

By the Committee on Community Affairs; and Senator Jones

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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.; specifying that trustees are subject to  
16          certain standards; authorizing certain individuals to sign  
17          drafts issued upon the firefighters' pension trust fund;  
18          amending s. 175.101, F.S.; clarifying boundaries of a  
19          special fire control district for purposes of assessment  
20          and imposition of the excise tax on property insurance  
21          premiums; amending s. 175.171, F.S.; authorizing retired  
22          firefighters to change their designation of joint  
23          annuitant or beneficiary up to two times without the  
24          approval of the board of trustees or the prior joint  
25          annuitant or beneficiary; amending s. 175.361, F.S.;  
26          revising fund distribution procedures with respect to plan  
27          termination; requiring the Department of Management  
28          Services to effect the termination of the fund; amending  
29          s. 185.02, F.S.; revising the definition of "creditable

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

53  
54 Be It Enacted by the Legislature of the State of Florida:

55  
56 Section 1. Paragraph (c) of subsection (4) and paragraph  
57 (a) of subsection (8) of section 175.032, Florida Statutes, are  
58 amended to read:

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59           175.032 Definitions.--For any municipality, special fire  
60 control district, chapter plan, local law municipality, local law  
61 special fire control district, or local law plan under this  
62 chapter, the following words and phrases have the following  
63 meanings:

64           (4) "Creditable service" or "credited service" means the  
65 aggregate number of years of service, and fractional parts of  
66 years of service, of any firefighter, omitting intervening years  
67 and fractional parts of years when such firefighter may not have  
68 been employed by the municipality or special fire control  
69 district, subject to the following conditions:

70           (c) Credited service under this chapter shall be provided  
71 only for service as a firefighter, as defined in subsection (8),  
72 or for military service and does ~~shall~~ not include credit for any  
73 other type of service. A municipality may, by local ordinance, or  
74 a special fire control district may, by resolution, provide for  
75 the purchase of credit for military service prior to employment  
76 as well as for prior service as a firefighter for some other  
77 employer as long as a firefighter is not entitled to receive a  
78 benefit for such other prior service as a firefighter. For  
79 purposes of determining credit for prior service as a  
80 firefighter, in addition to service as a firefighter in this  
81 state, credit may be given for federal, other state, or county  
82 service if such prior service is recognized by the Division of  
83 State Fire Marshal as provided under chapter 633. The firefighter  
84 must provide proof to the board of trustees that such service is  
85 equivalent to the definition of firefighter under subsection (8).

86           (8) (a) "Firefighter" means any person employed solely by a  
87 constituted fire department of any municipality or special fire

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88 control district who is certified as a firefighter as a condition  
89 of employment in accordance with ~~the provisions of~~ s. 633.35 and  
90 whose duty it is to extinguish fires, to protect life, or to  
91 protect property. The term includes all certified supervisory and  
92 command personnel whose duties include, in whole or in part, the  
93 supervision, training, guidance, and management responsibilities  
94 of full-time firefighters, part-time firefighters, or auxiliary  
95 firefighters, but does not include part-time firefighters or  
96 auxiliary firefighters. However, for purposes of this chapter  
97 only, "firefighter" also includes public safety officers who are  
98 responsible for performing both police and fire services, who are  
99 certified as police officers or firefighters, and who are  
100 certified by their employers to the Chief Financial Officer as  
101 participating in this chapter prior to October 1, 1979. Effective  
102 October 1, 1979, public safety officers who have not been  
103 certified as participating in this chapter are ~~shall be~~  
104 considered police officers for retirement purposes and are ~~shall~~  
105 ~~be~~ eligible to participate in chapter 185. Any plan may provide  
106 that the fire chief has ~~shall have~~ an option to participate, or  
107 not participate, in that plan.

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

110 175.061 Board of trustees; members; terms of office;  
111 meetings; legal entity; costs; attorney's fees.--For any  
112 municipality, special fire control district, chapter plan, local  
113 law municipality, local law special fire control district, or  
114 local law plan under this chapter:

115 (1) In each municipality and in each special fire control  
116 district there is hereby created a board of trustees of the

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117 firefighters' pension trust fund, which shall be solely  
118 responsible for administering the trust fund. Effective October  
119 1, 1986, and thereafter:

