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1 A bill to be entitled  
2 An act relating to the City of Orlando Firefighter Pension  
3 Fund, Orange County; amending chapter 23444, Laws of  
4 Florida, 1945, as amended; providing a member with 20  
5 years or more of service who is involuntarily determined  
6 to be permanently and totally disabled not in the line of  
7 duty the right to elect a normal service retirement under  
8 certain conditions; providing for a change in the accrual  
9 rate for normal retirement benefit; providing for a change  
10 of the accrual rate for line of duty death benefits if  
11 member has completed more than 23.53 years of service;  
12 changing the Back Deferred Retirement Option Program  
13 (DROP) from 36 months to 60 months; revising provisions  
14 relating to DROP accounts; providing that distributions  
15 comply with the Internal Revenue Code; providing for  
16 changes necessary to maintain tax qualification;  
17 authorizing the legislative body of the City of Orlando to  
18 adjust the pension plan to comply with the Internal  
19 Revenue Code and to create a SHARE program or plan to  
20 provide for certain extra benefits; providing that benefit  
21 changes are not retroactive; specifying this act does not  
22 provide additional benefits to certain members and  
23 beneficiaries; providing for retroactive effect; providing  
24 effective dates.

25  
26 Be It Enacted by the Legislature of the State of Florida:

27  
28 Section 1. Effective July 1, 2009, sections 7, 12,

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29 | 14, 21, and 27 of chapter 23444, Laws of Florida, 1945, as  
30 | amended, are amended to read:

31 |       Section 7. Permanent Disability Pension; Not in Line  
32 | of Duty. Each and every active member of the department who  
33 | shall become permanently and totally disabled, if said  
34 | disability was not directly caused by and attributable to  
35 | the performance of duty as a member of the fire department  
36 | and was not caused by the member's own imprudence, upon  
37 | establishing to the satisfaction of said board that the  
38 | member is so permanently and totally disabled, shall be  
39 | entitled to a monthly pension as follows: A member with  
40 | less than 10 full years of credited service at time of  
41 | impairment shall be entitled to receive an amount equal to  
42 | 3 percent of the member's average monthly salary for each  
43 | year of said credited service, and a member with 10 full  
44 | years or more of credited service at time of impairment  
45 | shall be entitled to 4 percent of the member's average  
46 | monthly salary for each year of said credited service.  
47 | However, the monthly pension shall not exceed 60 percent of  
48 | the member's average monthly salary as determined herein;  
49 | provided, however, that the monthly pension for a member  
50 | with more than twenty (20) full years of credited service  
51 | at time of impairment may exceed sixty (60) percent and  
52 | shall be sixty (60) percent plus four (4) per cent per year  
53 | for each year of credited service in excess of twenty (20),  
54 | based on such years of credited service, but may not exceed  
55 | eighty (80) percent, unless the member has completed 40  
56 | years of credited service in which case the member shall

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57 | receive an additional 2 percent per year for each year in  
58 | excess of 40 years of credited service. Provided further, a  
59 | member with 20 years or more of credited service who is  
60 | determined by the board of trustees to be permanently and  
61 | totally disabled not in the line of duty, but without  
62 | application for not in the line of duty disability  
63 | benefits, may within thirty (30) days of such determination  
64 | elect in writing to receive the normal retirement benefit  
65 | that the member would be entitled to receive based on years  
66 | of credited service. Provided, however, the total monthly  
67 | benefit shall not exceed 100 percent of the member's  
68 | average monthly salary. The phrase "permanently and totally  
69 | disabled" shall be construed to mean and include the loss  
70 | of one or more limbs, loss of sight in one or both eyes,  
71 | loss of hearing in one or both ears and any other condition  
72 | which renders the member unfit to perform the required  
73 | duties of the member's rank held at the time of impairment.  
74 | The average monthly salary shall be determined by computing  
75 | the member's average monthly salary for the member's last 3  
76 | years of credited service or for the member's total  
77 | credited\_service if less than 3 years, or by computing the  
78 | member's average monthly salary for the five best years of  
79 | the last ten years of credited service, whichever amount is  
80 | greater. Upon the death of the member on said disability  
81 | pension, benefits shall be paid as follows:  
82 |       (1) If a member has not elected and started receipt of the  
83 | Section 34(1)(a) life with ten (10) years certain form of  
84 | payment, or the Section 34(1)(b) life only form of payment, or

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85 the Section 34(1)(c) joint pensioner form of payment, benefits  
86 shall be paid pursuant to Section 14, "Benefits Payable Upon  
87 Death of Member", to the surviving spouse and issues under the  
88 age of eighteen (18), or dependent parents, and Section 35(3),  
89 "10 Year Certain Guarantee", if applicable.

