



181040

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/23/2010	.	
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The Committee on Community Affairs (Bennett) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. This act may be cited as the "Florida Pension Protection and Transparency Act."

Section 2. Subsection (1) of section 112.65, Florida Statutes, is amended to read:

112.65 Limitation of benefits.—

(1) ESTABLISHMENT OF PROGRAM.—On or after January 1, 1980, the normal retirement benefit or pension payable to a retiree who becomes a member of any retirement system or plan and who



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13 has not previously participated in such plan ~~may, on or after~~
14 ~~January 1, 1980, shall~~ not exceed 100 percent of his or her
15 average final compensation. Overtime, accrued unused sick leave
16 or other leave, or any form of payment other than the member's
17 base hourly or yearly salary may not be included when
18 calculating average final compensation unless such overtime,
19 leave, or other payment was paid before July 1, 2010. However,
20 ~~nothing contained in this limitation does not section shall~~
21 apply to supplemental retirement benefits or to pension
22 increases attributable to cost-of-living increases or
23 adjustments. For the purposes of this section, benefits accruing
24 in individual participant accounts established under the Public
25 Employee Optional Retirement Program established in part II of
26 chapter 121 are considered supplemental benefits. As used in
27 this section, the term "average final compensation" means the
28 average of the member's earnings over a period of time which the
29 governmental entity has established by statute, charter, or
30 ordinance.

31 Section 3. Paragraph (a) of subsection (22) and subsection
32 (24) of section 121.021, Florida Statutes, are amended to read:

33 121.021 Definitions.—The following words and phrases as
34 used in this chapter have the respective meanings set forth
35 unless a different meaning is plainly required by the context:

36 (22) "Compensation" means the monthly salary paid a member
37 by his or her employer for work performed arising from that
38 employment.

39 (a) Compensation includes ~~shall include~~:

40 1. Overtime payments paid from a salary fund before July 1,
41 2010.



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42 ~~2. Accumulated annual leave payments.~~

43 ~~3. Payments in addition to the employee's base rate of pay~~
44 ~~if all the following apply:~~

45 ~~a. The payments are paid according to a formal written~~
46 ~~policy that applies to all eligible employees equally;~~

47 ~~b. The policy provides that payments shall commence no~~
48 ~~later than the 11th year of employment;~~

49 ~~c. The payments are paid for as long as the employee~~
50 ~~continues his or her employment; and~~

51 ~~d. The payments are paid at least annually.~~

52 ~~2.4. Amounts withheld for tax sheltered annuities or~~
53 ~~deferred compensation programs, or any other type of salary~~
54 ~~reduction plan authorized under the Internal Revenue Code.~~

55 ~~5. Payments made in lieu of a permanent increase in the~~
56 ~~base rate of pay, whether made annually or in 12 or 26 equal~~
57 ~~payments within a 12-month period, when the member's base pay is~~
58 ~~at the maximum of his or her pay range. When a portion of a~~
59 ~~member's annual increase raises his or her pay range and the~~
60 ~~excess is paid as a lump sum payment, such lump sum payment~~
61 ~~shall be compensation for retirement purposes.~~

62 (24) "Average final compensation" means the average of the
63 5 highest fiscal years of compensation for creditable service
64 before ~~prior to~~ retirement, termination, or death. For in-line-
65 of-duty disability benefits, if less than 5 years of creditable
66 service have been completed, the term "average final
67 compensation" means the average annual compensation of the total
68 number of years of creditable service. Each year used in the
69 calculation of average final compensation commences ~~shall~~
70 ~~commence~~ on July 1.



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71 (a) The average final compensation includes ~~shall include:~~
72 ~~1. Accumulated annual leave payments, not to exceed 500~~
73 ~~hours; and~~
74 ~~2. all payments defined as compensation in subsection (22).~~
75 (b) The average final compensation does ~~shall~~ not include:
76 1. Compensation paid to professional persons for special or
77 particular services;
78 2. Payments for accumulated sick leave made due to
79 retirement or termination;
80 3. Payments for accumulated annual leave ~~in excess of 500~~
81 ~~hours;~~
82 4. Bonuses ~~as defined in subsection (47);~~
83 5. Third party payments made on and after July 1, 1990; ~~or~~
84 6. Fringe benefits, such as ~~(for example,~~ automobile
85 allowances or housing allowances; ~~or)~~.
86 7. Overtime compensation paid after June 30, 2010.
87 Section 4. Subsection (3) of section 175.032, Florida
88 Statutes, is amended to read:
89 175.032 Definitions.—For any municipality, special fire
90 control district, chapter plan, local law municipality, local
91 law special fire control district, or local law plan under this
92 chapter, the following words and phrases have the following
93 meanings:
94 (3) "Compensation" or "salary" means the fixed monthly
95 remuneration paid to a firefighter. ~~If, where,~~ as in the case of
96 a volunteer firefighter, remuneration is based on actual
97 services rendered, the term means the total cash remuneration
98 received yearly for such services, prorated on a monthly basis.
99 This includes only the firefighter's base pay and does not