120 (a) The membership of the board of trustees for a chapter  
121 plan shall consist of five members, two of whom, unless otherwise  
122 prohibited by law, shall be legal residents of the municipality  
123 or special fire control district and, who shall be appointed by  
124 the governing body of the municipality or special fire control  
125 district, and two of whom shall be full-time firefighters as  
126 defined in s. 175.032 who shall be elected by a majority of the  
127 active firefighters who are members of the ~~such~~ plan. With  
128 respect to any chapter plan or local law plan that, on January 1,  
129 1997, allowed retired firefighters to vote in ~~such~~ elections,  
130 retirees may continue to vote in such elections. The fifth member  
131 shall be chosen by a majority of the previous four members as  
132 provided for herein, and such person's name shall be submitted to  
133 the governing body of the municipality or special fire control  
134 district. Upon receipt of the fifth person's name, the governing  
135 body of the municipality or special fire control district shall,  
136 as a ministerial duty, appoint such person to the board of  
137 trustees as its fifth member. The fifth member shall have the  
138 same rights as each of the other four members ~~appointed or~~  
139 ~~elected as herein provided~~, shall serve as trustee for a period  
140 of 2 years, and may succeed himself or herself in office. Each  
141 resident member shall serve as trustee for a period of 2 years,  
142 unless ~~sooner~~ replaced by the governing body at whose pleasure he  
143 or she shall serve, and may succeed himself or herself as a  
144 trustee. Each firefighter member shall serve as trustee for a  
145 period of 2 years, unless he or she ~~sooner~~ leaves the employment

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146 of the municipality or special fire control district as a  
147 firefighter, whereupon a successor shall be chosen in the same  
148 manner as an original appointment. Each firefighter may succeed  
149 himself or herself in office. The terms of office of the  
150 appointed and elected members of the board may be amended by  
151 municipal ordinance, special act of the Legislature, or  
152 resolution adopted by the governing body of the special fire  
153 control district to extend the terms of office from 2 years to 4  
154 years. The length of the terms of office must be the same for all  
155 board members.

156 (7) The board of trustees may, upon written request by a  
157 ~~the~~ retiree of the plan, or by a dependent, ~~when~~ authorized by  
158 the retiree or the retiree's beneficiary, authorize the plan  
159 administrator to withhold from the monthly retirement payment  
160 those funds that are necessary to pay for the benefits being  
161 received through the governmental entity from which the employee  
162 retired, to pay the certified bargaining agent of the  
163 governmental entity, ~~and to make any payments for child support~~  
164 ~~or alimony.~~ Further, the board of trustees may, upon the written  
165 request of the retiree of the plan, authorize the plan  
166 administrator to withhold from the retirement payment those funds  
167 that are necessary to pay the accident, health, and long-term  
168 care insurance premiums for the retiree and the retiree's spouse  
169 and dependents. A retirement plan does not incur any liability  
170 for participation in this permissive program if its actions are  
171 taken in good faith.

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

174 175.071 General powers and duties of board of

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175 trustees.--For any municipality, special fire control district,  
176 chapter plan, local law municipality, local law special fire  
177 control district, or local law plan under this chapter:

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

181 (a) Invest and reinvest the assets of the firefighters'  
182 pension trust fund in annuity and life insurance contracts of  
183 life insurance companies in amounts sufficient to provide, in  
184 whole or in part, the benefits to which all of the participants  
185 in the firefighters' pension trust fund are ~~shall be~~ entitled  
186 under the provisions of this chapter and pay the initial and  
187 subsequent premiums thereon.

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

190 1. Time or savings accounts of a national bank, a state  
191 bank insured by the Bank Insurance Fund, ~~or~~ a savings, building,  
192 and loan association insured by the Savings Association Insurance  
193 Fund which is administered by the Federal Deposit Insurance  
194 Corporation, or a state or federal chartered credit union whose  
195 share accounts are insured by the National Credit Union Share  
196 Insurance Fund.

197 2. Obligations of the United States or obligations  
198 guaranteed as to principal and interest by the government of the  
199 United States.

200 3. Bonds issued by the State of Israel.

201 4. Bonds, stocks, or other evidences of indebtedness issued  
202 or guaranteed by a corporation organized under the laws of the  
203 United States, any state or organized territory of the United

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204 States, or the District of Columbia, provided:

205 a. The corporation is listed on any one or more of the  
206 recognized national stock exchanges or on the National Market  
207 System of the NASDAQ Stock Market and, in the case of bonds only,  
208 holds a rating in one of the three highest classifications by a  
209 major rating service; and

210 b. The board of trustees may ~~shall~~ not invest more than 5  
211 percent of its assets in the common stock or capital stock of any  
212 one issuing company, nor shall the aggregate investment in any  
213 one issuing company exceed 5 percent of the outstanding capital  
214 stock of that company or the aggregate of its investments under  
215 this subparagraph at cost exceed 50 percent of the assets of the  
216 fund.

217  
218 This paragraph applies ~~shall apply~~ to all boards of trustees and  
219 participants. However, if ~~in the event that~~ a municipality or  
220 special fire control district has a duly enacted pension plan  
221 pursuant to, and in compliance with, s. 175.351, and the trustees  
222 of such plan ~~thereof~~ desire to vary the investment procedures  
223 ~~herein~~, the trustees ~~of such plan~~ shall request a variance of the  
224 investment procedures as outlined herein only through a municipal  
225 ordinance, special act of the Legislature, or resolution by the  
226 governing body of the special fire control district; where a  
227 special act, or a municipality by ordinance adopted prior to July  
228 1, 1998, permits a greater than 50-percent equity investment,  
229 such municipality is ~~shall~~ not be required to comply with the  
230 aggregate equity investment provisions of this paragraph.  
231 Notwithstanding any other provision of law ~~to the contrary~~,  
232 nothing in this section may be construed to take away any

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233 preexisting legal authority to make equity investments that  
234 exceed the requirements of this paragraph. The board of trustees  
235 may invest up to 25 ~~10~~ percent of plan assets in foreign  
236 securities.