90 (2) If a member has elected and started receipt of the  
91 Section 34(1)(a) life with ten (10) years certain form of  
92 payment and the member has not received 120 monthly payments,  
93 then benefits otherwise payable to the member shall be paid  
94 pursuant to Section 32, "Beneficiaries", for the remainder of  
95 the 120 monthly payments beginning on the first day of the month  
96 immediately following the member's death regardless of the age  
97 of the deceased member. If the firefighter makes this election,  
98 no benefits shall be paid pursuant to Section 14(5)(b) or  
99 Section 14(5)(d) to the surviving spouse, issue in being under  
100 the age of eighteen (18), or dependent parents. Provided  
101 however, the firefighter may designate as beneficiaries the  
102 surviving spouse, issue in being under the age of eighteen (18),  
103 or dependent parents to receive the remainder of the 120 monthly  
104 payments.

105 (3) If a member has elected and started receipt of the  
106 Section 34(1)(b) life only form of payment, no further payments  
107 shall be made upon the death of the member.

108 (4) If a member has elected and started receipt of the  
109 Section 34(1)(c) joint pensioner form of payment, benefits shall  
110 be paid as provided therein.

111

112 Notwithstanding anything that may be to the contrary in

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113 | this act, at age 47 a member then receiving benefits under  
114 | this section may make the election provided in section  
115 | 12(1) or section 12(2) as the case may be and section 18,  
116 | all of this act (Laws of Fla. ch. 23444(1945), as amended)  
117 | in the manner therein specified, provided he is qualified  
118 | by length of service prior to said disability and provided  
119 | he makes the election within the 30 day period after  
120 | reaching age 47. If the election is exercised in favor of  
121 | salary deduction return, the return shall be minus  
122 | disability payments paid hereunder. If the election is  
123 | exercised, all of the member's rights and the rights of the  
124 | surviving spouse and issue and dependent parents under  
125 | Section 14 shall cease.

126 |       Section 12. Service Requirement for Voluntary Retirement.

127 |       (1) Normal Retirement Date.

128 |       A member's normal retirement date shall be the first day of  
129 | the month coincident with or next following the earlier of the  
130 | completion of twenty (20) years of credited service regardless  
131 | of age, or attainment of age forty-seven (47) and the completion  
132 | of ten (10) years of credited service. Any member may retire on  
133 | the first day of any month after the member's normal retirement  
134 | date, and each member shall become 100% vested in his accrued  
135 | benefit on the member's normal retirement date. Normal  
136 | retirement is retirement from employment as a firefighter with  
137 | the City of Orlando on or after the normal retirement date. Any  
138 | member of the Fire Department who has more than 10 years of  
139 | credited service but less than 20 years of credited service and  
140 | who is discharged or voluntarily separates from service in the

141 department thereafter but before attaining age forty-seven (47),  
 142 may make an election to receive a monthly pension beginning at  
 143 age 47.

144 (2) Normal Retirement Benefit.

145 (a) A member of the Fire Department who has ~~more than~~ 10  
 146 or more years of credited service but less than 20 years of  
 147 credited service shall be entitled to an amount equal to the  
 148 number of the member's years of credited service multiplied by  
 149 2.0% multiplied by the member's average monthly salary.

150 (b) Any member of the Fire Department who has 20 years or  
 151 more of credited service but less than 42.5 ~~40~~ years of credited  
 152 service shall be entitled to a monthly pension of 68% ~~60%~~ of the  
 153 member's average monthly salary plus 3.4% ~~4%~~ for each year of  
 154 credited service in excess of 20 years of credited service but  
 155 not to exceed 85% ~~80%~~.

156 (c) Any member of the Fire Department who has completed  
 157 42.5 ~~40~~ years of credited service shall receive in addition to  
 158 the amount specified in subparagraph (b) an additional 2% per  
 159 year of credited service for each year in excess of 42.5 ~~40~~  
 160 years of service; provided, however, the total monthly benefit  
 161 shall not exceed 100% of the average monthly salary used in  
 162 calculating the member's pension benefit.

