
413 ~~proportionately reduced so that the aggregate of such reduced~~
414 ~~amounts will be equal to such remaining asset value.~~

415 ~~(c) If there is any asset value after the apportionments~~
416 ~~under paragraphs (a) and (b), apportionment shall lastly be made~~
417 ~~in respect of each firefighter in the service of the municipality~~
418 ~~or special fire control district on such date who is not entitled~~
419 ~~to an apportionment under paragraphs (a) and (b) in the amount~~
420 ~~equal to the firefighter's total contributions to the plan to~~
421 ~~date of termination; provided that, if such remaining asset value~~
422 ~~is less than the aggregate of the amounts apportioned hereunder,~~
423 ~~such latter amounts shall be proportionately reduced so that the~~
424 ~~aggregate of such reduced amounts will be equal to such remaining~~
425 ~~asset value.~~

426 ~~(4)(d) If In the event that there is asset value remaining~~
427 ~~after the full distribution ~~apportionment~~ specified in subsection~~
428 ~~(3), and after the payment of any expenses incurred with such~~
429 ~~distribution paragraphs (a), (b), and (c), such excess shall be~~
430 ~~returned to the municipality or special fire control district,~~
431 ~~less return to the state of the state's contributions, provided~~
432 ~~that, if the excess is less than the total contributions made by~~



513676

433 the municipality or special fire control district and the state
434 to date of termination of the plan, such excess shall be divided
435 proportionately to the total contributions made by the
436 municipality or special fire control district and the state.

437 (5)~~(4)~~ The board of trustees shall distribute, in
438 accordance with the manner of distribution determined under
439 subsection (2), the amounts determined ~~apportioned~~ under
440 subsection (3).

441
442 If, after ~~a period of~~ 24 months after the date on which the plan
443 terminated or the date on which the board received written notice
444 that the contributions ~~thereunder~~ were being permanently
445 discontinued, the municipality or special fire control district
446 or the board of trustees of the firefighters' pension trust fund
447 affected has not complied with all the provisions in this
448 section, the Department of Management Services ~~division~~ shall
449 effect the termination of the fund in accordance with this
450 section.

451 Section 8. Paragraph (c) of subsection (5) of section
452 185.02, Florida Statutes, is amended to read:

453 185.02 Definitions.--For any municipality, chapter plan,
454 local law municipality, or local law plan under this chapter, the
455 following words and phrases as used in this chapter shall have
456 the following meanings, unless a different meaning is plainly
457 required by the context:

458 (5) "Creditable service" or "credited service" means the
459 aggregate number of years of service and fractional parts of
460 years of service of any police officer, omitting intervening
461 years and fractional parts of years when such police officer may

Bill No. SB 976



513676

462 | not have been employed by the municipality subject to the
463 | following conditions:

464 | (c) Credited service under this chapter shall be provided
465 | only for service as a police officer, as defined in subsection
466 | (11), or for military service and does ~~shall~~ not include credit
467 | for any other type of service. A municipality may, by local
468 | ordinance, provide for the purchase of credit for military
469 | service occurring prior to employment as well as prior service as
470 | a police officer for some other employer as long as the police
471 | officer is not entitled to receive a benefit for such other prior
472 | service as a police officer. For purposes of determining credit
473 | for prior service as a police officer, in addition to service as
474 | a police officer in this state, credit may be given for federal,
475 | other state, or county service as long as such prior service is
476 | recognized by the Criminal Justice Standards and Training
477 | Commission within the Department of Law Enforcement as provided
478 | under chapter 943. The police officer must provide proof to the
479 | board of trustees that such service is equivalent to the
480 | definition of police officer under subsection (11).