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100 include overtime or other pay beyond base hourly or annual
101 salary if such overtime or additional pay is paid after June 10,
102 2010.

103 ~~(a) A retirement trust fund or plan may use a definition of~~
104 ~~salary other than the definition in this subsection but only if~~
105 ~~the monthly retirement income payable to each firefighter~~
106 ~~covered by the retirement trust fund or plan, as determined~~
107 ~~under s. 175.162(2) (a) and using such other definition, equals~~
108 ~~or exceeds the monthly retirement income that would be payable~~
109 ~~to each firefighter if his or her monthly retirement income were~~
110 ~~determined under s. 175.162(2) (a) and using the definition in~~
111 ~~this subsection.~~

112 ~~(b) Any retirement trust fund or plan which now or~~
113 ~~hereafter meets the requirements of this chapter shall not,~~
114 ~~solely by virtue of this subsection, reduce or diminish the~~
115 ~~monthly retirement income otherwise payable to each firefighter~~
116 ~~covered by the retirement trust fund or plan.~~

117 ~~(a)-(e)~~ The member's compensation or salary contributed as
118 employee-elective salary reductions or deferrals to any salary
119 reduction, deferred compensation, or tax-sheltered annuity
120 program authorized under the Internal Revenue Code is ~~shall be~~
121 deemed to be the compensation or salary the member would receive
122 if he or she were not participating in such program and is ~~shall~~
123 ~~be~~ treated as compensation for retirement purposes under this
124 chapter.

125 ~~(b)-(d)~~ For any person who first becomes a member in any
126 plan year beginning on or after January 1, 1996, compensation
127 for any plan year may ~~shall~~ not include ~~any~~ amounts in excess of
128 the Internal Revenue Code s. 401(a)(17) limitation, as amended



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129 by the Omnibus Budget Reconciliation Act of 1993~~},~~ which
130 limitation of \$150,000 shall be adjusted as required by federal
131 law for qualified government plans and shall be further adjusted
132 for changes in the cost of living in the manner provided by
133 Internal Revenue Code s. 401(a)(17)(B). For any person who first
134 became a member before ~~prior to~~ the first plan year beginning on
135 or after January 1, 1996, the limitation on compensation may
136 ~~shall be not be~~ be less than the maximum compensation amount ~~that~~
137 ~~was~~ allowed to be taken into account under the plan ~~as~~ in effect
138 on July 1, 1993, which limitation shall be adjusted for changes
139 in the cost of living since 1989 as ~~in the manner~~ provided by
140 Internal Revenue Code s. 401(a)(17)(1991).

141 Section 5. Paragraphs (a) and (b) of subsection (1) of
142 section 175.061, Florida Statutes, are amended to read:

143 175.061 Board of trustees; members; terms of office;
144 meetings; legal entity; costs; attorney's fees.—For any
145 municipality, special fire control district, chapter plan, local
146 law municipality, local law special fire control district, or
147 local law plan under this chapter:

148 (1) In each municipality and in each special fire control
149 district there is hereby created a board of trustees of the
150 firefighters' pension trust fund, which shall be solely
151 responsible for administering the trust fund. Effective October
152 1, 1986, and thereafter:

153 (a) The membership of the board of trustees for a chapter
154 plan consists of five members, two of whom, unless otherwise
155 prohibited by law, must be legal residents of the municipality
156 or special fire control district, may not be members or retirees
157 of the plan whose funds the board administers, and must be