163 (3) Average Monthly Salary shall be determined by  
 164 computing the average monthly salary of the member's last three  
 165 (3) years of credited service, or by computing the member's  
 166 average monthly salary for the five (5) best years of the last  
 167 ten (10) years of credited service, whichever amount is greater.

168 (4) The additional actuarial cost of providing benefits to

169 members who retire after completing 20 years of credited service  
 170 but before attaining age 47 shall be borne by the members.

171 (5) If the member should die after separation or discharge  
 172 before timely electing the pension form of payment or after the  
 173 election but before receipt of the pension, no benefit will be  
 174 paid under a Section 34(1)(b) life only option or a Section  
 175 34(1)(c) joint pensioner option, and benefits shall be paid  
 176 pursuant to Section 14, "Benefits Payable Upon Death of Member",  
 177 with the Section 35(2) "10 years certain Guarantee", unless the  
 178 member had elected the Section 34(1)(a) life with ten (10) years  
 179 certain form of payment.

180 (6) Upon the death of a member who had started receipt of  
 181 a Section 12 pension including a pension credited to the  
 182 member's DROP account, benefits shall be paid as follows:

183 (a) If a member has not elected the Section 34(1)(a) life  
 184 with ten (10) years certain form of payment, or the Section  
 185 34(1)(b) life only form of payment, or the Section 34(1)(c)  
 186 joint pensioner form of payment, benefits shall be paid pursuant  
 187 to Section 14 to the surviving spouse and issues under the age  
 188 of eighteen (18), or dependent parents, with Section 35(3), "10  
 189 Year Certain Guarantee", if applicable.

190 (b) If a member has elected the Section 34(1)(a) life with  
 191 ten (10) years certain form of payment and the member has not  
 192 received 120 monthly payments, then benefits otherwise payable  
 193 to the member shall be paid pursuant to Section 32,  
 194 "Beneficiaries", for the remainder of the 120 monthly payments  
 195 beginning on the first day of the month immediately following  
 196 the member's death regardless of the age of the deceased member.

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197 If the firefighter makes this election, no benefits shall be  
198 paid pursuant to Section 14(5)(b) or Section 14(5)(d) to the  
199 surviving spouse, issue in being under the age of eighteen (18),  
200 or dependent parents. Provided however, the firefighter may  
201 designate as beneficiaries the surviving spouse, issue in being  
202 under the age of eighteen (18), or dependent parents to receive  
203 the remainder of the 120 monthly payments.

204 (c) If a member has elected the Section 34(1)(b) life only  
205 form of payment, no further payments shall be made upon the  
206 death of the member. If a member has elected the Section  
207 34(1)(c) joint pensioner form of payment, benefits shall be paid  
208 as provided therein.

209 Section 14. Benefits Payable Upon Death of Member.

210 (1) Unless the member has elected a life with 10 year  
211 certain form of payment pursuant to Section 34(1)(a); or has  
212 elected and started receipt of or started DROP account accrual  
213 of a life only form of payment pursuant to Section 34(1)(b); or  
214 has elected and started receipt of or started DROP account  
215 accrual of a joint pensioner form of payment pursuant to Section  
216 34(1)(c), upon the death of the member, the amounts stated in  
217 subsection (5) shall be paid to the member's surviving spouse,  
218 if any, for the remainder of the surviving spouse's natural  
219 life, regardless of marital status; provided, however, if the  
220 deceased member left surviving issue in being under the age of  
221 eighteen (18) who are issue of said decedent and the member's  
222 surviving spouse, twenty-five percent (25%) of the aforesaid  
223 surviving spouse's pension shall be paid to said surviving  
224 spouse for said issue, until said issue become eighteen (18), at



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225 | which time the full surviving spouse's pension shall be paid to  
226 | said surviving spouse for the remainder of the surviving  
227 | spouse's natural lifetime regardless of marital status; and,  
228 | provided further, if said deceased member died with issue  
229 | surviving in being under the age of eighteen (18) who are issue  
230 | of said decedent and not of the surviving spouse, twenty-five  
231 | (25%) of the aforesaid surviving spouse's pension shall be  
232 | divided and paid on a per capita basis, to:

233 |       (a) the legal guardian or guardians of said issue, or a  
234 | trustee of a trust of which said issue is a beneficiary, for  
235 | said issue; until age eighteen (18); and

236 |       (b) the surviving spouse, for issue, if any, the surviving  
237 | spouse and the deceased member may have had who survived the  
238 | member and were in being and under eighteen (18) years of age at  
239 | the time of the member's death.