481 | Section 9. Paragraph (a) of subsection (1) and subsection
482 | (6) of section 185.05, Florida Statutes, are amended to read:

483 | 185.05 Board of trustees; members; terms of office;
484 | meetings; legal entity; costs; attorney's fees.--For any
485 | municipality, chapter plan, local law municipality, or local law
486 | plan under this chapter:

487 | (1) In each municipality described in s. 185.03 there is
488 | hereby created a board of trustees of the municipal police
489 | officers' retirement trust fund, which shall be solely
490 | responsible for administering the trust fund. Effective October
491 | 1, 1986, and thereafter:

Bill No. SB 976



513676

492 (a) The membership of the board of trustees for chapter
493 plans shall consist of five members, two of whom, unless
494 otherwise prohibited by law, shall be legal residents of the
495 municipality ~~and~~ who shall be appointed by the legislative body
496 of the municipality, and two of whom shall be police officers as
497 defined in s. 185.02 who shall be elected by a majority of the
498 active police officers who are members of the ~~such~~ plan. With
499 respect to any chapter plan or local law plan that, on January 1,
500 1997, allowed retired police officers to vote in ~~such~~ elections,
501 retirees may continue to vote in such elections. The fifth member
502 shall be chosen by a majority of the previous four members, and
503 such person's name shall be submitted to the legislative body of
504 the municipality. Upon receipt of the fifth person's name, the
505 legislative body of the municipality shall, as a ministerial
506 duty, appoint such person to the board of trustees as its fifth
507 member. The fifth member shall have the same rights as each of
508 the other four members ~~appointed or elected as herein provided,~~
509 shall serve as trustee for a period of 2 years, and may succeed
510 himself or herself in office. Each resident member shall serve as
511 trustee for a period of 2 years, unless ~~sooner~~ replaced by the
512 legislative body at whose pleasure the member shall serve, and
513 may succeed himself or herself as a trustee. Each police officer
514 member shall serve as trustee for a period of 2 years, unless he
515 or she ~~sooner~~ leaves the employment of the municipality as a
516 police officer, whereupon ~~the legislative body of the~~
517 ~~municipality shall choose~~ a successor shall be chosen in the same
518 manner as an original appointment. Each police officer may
519 succeed himself or herself in office. The terms of office of the
520 appointed and elected members of the board may be amended by
521 municipal ordinance or special act of the Legislature to extend



513676

522 the terms of office from 2 years to 4 years. The length of the
523 terms of office must be the same for all board members.

524 (6) The board of trustees may, upon written request by a
525 ~~the~~ retiree of the plan, or by a dependent, ~~when~~ authorized by
526 the retiree or the retiree's beneficiary, authorize the plan
527 administrator to withhold from the monthly retirement payment
528 those funds that are necessary to pay for the benefits being
529 received through the governmental entity from which the employee
530 retired, to pay the certified bargaining agent of the
531 governmental entity, and to make any payments for child support
532 or alimony. Further, the board of trustees may, upon the written
533 request of the retiree of the plan, authorize the plan
534 administrator to withhold from the retirement payment those funds
535 that are necessary to pay the accident, health, and long-term
536 care insurance premiums for the retiree and the retiree's spouse
537 and dependents. A retirement plan does not incur any liability
538 for participation in this permissive program if its actions are
539 taken in good faith.

540 Section 10. Subsection (1) of section 185.06, Florida
541 Statutes, is amended to read:

542 185.06 General powers and duties of board of trustees.--For
543 any municipality, chapter plan, local law municipality, or local
544 law plan under this chapter:

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

548 (a) Invest and reinvest the assets of the retirement trust
549 fund in annuity and life insurance contracts of life insurance
550 companies in amounts sufficient to provide, in whole or in part,
551 the benefits to which all of the participants in the municipal

Bill No. SB 976



513676

552 | police officers' retirement trust fund are ~~shall be~~ entitled
553 | under the provisions of this chapter, and pay the initial and
554 | subsequent premiums thereon.

555 | (b) Invest and reinvest the assets of the retirement trust
556 | fund in:

557 | 1. Time or savings accounts of a national bank, a state
558 | bank insured by the Bank Insurance Fund, ~~or~~ a savings and loan
559 | association insured by the Savings Association Insurance Fund
560 | which is administered by the Federal Deposit Insurance
561 | Corporation, or a state or federal chartered credit union whose
562 | share accounts are insured by the National Credit Union Share
563 | Insurance Fund.

564 | 2. Obligations of the United States or obligations
565 | guaranteed as to principal and interest by the United States.