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158 appointed by the governing body of the municipality or special
159 fire control district, and two of whom must be full-time
160 firefighters ~~as defined in s. 175.032~~ who are elected by a
161 majority of the active firefighters who are members of such
162 plan. With respect to any chapter plan or local law plan that,
163 on January 1, 1997, allowed retired firefighters to vote in such
164 elections, retirees may continue to vote in such elections. The
165 fifth member shall be chosen by a majority of the other previous
166 four members and may not be a member or retiree of the plan
167 whose funds the board administers. as provided herein, and Such
168 person's name shall be submitted to the governing body of the
169 municipality or special fire control district. Upon receipt of
170 the fifth person's name, the governing body of the municipality
171 or special fire control district shall, as a ministerial duty,
172 appoint such person to the board of trustees. The fifth member
173 has ~~shall have~~ the same rights as each of the other four
174 members, shall serve as trustee for a period of 2 years, and may
175 succeed himself or herself in office. Each resident member shall
176 serve as trustee for a period of 2 years, unless sooner replaced
177 by the governing body at whose pleasure he or she serves, and
178 may succeed himself or herself as a trustee. Each firefighter
179 member shall serve as trustee for a period of 2 years, unless he
180 or she sooner leaves the employment of the municipality or
181 special fire control district as a firefighter, whereupon a
182 successor shall be chosen in the same manner as an original
183 appointment. Each firefighter may succeed himself or herself in
184 office. The terms of office of the appointed and elected members
185 may be amended by municipal ordinance, special act of the
186 Legislature, or resolution adopted by the governing body of the



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187 special fire control district to extend the terms from 2 years
188 to 4 years. The length of the terms of office are ~~shall be~~ the
189 same for all board members.

190 (b) The membership of boards of trustees for local law
191 plans is ~~shall be~~ as follows:

192 1. If a municipality or special fire control district has a
193 pension plan for firefighters only, the provisions of paragraph
194 (a) ~~shall~~ apply.

195 2. If a municipality has a pension plan for firefighters
196 and police officers, the provisions of paragraph (a) ~~shall~~
197 apply, except that one member of the board must ~~shall~~ be a
198 firefighter ~~as defined in s. 175.032~~ and one member of the board
199 must ~~shall~~ be a police officer as defined in s. 185.02,
200 respectively elected by a majority of the active firefighters or
201 police officers who are members of the plan.

202 3. A ~~Any~~ board of trustees operating a local law plan on
203 July 1, 1999, which is combined with a plan for general
204 employees shall hold an election of the firefighters, or
205 firefighters and police officers, if included, to determine
206 whether a plan is to be established for firefighters only, or
207 for firefighters and police officers where included. Based on
208 the election results, a new board shall be established as
209 provided in subparagraph 1. or subparagraph 2., as appropriate.
210 The municipality or fire control district shall enact an
211 ordinance or resolution to implement the new board by October 1,
212 1999. The newly established board shall take whatever action is
213 necessary to determine the amount of assets ~~which is~~
214 attributable to firefighters, or firefighters and police
215 officers where included. Such assets ~~shall~~ include all employer,



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216 employee, and state contributions made by or on behalf of
217 firefighters, or firefighters and police officers where
218 included, and any investment income derived from such
219 contributions. All such moneys shall be transferred into the
220 newly established retirement plan, as directed by the board.
221

222 With respect to a any board of trustees operating a local law
223 plan on June 30, 1986, ~~nothing in this paragraph does not shall~~
224 permit the reduction of the membership percentage of
225 firefighters, or ~~of~~ firefighters and police officers where a
226 joint or mixed fund exists. A municipality may change the
227 municipal representation on the board of trustees operating a
228 local law plan by ordinance if such change does not reduce the
229 membership percentage of firefighters, or firefighters and
230 police officers, that existed on June 30, 1986.

231 Section 6. Paragraph (b) of subsection (2) of section
232 175.091, Florida Statutes, is amended to read:

233 175.091 Creation and maintenance of fund.—For any
234 municipality, special fire control district, chapter plan, local
235 law municipality, local law special fire control district, or
236 local law plan under this chapter:

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

238 (b) Firefighter member contributions may be increased by
239 consent of the members' collective bargaining representative or,
240 if none, by majority consent of firefighter members of the fund
241 ~~to provide greater benefits.~~

242
243 Nothing in this section shall be construed to require adjustment
244 of member contribution rates in effect on the date this act



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245 becomes a law, including rates that exceed 5 percent of salary,
246 provided that such rates are at least one-half of 1 percent of
247 salary.

248 Section 7. Paragraph (a) of subsection (3) of section
249 175.351, Florida Statutes, is amended, and subsection (5) is
250 added to that section, to read:

251 175.351 Municipalities and special fire control districts
252 having their own pension plans for firefighters.—For any
253 municipality, special fire control district, local law
254 municipality, local law special fire control district, or local
255 law plan under this chapter, in order for municipalities and
256 special fire control districts with their own pension plans for
257 firefighters, or for firefighters and police officers, where
258 included, to participate in the distribution of the tax fund
259 established pursuant to s. 175.101, local law plans must meet
260 the minimum benefits and minimum standards set forth in this
261 chapter.