240 |       (2) If said decedent leaves no surviving spouse, but does  
241 | leave issue as aforesaid, the aforesaid full surviving spouse's  
242 | pension shall be divided and paid on a per capita basis to the  
243 | legal guardian or guardians of said issue, or a trustee of a  
244 | trust of which said issue is a beneficiary, for said issue,  
245 | until age eighteen (18). Notwithstanding anything to the  
246 | contrary in this section, all payments for any issue shall cease  
247 | at age eighteen (18) or at death of said issue prior thereto or  
248 | at the times provided in Section 22 of this act and said  
249 | cancelled payments for said issue shall not serve to increase  
250 | the payments to any other issue but shall be paid to said  
251 | surviving spouse if then alive for the remainder of the  
252 | surviving spouse's natural lifetime regardless of marital

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253 status.

254 (3) If a deceased member of the said fire department,  
255 active or retired, shall leave no surviving spouse and shall not  
256 leave a surviving child or children in being and his issue and  
257 under the age of eighteen (18) years, but shall leave a  
258 surviving parent who is entirely dependent upon said member for  
259 support, the dependent parents pro rata shall receive the same  
260 pension to which the surviving spouse would have been entitled,  
261 unless and until such dependent parent becomes self-supporting  
262 or dies. If both dependent parents are receiving pension and one  
263 becomes self-supporting or dies, the one hundred percent (100%)  
264 of the benefit shall be paid to the other dependent parent.

265 (4) Notwithstanding anything to the contrary in this  
266 section, the fund, board of trustees, comptroller and the city  
267 shall not be liable or responsible in any way for identification  
268 or verification of the authenticity of surviving spouses,  
269 issues, guardians, or trustees, or dependent parents or changes  
270 in status thereof; moreover, without limiting the foregoing, to  
271 be entitled to be considered for said payments provided herein,  
272 proof of identification and authenticity of the surviving  
273 spouse, issue, guardians, and trustees, or dependent parents  
274 along with sufficient address and status information under  
275 Section 22 of this Act, must be presented to the board in  
276 writing within thirty (30) days of the death of said member and  
277 proof of changes therein presented to the board in writing  
278 within thirty (30) days after the change. Without limiting the  
279 foregoing sentence, any surviving spouse deeming himself or  
280 herself entitled under this section to an increase in pension on

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281 account of change in status of issue shall present in writing to  
 282 said board proof satisfactory to the board of said change within  
 283 thirty (30) days thereafter. If the board of trustees decides,  
 284 in its discretion, that proof of any of the aforesaid changes  
 285 has been satisfactorily shown to it in writing, the change of  
 286 pension shall be made by said board effective with the next  
 287 monthly payment due after said showing; provided, however, no  
 288 change in pension payment or amount thereof shall be  
 289 retroactive.

290 (5) (a) If the member qualifies for benefits pursuant to  
 291 Section 7, "Permanent Disability Pension; Not in Line of Duty",  
 292 the amount of the monthly pension shall be equal to sixty-five  
 293 percent (65%) of the pension that the deceased member was  
 294 entitled to receive based on years of credited service, unless  
 295 the member had twenty (20) years of credited service at time of  
 296 retirement on disability in which case the monthly pension shall  
 297 be equal to seventy-five percent (75%) of the pension that the  
 298 deceased member was entitled to receive based on years of  
 299 credited service.

300 (b) If the member's death qualifies for benefits pursuant  
 301 to Section 8, "Pension for Death In Line of Duty", the monthly  
 302 pension shall be seventy-five percent (75%) of eighty percent  
 303 (80%) of the member's average monthly salary; provided however a  
 304 member who has completed 23.53 ~~forty (40)~~ years of credited  
 305 service shall be entitled to an additional 3.4% ~~two percent (2%)~~  
 306 over the eighty percent (80%) for each year of credited service  
 307 in excess of 23.53 ~~forty (40)~~ years of credited service, but not  
 308 to exceed eighty-five percent (85%) unless the deceased member

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309 had completed 42.5 years of credited service in which case the  
310 benefit shall be increased by an additional 2% per year for each  
311 year in excess of 42.5 years of credited service, but not to  
312 exceed one-hundred percent (100%).