566 | 3. Bonds issued by the State of Israel.

567 | 4. Bonds, stocks, or other evidences of indebtedness issued
568 | or guaranteed by a corporation organized under the laws of the
569 | United States, any state or organized territory of the United
570 | States, or the District of Columbia, provided:

571 | a. The corporation is listed on any one or more of the
572 | recognized national stock exchanges or on the National Market
573 | System of the NASDAQ Stock Market and, in the case of bonds only,
574 | holds a rating in one of the three highest classifications by a
575 | major rating service; and

576 | b. The board of trustees may ~~shall~~ not invest more than 5
577 | percent of its assets in the common stock or capital stock of any
578 | one issuing company, nor shall the aggregate investment in any
579 | one issuing company exceed 5 percent of the outstanding capital
580 | stock of the company or the aggregate of its investments under
581 | this subparagraph at cost exceed 50 percent of the fund's assets.



513676

582
583 This paragraph applies ~~shall apply~~ to all boards of trustees and
584 participants. However, if ~~in the event that~~ a municipality has a
585 duly enacted pension plan pursuant to, and in compliance with, s.
586 185.35 and the trustees of such plan ~~thereof~~ desire to vary the
587 investment procedures ~~herein~~, the trustees ~~of such plan~~ shall
588 request a variance of the investment procedures as outlined
589 herein only through a municipal ordinance or special act of the
590 Legislature; where a special act, or a municipality by ordinance
591 adopted prior to July 1, 1998, permits a greater than 50-percent
592 equity investment, such municipality is ~~shall~~ not be required to
593 comply with the aggregate equity investment provisions of this
594 paragraph. Notwithstanding any other provision of law ~~to the~~
595 ~~contrary~~, nothing in this section may be construed to take away
596 any preexisting legal authority to make equity investments that
597 exceed the requirements of this paragraph. The board of trustees
598 may invest up to 25 ~~40~~ percent of plan assets in foreign
599 securities.

600 (c) Issue drafts upon the municipal police officers'
601 retirement trust fund pursuant to this chapter ~~act~~ and rules ~~and~~
602 ~~regulations~~ prescribed by the board of trustees. All such drafts
603 shall be consecutively numbered, be signed by the chair and
604 secretary or by two individuals designated by the board who are
605 subject to the same fiduciary standards required for the board of
606 trustees under this subsection, and state upon their faces the
607 purposes for which the drafts are drawn. The city treasurer or
608 other depository shall retain such drafts when paid, as permanent
609 vouchers for disbursements made, and no money shall otherwise be
610 drawn from the fund.



513676

611 (d) Finally decide all claims to relief under the board's
612 rules and regulations and pursuant to ~~the provisions of this~~
613 chapter act.

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

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

617 Section 11. Paragraph (b) of subsection (2) of section
618 185.07, Florida Statutes, is amended to read:

619 185.07 Creation and maintenance of fund.--For any
620 municipality, chapter plan, local law municipality, or local law
621 plan under this chapter:

622 (2) Member contribution rates may be adjusted as follows:

623 (b) Police officer member contributions may be increased by
624 consent of the members' collective bargaining representative or,
625 if none, by majority consent of police officer members of the
626 fund to provide greater benefits. Increases in the police
627 officers' contributions may not exceed the percent of payroll
628 increase in total required contributions identified in the
629 actuarial impact statement provided in conjunction with the
630 pension benefit improvement required under s. 112.63.

631
632 Nothing in this section shall be construed to require adjustment
633 of member contribution rates in effect on the date this act
634 becomes a law, including rates that exceed 5 percent of salary,
635 provided that such rates are at least one-half of 1 percent of
636 salary.

637 Section 12. Subsection (1) of section 185.161, Florida
638 Statutes, is amended to read:



513676

639 185.161 Optional forms of retirement income.--For any
640 municipality, chapter plan, local law municipality, or local law
641 plan under this chapter:

642 (1) (a) In lieu of the amount and form of retirement income
643 payable in the event of normal or early retirement as specified
644 in s. 185.16, a police officer, upon written request to the board
645 of trustees and subject to the approval of the board of trustees,
646 may elect to receive a retirement income or benefit of equivalent
647 actuarial value payable in accordance with one of the following
648 options:

649 1. A retirement income of larger monthly amount, payable to
650 the police officer for his or her lifetime only.