237 (c) Issue drafts upon the firefighters' pension trust fund  
238 pursuant to this chapter act and rules ~~and regulations~~ prescribed  
239 by the board of trustees. All such drafts shall be consecutively  
240 numbered, be signed by the chair and secretary or by two  
241 individuals designated by the board who are subject to the same  
242 fiduciary standards required for the board of trustees under this  
243 subsection, and state upon their faces the purpose for which the  
244 drafts are drawn. The treasurer or depository of each  
245 municipality or special fire control district shall retain such  
246 drafts when paid, as permanent vouchers for disbursements made,  
247 and no money shall be otherwise drawn from the fund.

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

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

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

253 175.101 State excise tax on property insurance premiums  
254 authorized; procedure.--For any municipality, special fire  
255 control district, chapter plan, local law municipality, local law  
256 special fire control district, or local law plan under this  
257 chapter:

258 (1) Each municipality or special fire control district in  
259 this state described and classified in s. 175.041, having a  
260 lawfully established firefighters' pension trust fund or  
261 municipal fund or special fire control district fund, by whatever

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262 name known, providing pension benefits to firefighters as  
263 provided under this chapter, may assess and impose on every  
264 insurance company, corporation, or other insurer ~~now~~ engaged in  
265 ~~or carrying on, or who shall hereinafter engage in or carry on,~~  
266 the business of property insurance, as shown by the records of  
267 the Office of Insurance Regulation of the Financial Services  
268 Commission, an excise tax in addition to any lawful license or  
269 excise tax now levied by each of the municipalities or special  
270 fire control districts, respectively, amounting to 1.85 percent  
271 of the gross amount of receipts of premiums from policyholders on  
272 all premiums collected on property insurance policies covering  
273 property within the corporate limits of such municipalities or  
274 within the legally defined boundaries of special fire control  
275 districts, respectively. Whenever the boundaries of a special  
276 fire control district that has lawfully established a  
277 firefighters' pension trust fund encompass a portion of the  
278 corporate territory of a municipality that has also lawfully  
279 established a firefighters' pension trust fund, that portion of  
280 the tax receipts attributable to insurance policies covering  
281 property situated both within the municipality and the special  
282 fire control district shall be given to the fire service  
283 provider. For the purpose of this section, the boundaries of a  
284 special fire control district are deemed to include an area that  
285 has been annexed until the completion of the 4-year period  
286 provided for in s. 171.093(4), or other agreed-upon extension, or  
287 when a special fire control district is providing services  
288 pursuant to an interlocal agreement executed pursuant to s.  
289 171.093(3). The agent shall identify the fire service provider on  
290 the property owner's application for insurance. Remaining

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291 revenues collected pursuant to this chapter shall be distributed  
292 to the municipality or special fire control district according to  
293 the location of the insured property.

294  
295 This section also applies to any municipality consisting of a  
296 single consolidated government which is made up of a former  
297 county and one or more municipalities, consolidated pursuant to  
298 the authority in s. 3 or s. 6(e), Art. VIII of the State  
299 Constitution, and to property insurance policies covering  
300 property within the boundaries of the consolidated government,  
301 regardless of whether the properties are located within one or  
302 more separately incorporated areas within the consolidated  
303 government, provided the properties are being provided fire  
304 protection services by the consolidated government. This section  
305 also applies to any municipality, as provided in s.  
306 175.041(3)(c), which has entered into an interlocal agreement to  
307 receive fire protection services from another municipality  
308 participating under this chapter. The excise tax may be levied on  
309 all premiums collected on property insurance policies covering  
310 property located within the corporate limits of the municipality  
311 receiving the fire protection services, but is ~~will be~~ available  
312 for distribution to the municipality providing the fire  
313 protection services.