313 (c) If the member qualifies for benefits pursuant to  
314 Section 9, "Permanent Disability Pension: In Line of Duty", the  
315 monthly pension shall be seventy-five percent (75%) of the  
316 pension the deceased member was entitled to receive.

317 (d) If the member's death qualifies pursuant to Section  
318 10, "Pension for Death Not In Line of Duty", the monthly pension  
319 shall be sixty-five percent (65%) of the pension that the member  
320 was entitled to receive; provided however that if the active  
321 member at the time of his or her death shall have reached normal  
322 retirement date, the monthly pension shall be equal to seventy-  
323 five percent (75%) of the pension the deceased member was  
324 entitled to receive based on years of credited service.

325 (e) If a member is entitled to a pension pursuant to  
326 Section 12, "Service Requirement for Voluntary Retirement", the  
327 monthly pension shall be seventy-five percent (75%) of the  
328 pension that the member was entitled to receive.

329 (6) Effective for any pension paid a surviving spouse  
330 which started on or after January 1, 2008, any pension being  
331 paid under the terms and provisions of this act to any surviving  
332 spouse shall not cease upon the surviving spouse's remarriage.  
333 The surviving spouse of such deceased member killed in the line  
334 of duty whose benefits terminated because of remarriage shall  
335 have the benefit reinstated as of July 1, 1994, at an amount  
336 that would have been payable had such benefit not been

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337 terminated. No pension shall be paid under the terms and  
338 provisions of this section to any surviving spouse unless the  
339 surviving spouse was the lawful spouse of the deceased member of  
340 the said fire department, at the time the member was placed on  
341 pension or entered DROP under the terms and provisions of this  
342 act. The pension provided for issue of the deceased member under  
343 the age of eighteen (18) years shall not cease by virtue of the  
344 remarriage of their surviving mother or father, but it shall  
345 continue until the occurrence of one or more of the events  
346 mentioned in Section 22 hereof.

347 (7) If the member was eligible for cost-of-living  
348 increases pursuant to Section 19, then those eligible for  
349 benefits payable upon the death of the member shall also be  
350 eligible for cost-of-living increases in the same  
351 percentage and at the same time that the member would have  
352 been entitled to receive the Section 19 cost-of-living  
353 increases.

354 Section 21. Deferred Retirement Option Program Plan ~~Plan~~.

355 (1) Deferred Retirement Option Program Plan ~~Plan~~--The Deferred  
356 Retirement Option Program Plan, hereinafter referred to as the  
357 "DROP," allows any member who has elected to participate in the  
358 DROP, hereinafter referred to as a "DROP participant," to  
359 receive a lump-sum payment, or other payment, in addition to a  
360 monthly pension, upon termination of employment. No benefits  
361 shall be paid under this section unless the DROP participant has  
362 terminated employment.

363 (2) DROP Eligibility--Any member may elect to participate  
364 in the DROP following the date upon which the member completes

365 20 years of active service as a firefighter with the City of  
 366 Orlando and is eligible for a service retirement pension. A  
 367 member may participate in the DROP only once.

368 (3) DROP Participation--

369 (a) An eligible member may participate in the Forward Drop  
 370 for a period not to exceed a maximum of 60 months or, in the  
 371 alternative, may participate in the Back DROP for a period not  
 372 to exceed 60 ~~36~~ months. Notwithstanding, DROP participation may  
 373 not continue beyond the date when the member's combined years of  
 374 credited service and time in the DROP equals 360 months.

375 (b) A member may apply to participate in the DROP by  
 376 submitting an application to the Board of Trustees, which shall  
 377 include the following:

378 1. A written election to participate in the DROP. Once  
 379 submitted to the Board of Trustees, this election will be  
 380 irrevocable.

381 2. Selection of the DROP participation and termination  
 382 dates that satisfy the limitation stated in subsection (2) and  
 383 paragraph (a). Such termination date shall be in a binding  
 384 letter of resignation, establishing a deferred termination date.

385 3. A properly completed DROP application for a service  
 386 retirement pension.