651 2. A retirement income of a modified monthly amount,
652 payable to the police officer during the joint lifetime of the
653 police officer and a joint annuitant ~~pensioner~~ designated by the
654 police officer, and following the death of either of them, 100
655 percent, 75 percent, 66 2/3 percent, or 50 percent of such
656 monthly amount payable to the survivor for the lifetime of the
657 survivor.

658 3. Such other amount and form of retirement payments or
659 benefit as, in the opinion of the board of trustees, will best
660 meet the circumstances of the retiring police officer.

661 (b) The police officer upon electing any option of this
662 section shall ~~will~~ designate the joint annuitant ~~pensioner~~ or
663 beneficiary ~~(or beneficiaries)~~ to receive the benefit, if any,
664 payable under the plan in the event of the police officer's
665 death, and may ~~will have the power to~~ change such designation
666 ~~from time to time~~ but any such change shall be deemed a new
667 election and is ~~will be~~ subject to approval by the pension
668 committee. Such designation must ~~will~~ name a joint annuitant

Bill No. SB 976



513676

669 ~~pensioner~~ or one or more primary beneficiaries where applicable.
670 If a police officer has elected an option with a joint annuitant
671 ~~pensioner~~ or beneficiary and his or her retirement income
672 benefits have commenced, he or she may ~~thereafter~~ change the
673 designated joint annuitant ~~pensioner~~ or beneficiary but only if
674 the board of trustees consents to such change and if the joint
675 annuitant ~~pensioner~~ last previously designated by the police
676 officer is alive when he or she files with the board of trustees
677 a request for such change. The consent of a police officer's
678 joint annuitant ~~pensioner~~ or beneficiary to any such change is
679 ~~shall~~ not be required. The board of trustees may request ~~such~~
680 evidence of the good health of the joint annuitant ~~pensioner~~ that
681 is being removed ~~as it may require~~ and the amount of the
682 retirement income payable to the police officer upon the
683 designation of a new joint annuitant ~~pensioner~~ shall be
684 actuarially redetermined taking into account the ages and sex of
685 the former joint annuitant ~~pensioner~~, the new joint annuitant
686 ~~pensioner~~, and the police officer. Each such designation must
687 ~~will~~ be made in writing on a form prepared by the board of
688 trustees, and on completion must ~~will~~ be filed with the board of
689 trustees. If ~~In the event that~~ no designated beneficiary survives
690 the police officer, such benefits as are payable in the event of
691 the death of the police officer subsequent to his or her
692 retirement shall be paid as provided in s. 185.162.

693 (c) Notwithstanding paragraph (b), the retired police
694 officer may change his or her designation of joint annuitant or
695 beneficiary up to two times as provided in s. 185.341 without the
696 approval of the board of trustees or the prior joint annuitant or
697 beneficiary. The retiree does not have to provide proof of good
698 health of the joint annuitant or of the beneficiary being

Bill No. SB 976



513676

699 removed, and the joint annuitant or beneficiary does not have to
700 be living.

701 Section 13. Section 185.37, Florida Statutes, is amended to
702 read:

703 185.37 Termination of plan and distribution of fund.--For
704 any municipality, chapter plan, local law municipality, or local
705 law plan under this chapter, the plan may be terminated by the
706 municipality. Upon termination of the plan ~~by the municipality~~
707 for any reason, or because of a transfer, merger, or
708 consolidation of governmental units, services, or functions as
709 provided in chapter 121, or upon written notice to the board of
710 trustees by the municipality that contributions under the plan
711 are being permanently discontinued, the rights of all employees
712 to benefits accrued to the date of such termination or
713 discontinuance and the amounts credited to the employees'
714 accounts are nonforfeitable. The fund shall be ~~apportioned and~~
715 distributed in accordance with the following procedures:

716 (1) The board of trustees shall determine the date of
717 distribution and the asset value required to fund all the
718 nonforfeitable benefits to be distributed, after taking into
719 account the expenses of such distribution. The board shall inform
720 the municipality if additional assets are required, in which
721 event the municipality must continue to financially support the
722 plan until all nonforfeitable benefits have been funded.