314 Section 5. Paragraph (c) of subsection (1) of section  
315 175.171, Florida Statutes, is amended to read:

316 175.171 Optional forms of retirement income.--For any  
317 municipality, special fire control district, chapter plan, local  
318 law municipality, local law special fire control district, or  
319 local law plan under this chapter:

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320 (1) In lieu of the amount and form of retirement income  
321 payable in the event of normal or early retirement as specified  
322 in s. 175.162, a firefighter, upon written request to the board  
323 of trustees and subject to the approval of the board of trustees,  
324 may elect to receive a retirement income or benefit of equivalent  
325 actuarial value payable in accordance with one of the following  
326 options:

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

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

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

348 3. The board of trustees may request ~~such~~ evidence of the

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349 | good health of the joint annuitant ~~pensioner~~ that is being  
350 | removed ~~as it may require~~ and the amount of the retirement income  
351 | payable to the firefighter upon designation of a new joint  
352 | annuitant ~~pensioner~~ shall be actuarially redetermined taking into  
353 | account the age and sex of the former joint annuitant ~~pensioner~~,  
354 | the new joint annuitant ~~pensioner~~, and the firefighter. Each such  
355 | designation must ~~will~~ be made in writing on a form prepared by  
356 | the board of trustees and on completion must ~~will~~ be filed with  
357 | the board of trustees. ~~If In the event that~~ no designated  
358 | beneficiary survives the firefighter, such benefits as are  
359 | payable in the event of the death of the firefighter subsequent  
360 | to his or her retirement shall be paid as provided in s. 175.181.

361 | 4. Notwithstanding the provisions of this paragraph, a  
362 | retired firefighter may change his or her designation of joint  
363 | annuitant or beneficiary up to two times as provided in s.  
364 | 175.333 without the approval of the board of trustees or the  
365 | prior joint annuitant or beneficiary. The retiree does not have  
366 | to provide proof of the good health of the joint annuitant or of  
367 | the beneficiary being removed, and the joint annuitant or  
368 | beneficiary does not have to be living.

369 | Section 6. Section 175.361, Florida Statutes, is amended to  
370 | read:

371 | 175.361 Termination of plan and distribution of fund.--For  
372 | any municipality, special fire control district, chapter plan,  
373 | local law municipality, local law special fire control district,  
374 | or local law plan under this chapter, the plan may be terminated  
375 | by the municipality or special fire control district. Upon  
376 | termination of the plan ~~by the municipality or special fire~~  
377 | ~~control district~~ for any reason or because of a transfer, merger,

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378 or consolidation of governmental units, services, or functions as  
379 provided in chapter 121, or upon written notice by the  
380 municipality or special fire control district to the board of  
381 trustees that contributions under the plan are being permanently  
382 discontinued, the rights of all employees to benefits accrued to  
383 the date of such termination and the amounts credited to the  
384 employees' accounts are nonforfeitable. The fund shall be  
385 ~~apportioned and~~ distributed in accordance with the following  
386 procedures:

387 (1) The board of trustees shall determine the date of  
388 distribution and the asset value required to fund all the  
389 nonforfeitable benefits to be distributed, after taking into  
390 account the expenses of such distribution. The board shall inform  
391 the municipality or special fire control district if additional  
392 assets are required, in which event the municipality or special  
393 fire control district must continue to financially support the  
394 plan until all nonforfeitable benefits have been funded.

395 (2) The board of trustees shall determine the method of  
396 distribution of the asset value, that is, whether distribution  
397 shall be by payment in cash, by the maintenance of another or  
398 substituted trust fund, by the purchase of insured annuities, or  
399 otherwise, for each firefighter entitled to benefits under the  
400 plan as specified in subsection (3).

401 (3) The board of trustees shall distribute ~~apportion~~ the  
402 asset value as of the date of termination in the manner set forth  
403 in this subsection, on the basis that the amount required to  
404 provide any given retirement income means ~~shall mean~~ the  
405 actuarially computed single-sum value of such retirement income,  
406 except that if the method of distribution determined under

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407 subsection (2) involves the purchase of an insured annuity, the  
408 amount required to provide the given retirement income means  
409 ~~shall mean~~ the single premium payable for such annuity. The  
410 actuarial single-sum value may not be less than the employee's  
411 accumulated contributions to the plan, with interest if provided  
412 by the plan, less the value of any plan benefits previously paid  
413 to the employee.

414 ~~(a) Apportionment shall first be made in respect of each~~  
415 ~~retired firefighter receiving a retirement income hereunder on~~  
416 ~~such date, each person receiving a retirement income on such date~~  
417 ~~on account of a retired (but since deceased) firefighter, and~~  
418 ~~each firefighter who has, by such date, become eligible for~~  
419 ~~normal retirement but has not yet retired, in the amount required~~  
420 ~~to provide such retirement income, provided that, if such asset~~  
421 ~~value is less than the aggregate of such amounts, such amounts~~  
422 ~~shall be proportionately reduced so that the aggregate of such~~  
423 ~~reduced amounts will be equal to such asset value.~~

424 ~~(b) If there is any asset value remaining after the~~  
425 ~~apportionment under paragraph (a), apportionment shall next be~~  
426 ~~made in respect of each firefighter in the service of the~~  
427 ~~municipality or special fire control district on such date who~~  
428 ~~has completed at least 10 years of credited service, in the~~  
429 ~~firefighters' pension trust fund for at least 10 years, and who~~  
430 ~~is not entitled to an apportionment under paragraph (a), in the~~  
431 ~~amount required to provide the actuarial equivalent of the~~  
432 ~~accrued normal retirement income, based on the firefighter's~~  
433 ~~credited service and earnings to such date, and each former~~  
434 ~~participant then entitled to a benefit under the provisions of s.~~  
435 ~~175.211 who has not by such date reached his or her normal~~