262 (3) Notwithstanding any other provision, with respect to
263 any supplemental plan municipality:

264 (a) ~~Section 175.032(3)(a) shall not apply,~~ and A local law
265 plan and a supplemental plan may continue to use their
266 definition of compensation or salary in existence on the
267 effective date of this act.

268 (5) DEFINED CONTRIBUTION PLAN.—A municipality or special
269 fire control district may close a retirement plan subject to
270 this chapter and establish a defined contribution plan after
271 July 1, 2010, for employees hired after the date selected by the
272 municipality or special fire control district to establish the
273 plan. Employees hired before that date may transfer to the



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274 defined contribution plan, but may not transfer back to the
275 defined benefit retirement plan or belong to both plans
276 simultaneously. A municipality or special fire control district
277 may close a defined benefit plan subject to this chapter and
278 join the Florida Retirement System under chapter 121 after July
279 1, 2010, for employees hired after the date selected by the
280 municipality or special fire control district. A municipality or
281 special fire control district operating under this subsection
282 shall receive and use the premium tax provided by this chapter
283 for the closed plan until the plan is fully funded as described
284 in s. 175.371(2), as determined by the plan's actuary.

285 Section 8. Subsection (4) of section 185.02, Florida
286 Statutes, is amended to read:

287 185.02 Definitions.—For any municipality, chapter plan,
288 local law municipality, or local law plan under this chapter,
289 the following words and phrases as used in this chapter shall
290 have the following meanings, unless a different meaning is
291 plainly required by the context:

292 (4) "Compensation" or "salary" means the total cash
293 remuneration including "overtime" paid before July 1, 2010, by
294 the primary employer to a police officer for services rendered.
295 The term does not include, but not including any payments for
296 extra duty or a special detail work performed on behalf of a
297 second party employer, any overtime, unused accrued sick leave
298 or other leave, or any other form of payment beyond base hourly
299 or yearly pay paid after June 30, 2010. However, a local law
300 plan may limit the amount of overtime payments which can be used
301 for retirement benefit calculation purposes, but in no event
302 shall such overtime limit be less than 300 hours per officer per



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303 ~~calendar year.~~

304 ~~(a) Any retirement trust fund or plan which now or~~
305 ~~hereafter meets the requirements of this chapter shall not,~~
306 ~~solely by virtue of this subsection, reduce or diminish the~~
307 ~~monthly retirement income otherwise payable to each police~~
308 ~~officer covered by the retirement trust fund or plan.~~

309 ~~(a)~~ (a) The member's compensation or salary contributed as
310 employee-elective salary reductions or deferrals to any salary
311 reduction, deferred compensation, or tax-sheltered annuity
312 program authorized under the Internal Revenue Code is ~~shall be~~
313 deemed to be the compensation or salary the member would receive
314 if he or she were not participating in such program and is ~~shall~~
315 ~~be~~ treated as compensation for retirement purposes under this
316 chapter.

317 ~~(b)~~ (b) ~~(c)~~ For any person who first becomes a member in any
318 plan year beginning on or after January 1, 1996, compensation
319 for any plan year may ~~shall~~ not include ~~any~~ amounts in excess of
320 the Internal Revenue Code s. 401(a)(17) limitation, as ~~(as amended~~
321 ~~by the Omnibus Budget Reconciliation Act of 1993),~~ which
322 limitation of \$150,000 shall be adjusted as required by federal
323 law for qualified government plans and shall be further adjusted
324 for changes in the cost of living in the manner provided by
325 Internal Revenue Code s. 401(a)(17)(B). For any person who first
326 became a member before ~~prior to~~ the first plan year beginning on
327 or after January 1, 1996, the limitation on compensation may
328 ~~shall be~~ not be less than the maximum compensation amount ~~that~~
329 ~~was~~ allowed to be taken into account under the plan ~~as~~ in effect
330 on July 1, 1993, which limitation shall be adjusted for changes
331 in the cost of living since 1989 as ~~in the manner~~ provided by



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332 Internal Revenue Code s. 401(a)(17)(1991).