723 (2) The board of trustees shall determine the method of
724 distribution of the asset value, that is, whether distribution
725 shall be by payment in cash, by the maintenance of another or
726 substituted trust fund, by the purchase of insured annuities, or
727 otherwise, for each police officer entitled to benefits under the
728 plan, as specified in subsection (3).

Bill No. SB 976



513676

729 (3) The board of trustees shall distribute ~~apportion~~ the
730 asset value as of the date of termination in the manner set forth
731 in this subsection, on the basis that the amount required to
732 provide any given retirement income means ~~shall mean~~ the
733 actuarially computed single-sum value of such retirement income,
734 except that if the method of distribution determined under
735 subsection (2) involves the purchase of an insured annuity, the
736 amount required to provide the given retirement income means
737 ~~shall mean~~ the single premium payable for such annuity. The
738 actuarial single sum value may not be less than the employee's
739 accumulated contributions to the plan, with interest if provided
740 by the plan, less the value of any plan benefits previously paid
741 to the employee.

742 ~~(a) Apportionment shall first be made in respect of each~~
743 ~~retired police officer receiving a retirement income hereunder on~~
744 ~~such date, each person receiving a retirement income on such date~~
745 ~~on account of a retired (but since deceased) police officer, and~~
746 ~~each police officer who has, by such date, become eligible for~~
747 ~~normal retirement but has not yet retired, in the amount required~~
748 ~~to provide such retirement income, provided that, if such asset~~
749 ~~value is less than the aggregate of such amounts, such amounts~~
750 ~~shall be proportionately reduced so that the aggregate of such~~
751 ~~reduced amounts will be equal to such asset value.~~

752 ~~(b) If there is any asset value remaining after the~~
753 ~~apportionment under paragraph (a), apportionment shall next be~~
754 ~~made in respect of each police officer in the service of the~~
755 ~~municipality on such date who has completed at least 10 years of~~
756 ~~credited service, in the municipal police officers' retirement~~
757 ~~trust fund for at least 10 years, and who is not entitled to an~~
758 ~~apportionment under paragraph (a), in the amount required to~~



513676

759 ~~provide the actuarial equivalent of the accrued normal retirement~~
760 ~~income, based on the police officer's credited service and~~
761 ~~earnings to such date, and each former participant then entitled~~
762 ~~to a benefit under the provisions of s. 185.19 who has not by~~
763 ~~such date reached his or her normal retirement date, in the~~
764 ~~amount required to provide the actuarial equivalent of the~~
765 ~~accrued normal retirement income to which he or she is entitled~~
766 ~~under s. 185.19, provided that, if such remaining asset value is~~
767 ~~less than the aggregate of the amounts apportioned hereunder,~~
768 ~~such latter amounts shall be proportionately reduced so that the~~
769 ~~aggregate of such reduced amounts will be equal to such remaining~~
770 ~~asset value.~~

771 ~~(c) If there is an asset value after the apportionments~~
772 ~~under paragraphs (a) and (b), apportionment shall lastly be made~~
773 ~~in respect of each police officer in the service of the~~
774 ~~municipality on such date who is not entitled to an apportionment~~
775 ~~under paragraphs (a) and (b) in the amount equal to the police~~
776 ~~officer's total contributions to the plan to date of termination,~~
777 ~~provided that, if such remaining asset value is less than the~~
778 ~~aggregate of the amounts apportioned hereunder, such latter~~
779 ~~amounts shall be proportionately reduced so that the aggregate of~~
780 ~~such reduced amounts will be equal to such remaining asset value.~~

781 ~~(4)(d) If~~ In the event that there is asset value remaining
782 after the full distribution apportionment specified in subsection
783 (3), and after the payment of any expenses incurred with such
784 distribution paragraphs (a), (b), and (c), such excess shall be
785 returned to the municipality, less return to the state of the
786 state's contributions, provided that, if the excess is less than
787 the total contributions made by the municipality and the state to
788 date of termination of the plan, such excess shall be divided



513676

789 proportionately to the total contributions made by the
 790 municipality and the state.