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436 ~~retirement date, in the amount required to provide the actuarial~~  
437 ~~equivalent of the accrued normal retirement income to which he or~~  
438 ~~she is entitled under s. 175.211; provided that, if such~~  
439 ~~remaining asset value is less than the aggregate of the amounts~~  
440 ~~apportioned hereunder, such latter amounts shall be~~  
441 ~~proportionately reduced so that the aggregate of such reduced~~  
442 ~~amounts will be equal to such remaining asset value.~~

443 ~~(c) If there is any asset value after the apportionments~~  
444 ~~under paragraphs (a) and (b), apportionment shall lastly be made~~  
445 ~~in respect of each firefighter in the service of the municipality~~  
446 ~~or special fire control district on such date who is not entitled~~  
447 ~~to an apportionment under paragraphs (a) and (b) in the amount~~  
448 ~~equal to the firefighter's total contributions to the plan to~~  
449 ~~date of termination; provided that, if such remaining asset value~~  
450 ~~is less than the aggregate of the amounts apportioned hereunder,~~  
451 ~~such latter amounts shall be proportionately reduced so that the~~  
452 ~~aggregate of such reduced amounts will be equal to such remaining~~  
453 ~~asset value.~~

454 ~~(4)(d) If~~ in the event that there is asset value remaining  
455 after the full distribution ~~apportionment~~ specified in subsection  
456 (3), and after the payment of any expenses incurred with such  
457 distribution ~~paragraphs (a), (b), and (c)~~, such excess shall be  
458 returned to the municipality or special fire control district,  
459 less return to the state of the state's contributions, provided  
460 that, if the excess is less than the total contributions made by  
461 the municipality or special fire control district and the state  
462 to date of termination of the plan, such excess shall be divided  
463 proportionately to the total contributions made by the  
464 municipality or special fire control district and the state.

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465        (5)~~(4)~~ The board of trustees shall distribute, in  
466 accordance with the manner of distribution determined under  
467 subsection (2), the amounts determined ~~apportioned~~ under  
468 subsection (3).

469  
470 If, after ~~a period of~~ 24 months after the date on which the plan  
471 terminated or the date on which the board received written notice  
472 that the contributions ~~thereunder~~ were being permanently  
473 discontinued, the municipality or special fire control district  
474 or the board of trustees of the firefighters' pension trust fund  
475 affected has not complied with all the provisions in this  
476 section, the Department of Management Services ~~division~~ shall  
477 effect the termination of the fund in accordance with this  
478 section.

479        Section 7. Paragraph (c) of subsection (5) of section  
480 185.02, Florida Statutes, is amended to read:

481        185.02 Definitions.--For any municipality, chapter plan,  
482 local law municipality, or local law plan under this chapter, the  
483 following words and phrases as used in this chapter shall have  
484 the following meanings, unless a different meaning is plainly  
485 required by the context:

486        (5) "Creditable service" or "credited service" means the  
487 aggregate number of years of service and fractional parts of  
488 years of service of any police officer, omitting intervening  
489 years and fractional parts of years when such police officer may  
490 not have been employed by the municipality subject to the  
491 following conditions:

492        (c) Credited service under this chapter shall be provided  
493 only for service as a police officer, as defined in subsection

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494 (11), or for military service and does ~~shall~~ not include credit  
495 for any other type of service. A municipality may, by local  
496 ordinance, provide for the purchase of credit for military  
497 service occurring prior to employment as well as prior service as  
498 a police officer for some other employer as long as the police  
499 officer is not entitled to receive a benefit for such other prior  
500 service as a police officer. For purposes of determining credit  
501 for prior service as a police officer, in addition to service as  
502 a police officer in this state, credit may be given for federal,  
503 other state, or county service as long as such prior service is  
504 recognized by the Criminal Justice Standards and Training  
505 Commission within the Department of Law Enforcement as provided  
506 under chapter 943. The police officer must provide proof to the  
507 board of trustees that such service is equivalent to the  
508 definition of police officer under subsection (11).

