

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.