387 4. A properly completed designation of named  
 388 beneficiaries in the event the member dies while participating  
 389 in the DROP.

390 5. Any other information as may be required by the Board  
 391 of Trustees.

392 (c) The DROP participant shall be a retiree under the

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393 provisions of the pension plan. However, participation in the  
394 DROP does not alter the DROP participant's employment status,  
395 nor does it constitute a contract or guarantee of continued  
396 employment.

397 (d) A DROP participant shall not accrue additional  
398 credited service under the pension plan after the effective date  
399 of DROP participation.

400 (4) Benefits Payable Under the DROP--

401 (a) Effective with the date of DROP participation, the  
402 DROP participant's initial monthly service retirement pension,  
403 including credited service and average monthly salary, shall be  
404 determined and fixed. Such service retirement pension and  
405 earnings shall be credited to the DROP participant's DROP  
406 account no less than monthly. Such earnings shall be credited as  
407 provided in subsection (7).

408 (b) The effective date of DROP participation for a  
409 participant who has elected to receive benefits under the  
410 pension plan shall be the first day of the month selected by the  
411 member to begin retirement under the pension plan and  
412 participation in the DROP.

413 (c) The service retirement pension and earnings thereon  
414 shall be credited to the DROP participant's DROP account  
415 periodically, as pension benefit payments would have otherwise  
416 been made.

417 (5) DROP Types--A member eligible for a service retirement  
418 pension may elect a Forward DROP or a Back DROP, but not both.

419 (a) Forward DROP--Under a Forward DROP, a member may  
420 retire, deferring receipt of the service retirement pension

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421 while continuing employment with the city. In that case, the  
422 deferred monthly service retirement pension shall be credited to  
423 the DROP participant's DROP account on behalf of the DROP  
424 participant, as provided in subsection (4), for the specified  
425 period of the DROP participation, as provided in subsection (3).  
426 Upon termination of employment, the DROP participant shall  
427 receive the balance of his or her DROP account and begin to  
428 receive the monthly service retirement pension.

429 1. A DROP participant remains an employee and receives all  
430 the benefits of being an employee during the DROP participation  
431 period; provided, however, the DROP participant is not eligible  
432 to participate in any other city provided pension or long term  
433 disability plan. A DROP participant shall be subject to  
434 termination of employment during the DROP participation period  
435 to the same extent as he or she was prior to participating in  
436 the DROP.

437 2. Effective with the start date of a DROP participant's  
438 Forward DROP participation, a member's contribution and the  
439 normal cost contribution to the pension fund by the city, on  
440 behalf of the member, shall cease.

441 3. Effective with the start date of a DROP participant's  
442 Forward DROP participation, a member shall not be entitled to  
443 any change in pension benefits unless specifically provided  
444 otherwise.

445 (b) Back DROP--Under a Back DROP, a member may retire with  
446 a retroactive date of retirement. A member may not select a  
447 retroactive retirement date earlier than the date upon which the  
448 member first became eligible for a service retirement pension,



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449 and in no event shall the retroactive date of retirement be more  
450 than 60 ~~36~~ months prior to the date of Back DROP election. The  
451 monthly service retirement pension shall be determined as of the  
452 retroactive retirement date. Except for years of credited  
453 service and average monthly salary, Back DROP benefits shall be  
454 calculated pursuant to the provisions of the pension plan in  
455 effect on the date the member separates from employment as a  
456 firefighter with the City of Orlando and not as of the Back DROP  
457 participant's retroactive date of retirement. The member shall  
458 then be credited with an account balance in his or her DROP  
459 account that is equal to the account balance he or she would  
460 have had if he or she had timely elected a Forward DROP under  
461 paragraph (a) on the retroactive retirement date. Upon  
462 termination of employment, the Back DROP participant shall  
463 receive or transfer the balance of this DROP account, pursuant  
464 to subsection (10), and shall begin to receive the monthly  
465 service retirement pension adjusted to reflect the retroactive  
466 retirement date.