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

511 185.05 Board of trustees; members; terms of office;  
512 meetings; legal entity; costs; attorney's fees.--For any  
513 municipality, chapter plan, local law municipality, or local law  
514 plan under this chapter:

515 (1) In each municipality described in s. 185.03 there is  
516 hereby created a board of trustees of the municipal police  
517 officers' retirement trust fund, which shall be solely  
518 responsible for administering the trust fund. Effective October  
519 1, 1986, and thereafter:

520 (a) The membership of the board of trustees for chapter  
521 plans shall consist of five members, two of whom, unless  
522 otherwise prohibited by law, shall be legal residents of the

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523 municipality ~~and~~, who shall be appointed by the legislative body  
524 of the municipality, and two of whom shall be police officers as  
525 defined in s. 185.02 who shall be elected by a majority of the  
526 active police officers who are members of the ~~such~~ plan. With  
527 respect to any chapter plan or local law plan that, on January 1,  
528 1997, allowed retired police officers to vote in ~~such~~ elections,  
529 retirees may continue to vote in such elections. The fifth member  
530 shall be chosen by a majority of the previous four members, and  
531 such person's name shall be submitted to the legislative body of  
532 the municipality. Upon receipt of the fifth person's name, the  
533 legislative body of the municipality shall, as a ministerial  
534 duty, appoint such person to the board of trustees as its fifth  
535 member. The fifth member shall have the same rights as each of  
536 the other four members ~~appointed or elected as herein provided~~,  
537 shall serve as trustee for a period of 2 years, and may succeed  
538 himself or herself in office. Each resident member shall serve as  
539 trustee for a period of 2 years, unless ~~sooner~~ replaced by the  
540 legislative body at whose pleasure the member shall serve, and  
541 may succeed himself or herself as a trustee. Each police officer  
542 member shall serve as trustee for a period of 2 years, unless he  
543 or she ~~sooner~~ leaves the employment of the municipality as a  
544 police officer, whereupon ~~the legislative body of the~~  
545 ~~municipality shall choose~~ a successor shall be chosen in the same  
546 manner as an original appointment. Each police officer may  
547 succeed himself or herself in office. The terms of office of the  
548 appointed and elected members of the board may be amended by  
549 municipal ordinance or special act of the Legislature to extend  
550 the terms of office from 2 years to 4 years. The length of the  
551 terms of office must be the same for all board members.

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552           (6) The board of trustees may, upon written request by a  
553 ~~the~~ retiree of the plan, or by a dependent, ~~when~~ authorized by  
554 the retiree or the retiree's beneficiary, authorize the plan  
555 administrator to withhold from the monthly retirement payment  
556 those funds that are necessary to pay for the benefits being  
557 received through the governmental entity from which the employee  
558 retired, to pay the certified bargaining agent of the  
559 governmental entity, and to make any payments for child support  
560 or alimony. Further, the board of trustees may, upon the written  
561 request of the retiree of the plan, authorize the plan  
562 administrator to withhold from the retirement payment those funds  
563 that are necessary to pay the accident, health, and long-term  
564 care insurance premiums for the retiree and the retiree's spouse  
565 and dependents. A retirement plan does not incur any liability  
566 for participation in this permissive program if its actions are  
567 taken in good faith.

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

570           185.06 General powers and duties of board of trustees.--For  
571 any municipality, chapter plan, local law municipality, or local  
572 law plan under this chapter:

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

576           (a) Invest and reinvest the assets of the retirement trust  
577 fund in annuity and life insurance contracts of life insurance  
578 companies in amounts sufficient to provide, in whole or in part,  
579 the benefits to which all of the participants in the municipal  
580 police officers' retirement trust fund are ~~shall be~~ entitled

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581 | under the provisions of this chapter, and pay the initial and  
582 | subsequent premiums thereon.

583 |       (b) Invest and reinvest the assets of the retirement trust  
584 | fund in:

585 |       1. Time or savings accounts of a national bank, a state  
586 | bank insured by the Bank Insurance Fund, ~~or~~ a savings and loan  
587 | association insured by the Savings Association Insurance Fund  
588 | which is administered by the Federal Deposit Insurance  
589 | Corporation, or a state or federal chartered credit union whose  
590 | share accounts are insured by the National Credit Union Share  
591 | Insurance Fund.

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

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

595 |       4. Bonds, stocks, or other evidences of indebtedness issued  
596 | or guaranteed by a corporation organized under the laws of the  
597 | United States, any state or organized territory of the United  
598 | States, or the District of Columbia, provided:

599 |       a. The corporation is listed on any one or more of the  
600 | recognized national stock exchanges or on the National Market  
601 | System of the NASDAQ Stock Market and, in the case of bonds only,  
602 | holds a rating in one of the three highest classifications by a  
603 | major rating service; and

604 |       b. The board of trustees may ~~shall~~ not invest more than 5  
605 | percent of its assets in the common stock or capital stock of any  
606 | one issuing company, nor shall the aggregate investment in any  
607 | one issuing company exceed 5 percent of the outstanding capital  
608 | stock of the company or the aggregate of its investments under  
609 | this subparagraph at cost exceed 50 percent of the fund's assets.