791 ~~(5)~~~~(4)~~ The board of trustees shall distribute, in
 792 accordance with the manner of distribution determined under
 793 subsection (2), the amounts determined ~~apportioned~~ under
 794 subsection (3).

795
 796 If, after ~~a period of~~ 24 months after the date on which the plan
 797 terminated or the date on which the board received written notice
 798 that the contributions ~~thereunder~~ were being permanently
 799 discontinued, the municipality or the board of trustees of the
 800 municipal police officers' retirement trust fund affected has not
 801 complied with all the provisions in this section, the Department
 802 of Management Services ~~division~~ shall effect the termination of
 803 the fund in accordance with this section.

804 Section 14. This act shall take effect July 1, 2008.

805
 806 ===== T I T L E A M E N D M E N T =====

807 And the title is amended as follows:

808 Delete everything before the enacting clause
 809 and insert:

810 A bill to be entitled
 811 An act relating to firefighter and municipal police
 812 pensions; amending s. 175.032, F.S.; revising the
 813 definition of "creditable service" for purposes of
 814 determining credit for prior service as a firefighter;
 815 revising the definition of "firefighter"; amending s.
 816 175.061, F.S.; authorizing the terms of office for the
 817 board of trustees of the firefighters' pension trust fund
 818 to be revised under certain circumstances; authorizing the

Bill No. SB 976



513676

819 | firefighters' pension trust fund plan administrator to
820 | withhold funds to pay for premiums for accident, health,
821 | and long-term care insurance for the retiree and the
822 | retiree's spouse and dependents; providing an exemption
823 | from liability under certain circumstances; amending s.
824 | 175.071, F.S.; specifying that trustees are subject to
825 | certain standards; authorizing certain individuals to sign
826 | drafts issued upon the firefighters' pension trust fund;
827 | amending s. 175.091, F.S.; providing guidelines for the
828 | adjustment of firefighter member contribution rates;
829 | amending s. 175.101, F.S.; clarifying boundaries of a
830 | special fire control district for purposes of assessment
831 | and imposition of the excise tax on property insurance
832 | premiums; amending s. 175.171, F.S.; authorizing retired
833 | firefighters to change their designation of joint
834 | annuitant or beneficiary up to two times without the
835 | approval of the board of trustees or the prior joint
836 | annuitant or beneficiary; amending s. 175.361, F.S.;
837 | revising fund distribution procedures with respect to plan
838 | termination; requiring the Department of Management
839 | Services to effect the termination of the fund; amending
840 | s. 185.02, F.S.; revising the definition of "creditable
841 | service" for purposes of determining credit for prior
842 | service as a police officer; amending s. 185.05, F.S.;
843 | revising municipal police officers' retirement trust fund
844 | board of trustee selection procedures; authorizing the
845 | terms of office for the board of trustees of the municipal
846 | police officers' retirement trust fund to be revised under
847 | certain circumstances; authorizing the plan administrator
848 | to withhold funds to pay for premiums for accident,



513676

849 health, and long-term care insurance for the retiree and
850 the retiree's spouse and dependents; providing an
851 exemption from liability under certain circumstances;
852 amending s. 185.06, F.S.; specifying that trustees are
853 subject to certain standards; authorizing certain
854 individuals to sign drafts issued upon the municipal
855 police officers' retirement trust fund; amending s.
856 185.07, F.S.; providing guidelines for the adjustment of
857 police officer member contribution rates; amending s.
858 185.161, F.S.; authorizing retired police officers to
859 change their designation of joint annuitant or beneficiary
860 up to two times without the approval of the board of
861 trustees or the prior joint annuitant or beneficiary;
862 amending s. 185.37, F.S.; revising fund distribution
863 procedures with respect to plan termination; requiring
864 that the Department of Management Services effect the
865 termination of the fund; providing an effective date.