467 (c) Eligibility exception--Notwithstanding the provisions  
468 of subsection 3(a), for 60 days after the effective date of this  
469 act, a member with more than 324 months of credited service may  
470 elect the Back DROP option and will not be subject to the  
471 combined years of credited service and DROP participation  
472 limitation of 360 months. Said member is subject to the maximum  
473 Back DROP participation period of 60 ~~36~~ months. A member with  
474 more than 324 months of credited service as of the effective  
475 date of DROP who does not elect to participate in the DROP, as  
476 set forth herein, during this one-time window period shall

477 forfeit the right to deviate from the conditions for  
 478 participation in the DROP set forth in subsection (3).

479 (6) DROP Accounts--Individual DROP accounts shall be  
 480 established to account for each DROP participant's accrued DROP  
 481 benefits, but there shall be no requirement that funds be  
 482 segregated for any DROP participant. In the case of a member who  
 483 selects the Back DROP option, the amount of that member's  
 484 contributions made during the Back DROP period shall not be  
 485 refunded or credited to the member.

486 (7) DROP Benefits Earnings and Reporting--

487 (a) A DROP participant's DROP account shall accrue  
 488 earnings at 8% (eight percent) simple interest compounded  
 489 annually, unless the parties otherwise agree.

490 (b) A DROP account shall be adjusted to reflect earnings  
 491 until such time as the DROP account is distributed in full to  
 492 the DROP participant or his or her beneficiaries.

493 (c) The Board of Trustees shall report to each DROP  
 494 participant at least annually accrued DROP benefits in the  
 495 participant's DROP account.

496 (8) Cost-of-Living Increase--A DROP participant will not  
 497 be eligible to participate in cost-of-living increases during  
 498 the DROP period. Cost-of-living increases will be made pursuant  
 499 to section 19, starting 3 years after the DROP participant's  
 500 termination of employment.

501 (9) Benefits Payable upon Termination of DROP--Upon the  
 502 DROP participant's termination of employment, for any reason,  
 503 whether by resignation, discharge, disability, or death, the  
 504 monthly service retirement pension will be distributed according

505 to the provisions of this plan and the balance of the DROP  
 506 account shall be distributed to the DROP participant or, if  
 507 deceased, the DROP participant's beneficiaries, as provided  
 508 herein.

509 (10) Payment Conditions and Options--Upon the DROP  
 510 participant's termination of employment, for any reason, whether  
 511 by resignation, discharge, disability, or death, the Board of  
 512 Trustees shall distribute the balance of the DROP participant's  
 513 DROP account, subject to the following provisions:

514 (a) The Board of Trustees shall receive verification from  
 515 the city that such DROP participant has terminated employment.

516 (b) Following the termination of employment, the DROP  
 517 participant or, if deceased, such DROP participant's  
 518 beneficiaries shall elect on forms provided by the Board of  
 519 Trustees to receive payment of the balance of the DROP account  
 520 in accordance with one of the options listed below. For a DROP  
 521 participant or beneficiaries who fail to elect a method of  
 522 payment within 60 days of termination of employment, the Board  
 523 of Trustees shall pay the balance of the DROP account in one  
 524 lump sum as provided in subparagraph 1.

525 1. Lump sum--The balance of the DROP account, less taxes  
 526 remitted to the Internal Revenue Service, if any, shall be paid  
 527 to the DROP participant or beneficiaries.

528 2. Direct rollover--The balance of the DROP account shall  
 529 be paid directly to the custodian of an eligible retirement plan  
 530 pursuant to the then-applicable provisions ~~as defined in §~~  
 531 ~~402(c)(8)(B) of the Internal Revenue Code. However, in the case~~  
 532 ~~of an eligible rollover distribution to the widow or widower as~~

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533 ~~a beneficiary, an eligible retirement plan is an individual~~  
534 ~~retirement account or an individual retirement annuity as~~  
535 ~~described in § 402(c)(9) of the Internal Revenue Code.~~

536 3. Partial lump sum--A portion of the balance of the DROP  
537 account shall be paid to the DROP participant or beneficiaries,  
538 less taxes remitted to the Internal Revenue Service, if any, and  
539 the remaining balance of the DROP account shall be transferred  
540 directly to the custodian of an eligible retirement plan  
541 pursuant to the then-applicable provisions as defined in §  
542 402(c)(8)(B) of the Internal Revenue Code. ~~However, in the case~~  
543 ~~of an eligible rollover distribution to the widow or widower as~~  
544 ~~a beneficiary, an eligible retirement plan is an individual~~  
545 ~~retirement account or an individual retirement annuity as~~  
546 ~~described in § 402(c)(9) of the Internal Revenue Code.~~ The  
547 proportions shall be specified by the DROP participant or  
548 beneficiaries.