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610  
611 This paragraph applies ~~shall apply~~ to all boards of trustees and  
612 participants. However, if ~~in the event that~~ a municipality has a  
613 duly enacted pension plan pursuant to, and in compliance with, s.  
614 185.35 and the trustees of such plan ~~thereof~~ desire to vary the  
615 investment procedures ~~herein~~, the trustees ~~of such plan~~ shall  
616 request a variance of the investment procedures as outlined  
617 herein only through a municipal ordinance or special act of the  
618 Legislature; where a special act, or a municipality by ordinance  
619 adopted prior to July 1, 1998, permits a greater than 50-percent  
620 equity investment, such municipality is ~~shall~~ not ~~be~~ required to  
621 comply with the aggregate equity investment provisions of this  
622 paragraph. Notwithstanding any other provision of law ~~to the~~  
623 ~~contrary~~, nothing in this section may be construed to take away  
624 any preexisting legal authority to make equity investments that  
625 exceed the requirements of this paragraph. The board of trustees  
626 may invest up to 25 ~~10~~ percent of plan assets in foreign  
627 securities.

628 (c) Issue drafts upon the municipal police officers'  
629 retirement trust fund pursuant to this chapter ~~act~~ and rules ~~and~~  
630 ~~regulations~~ prescribed by the board of trustees. All such drafts  
631 shall be consecutively numbered, be signed by the chair and  
632 secretary or by two individuals designated by the board who are  
633 subject to the same fiduciary standards required for the board of  
634 trustees under this subsection, and state upon their faces the  
635 purposes for which the drafts are drawn. The city treasurer or  
636 other depository shall retain such drafts when paid, as permanent  
637 vouchers for disbursements made, and no money shall otherwise be  
638 drawn from the fund.

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

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

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

645 Section 10. Subsection (1) of section 185.161, Florida  
646 Statutes, is amended to read:

647 185.161 Optional forms of retirement income.--For any  
648 municipality, chapter plan, local law municipality, or local law  
649 plan under this chapter:

650 (1) (a) In lieu of the amount and form of retirement income  
651 payable in the event of normal or early retirement as specified  
652 in s. 185.16, a police officer, upon written request to the board  
653 of trustees and subject to the approval of the board of trustees,  
654 may elect to receive a retirement income or benefit of equivalent  
655 actuarial value payable in accordance with one of the following  
656 options:

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

659 2. A retirement income of a modified monthly amount,  
660 payable to the police officer during the joint lifetime of the  
661 police officer and a joint annuitant ~~pensioner~~ designated by the  
662 police officer, and following the death of either of them, 100  
663 percent, 75 percent, 66 2/3 percent, or 50 percent of such  
664 monthly amount payable to the survivor for the lifetime of the  
665 survivor.

666 3. Such other amount and form of retirement payments or  
667 benefit as, in the opinion of the board of trustees, will best

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668 meet the circumstances of the retiring police officer.

669 (b) The police officer upon electing any option of this  
670 section shall ~~will~~ designate the joint annuitant pensioner or  
671 beneficiary ~~(or beneficiaries)~~ to receive the benefit, if any,  
672 payable under the plan in the event of the police officer's  
673 death, and may ~~will have the power to~~ change such designation  
674 ~~from time to time~~ but any such change shall be deemed a new  
675 election and is ~~will be~~ subject to approval by the pension  
676 committee. Such designation must ~~will~~ name a joint annuitant  
677 ~~pensioner~~ or one or more primary beneficiaries where applicable.  
678 If a police officer has elected an option with a joint annuitant  
679 ~~pensioner~~ or beneficiary and his or her retirement income  
680 benefits have commenced, he or she may ~~thereafter~~ change the  
681 designated joint annuitant ~~pensioner~~ or beneficiary but only if  
682 the board of trustees consents to such change and if the joint  
683 annuitant ~~pensioner~~ last previously designated by the police  
684 officer is alive when he or she files with the board of trustees  
685 a request for such change. The consent of a police officer's  
686 joint annuitant ~~pensioner~~ or beneficiary to any such change is  
687 ~~shall not be~~ required. The board of trustees may request ~~such~~  
688 evidence of the good health of the joint annuitant ~~pensioner~~ that  
689 is being removed ~~as it may require~~ and the amount of the  
690 retirement income payable to the police officer upon the  
691 designation of a new joint annuitant ~~pensioner~~ shall be  
692 actuarially redetermined taking into account the ages and sex of  
693 the former joint annuitant ~~pensioner~~, the new joint annuitant  
694 ~~pensioner~~, and the police officer. Each such designation must  
695 ~~will~~ be made in writing on a form prepared by the board of  
696 trustees, and on completion must ~~will~~ be filed with the board of

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697 trustees. ~~If In the event that~~ no designated beneficiary survives  
698 the police officer, such benefits as are payable in the event of  
699 the death of the police officer subsequent to his or her  
700 retirement shall be paid as provided in s. 185.162.

701 (c) Notwithstanding paragraph (b), the retired police  
702 officer may change his or her designation of joint annuitant or  
703 beneficiary up to two times as provided in s. 185.341 without the  
704 approval of the board of trustees or the prior joint annuitant or  
705 beneficiary. The retiree does not have to provide proof of good  
706 health of the joint annuitant or of the beneficiary being  
707 removed, and the joint annuitant or beneficiary does not have to  
708 be living.

709 Section 11. Section 185.37, Florida Statutes, is amended to  
710 read:

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

724 (1) The board of trustees shall determine the date of  
725 distribution and the asset value required to fund all the

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726 nonforfeitable benefits to be distributed, after taking into  
727 account the expenses of such distribution. The board shall inform  
728 the municipality if additional assets are required, in which  
729 event the municipality must continue to financially support the  
730 plan until all nonforfeitable benefits have been funded.

731 (2) The board of trustees shall determine the method of  
732 distribution of the asset value, that is, whether distribution  
733 shall be by payment in cash, by the maintenance of another or  
734 substituted trust fund, by the purchase of insured annuities, or  
735 otherwise, for each police officer entitled to benefits under the  
736 plan, as specified in subsection (3).

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

750 ~~(a) Apportionment shall first be made in respect of each~~  
751 ~~retired police officer receiving a retirement income hereunder on~~  
752 ~~such date, each person receiving a retirement income on such date~~  
753 ~~on account of a retired (but since deceased) police officer, and~~  
754 ~~each police officer who has, by such date, become eligible for~~

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755 ~~normal retirement but has not yet retired, in the amount required~~  
756 ~~to provide such retirement income, provided that, if such asset~~  
757 ~~value is less than the aggregate of such amounts, such amounts~~  
758 ~~shall be proportionately reduced so that the aggregate of such~~  
759 ~~reduced amounts will be equal to such asset value.~~

760 ~~(b) If there is any asset value remaining after the~~  
761 ~~apportionment under paragraph (a), apportionment shall next be~~  
762 ~~made in respect of each police officer in the service of the~~  
763 ~~municipality on such date who has completed at least 10 years of~~  
764 ~~credited service, in the municipal police officers' retirement~~  
765 ~~trust fund for at least 10 years, and who is not entitled to an~~  
766 ~~apportionment under paragraph (a), in the amount required to~~  
767 ~~provide the actuarial equivalent of the accrued normal retirement~~  
768 ~~income, based on the police officer's credited service and~~  
769 ~~earnings to such date, and each former participant then entitled~~  
770 ~~to a benefit under the provisions of s. 185.19 who has not by~~  
771 ~~such date reached his or her normal retirement date, in the~~  
772 ~~amount required to provide the actuarial equivalent of the~~  
773 ~~accrued normal retirement income to which he or she is entitled~~  
774 ~~under s. 185.19, provided that, if such remaining asset value is~~  
775 ~~less than the aggregate of the amounts apportioned hereunder,~~  
776 ~~such latter amounts shall be proportionately reduced so that the~~  
777 ~~aggregate of such reduced amounts will be equal to such remaining~~  
778 ~~asset value.~~

779 ~~(c) If there is an asset value after the apportionments~~  
780 ~~under paragraphs (a) and (b), apportionment shall lastly be made~~  
781 ~~in respect of each police officer in the service of the~~  
782 ~~municipality on such date who is not entitled to an apportionment~~  
783 ~~under paragraphs (a) and (b) in the amount equal to the police~~

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784 ~~officer's total contributions to the plan to date of termination,~~  
785 ~~provided that, if such remaining asset value is less than the~~  
786 ~~aggregate of the amounts apportioned hereunder, such latter~~  
787 ~~amounts shall be proportionately reduced so that the aggregate of~~  
788 ~~such reduced amounts will be equal to such remaining asset value.~~

789 (4) ~~(d)~~ If ~~In the event that~~ there is asset value remaining  
790 after the full distribution ~~apportionment~~ specified in subsection  
791 (3), and after the payment of any expenses incurred with such  
792 distribution ~~paragraphs (a), (b), and (c)~~, such excess shall be  
793 returned to the municipality, less return to the state of the  
794 state's contributions, provided that, if the excess is less than  
795 the total contributions made by the municipality and the state to  
796 date of termination of the plan, such excess shall be divided  
797 proportionately to the total contributions made by the  
798 municipality and the state.

799 (5) ~~(4)~~ The board of trustees shall distribute, in  
800 accordance with the manner of distribution determined under  
801 subsection (2), the amounts determined ~~apportioned~~ under  
802 subsection (3).

803  
804 If, after ~~a period of~~ 24 months after the date on which the plan  
805 terminated or the date on which the board received written notice  
806 that the contributions ~~thereunder~~ were being permanently  
807 discontinued, the municipality or the board of trustees of the  
808 municipal police officers' retirement trust fund affected has not  
809 complied with all the provisions in this section, the Department  
810 of Management Services ~~division~~ shall effect the termination of  
811 the fund in accordance with this section.

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