549 4. Other methods--The balance of the DROP account shall be  
550 paid by a method that is in compliance with the Internal Revenue  
551 Code and as adopted by the Board of Trustees.

552 (c) The form of distribution payment selected by the DROP  
553 participant or beneficiaries complies with the minimum  
554 distribution requirements of the Internal Revenue Code.

555 (d) Distributions shall comply with the then-applicable  
556 requirements of the Internal Revenue Code.

557 (11) Disability--A DROP participant is not eligible to  
558 apply for a disability pension under this pension plan.

559 (12) Death of a DROP Participant--

560 (a) Upon the death of a DROP participant, the named DROP

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561 beneficiaries shall be entitled to apply for and receive the  
562 balance of the DROP participant's DROP account as provided in  
563 subsections (9) and (10). DROP payments to a beneficiary shall  
564 be in addition to any other retirement benefits payable to the  
565 beneficiary.

566 (b) The monthly service retirement pension accrued to the  
567 DROP account during the month of the DROP participant's death  
568 shall be the final monthly service retirement pension benefit  
569 credited for such DROP participant.

570 (c) Eligibility to participate in the DROP terminates upon  
571 the death of the DROP participant. If the DROP participant dies  
572 on or after the effective date of enrollment in the DROP, but  
573 prior to the first monthly service retirement pension benefit  
574 being credited to the DROP, pension plan benefits shall be paid  
575 in accordance with applicable provisions of this pension plan.

576 (d) A DROP participant's beneficiaries shall not be  
577 eligible to receive survivor benefits as provided in sections 8  
578 and 10.

579 (13) A DROP participant shall not be deemed to have been  
580 reemployed after retirement as that term is used elsewhere in  
581 the plan.

582 (14) Any actuarially-determined additional cost resulting  
583 from the benefits in this section shall be borne by the members  
584 of the pension plan.

585 Section 27. Tax Qualification, ~~and~~ Statutory Minimums, and  
586 SHARE Program.

587 (a) The legislative body of the City of Orlando is  
588 authorized to amend the pension plan to the limited extent

589 necessary to obtain and maintain tax qualification of the plan  
 590 under the Internal Revenue Code and to comply with mandatory and  
 591 optional provisions of the Internal Revenue Code applicable to  
 592 governmental pension plans for firefighters, but must obtain  
 593 prior agreement of the members and their collective bargaining  
 594 agent, if any, should such ~~required~~ amendments change any plan  
 595 benefits.

596 (b) The legislative body of the City of Orlando is  
 597 authorized to amend the pension plan to the limited extent  
 598 necessary to comply with the minimum standards and benefits  
 599 levels required by Chapter 175, Florida Statutes, in order to  
 600 allow the plan to receive funds from the Police and  
 601 Firefighters' Premium Tax Trust Fund, but must obtain prior  
 602 agreement of the members and their collective bargaining agent,  
 603 if any, should such required amendments change any plan  
 604 benefits.

605 (c) The legislative body of the City of Orlando is  
 606 authorized to amend the pension plan to the limited extent  
 607 necessary to create a SHARE program or plan to provide for extra  
 608 benefits as required by section 175.351(1), Florida Statutes,  
 609 funded by additional premium tax revenues, but must obtain prior  
 610 agreement of the collective bargaining agent of the members.

611 Section 2. Unless otherwise specified, this act shall not  
 612 entitle a member or beneficiary of a firefighter who separated  
 613 from employment as a firefighter or entered Forward DROP,  
 614 whichever came first, prior to July 1, 2009, to any additional  
 615 benefits to those in effect at the time of the firefighter's  
 616 separation from employment as a firefighter or entry into

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617 Forward DROP, whichever came first, or change in the calculation  
618 of normal retirement benefit. This section shall take effect  
619 July 1, 2009.

620 Section 3. This act is only an enabling act and is  
621 contingent upon contractual agreement through the collective  
622 bargaining process between the City of Orlando and the  
623 respective certified bargaining agent.

624 Section 4. Except as otherwise provided in this act, this  
625 act shall take effect upon becoming a law and section 3 shall be  
626 effective retroactive to January 1, 2009.