333 Section 9. Paragraphs (a) and (b) of subsection (1) of
334 section 185.05, Florida Statutes, are amended to read:

335 185.05 Board of trustees; members; terms of office;
336 meetings; legal entity; costs; attorney's fees.—For any
337 municipality, chapter plan, local law municipality, or local law
338 plan under this chapter:

339 (1) In each municipality described in s. 185.03 there is
340 hereby created a board of trustees of the municipal police
341 officers' retirement trust fund, which shall be solely
342 responsible for administering the trust fund. Effective October
343 1, 1986, and thereafter:

344 (a) The membership of the board of trustees for chapter
345 plans consists of five members, two of whom, unless otherwise
346 prohibited by law, must be legal residents of the municipality,
347 may not be members or retirees of the plan whose funds the board
348 administers, and must be appointed by the legislative body of
349 the municipality, and two of whom must be police officers ~~as~~
350 ~~defined in s. 185.02~~ who are elected by a majority of the active
351 police officers who are members of such plan. With respect to
352 any chapter plan or local law plan that, on January 1, 1997,
353 allowed retired police officers to vote in such elections,
354 retirees may continue to vote in such elections. The fifth
355 member shall be chosen by a majority of the other ~~previous~~ four
356 members and may not be a member or retiree of the plan whose
357 funds the board administers. ~~and~~ Such person's name shall be
358 submitted to the legislative body of the municipality. Upon
359 receipt of the fifth person's name, the legislative body shall,
360 as a ministerial duty, appoint such person to the board of



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361 trustees. The fifth member has ~~shall have~~ the same rights as
362 each of the other four members appointed or elected, shall serve
363 as trustee for a period of 2 years, and may succeed himself or
364 herself in office. Each resident member shall serve as trustee
365 for a period of 2 years, unless sooner replaced by the
366 legislative body at whose pleasure the member serves, and may
367 succeed himself or herself as a trustee. Each police officer
368 member shall serve as trustee for a period of 2 years, unless he
369 or she sooner leaves the employment of the municipality as a
370 police officer, whereupon a successor shall be chosen in the
371 same manner as an original appointment. Each police officer may
372 succeed himself or herself in office. The terms of office of the
373 appointed and elected members of the board of trustees may be
374 amended by municipal ordinance or special act of the Legislature
375 to extend the terms from 2 years to 4 years. The length of the
376 terms of office are ~~shall be~~ the same for all board members.

377 (b) The membership of boards of trustees for local law
378 plans is ~~shall be~~ as follows:

379 1. If a municipality has a pension plan for police officers
380 only, the provisions of paragraph (a) ~~shall~~ apply.

381 2. If a municipality has a pension plan for police officers
382 and firefighters, the provisions of paragraph (a) ~~shall~~ apply,
383 except that one member of the board shall be a police officer ~~as~~
384 ~~defined in s. 185.02~~ and one member shall be a firefighter as
385 defined in s. 175.032, respectively, elected by a majority of
386 the active firefighters and police officers who are members of
387 the plan.

388 3. Any board of trustees operating a local law plan on July
389 1, 1999, which is combined with a plan for general employees



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390 shall hold an election of the police officers, or police
391 officers and firefighters if included, to determine whether a
392 plan is to be established for police officers only, or for
393 police officers and firefighters where included. Based on the
394 election results, a new board shall be established as provided
395 in subparagraph 1. or subparagraph 2., as appropriate. The
396 municipality shall enact an ordinance to implement the new board
397 by October 1, 1999. The newly established board shall take
398 whatever action is necessary to determine the amount of assets
399 which is attributable to police officers, or police officers and
400 firefighters where included. Such assets ~~shall~~ include all
401 employer, employee, and state contributions made by or on behalf
402 of police officers, or police officers and firefighters where
403 included, and any investment income derived from such
404 contributions. All such moneys shall be transferred into the
405 newly established retirement plan, as directed by the board.
406

407 With respect to any board of trustees operating a local law plan
408 on June 30, 1986, ~~nothing in this paragraph does not shall~~
409 permit the reduction of the membership percentage of police
410 officers or police officers and firefighters. However a
411 municipality may change the municipal representation on the
412 board of trustees operating a local plan by ordinance, as long
413 as such change does not reduce the membership percentage of
414 police officers, or police officers and firefighters that
415 existed on June 30, 1986.

416 (c) Whenever the active police officer membership of a
417 closed chapter plan or closed local law plan as provided in s.
418 185.38 falls below 10, an active police officer member seat may



419 be held by either a retired police officer or an active police
420 officer member of the plan who is elected by the active and
421 retired members of the plan. If there are no active or retired
422 police officers remaining in the plan or capable of serving, the
423 remaining board members may elect an individual to serve in the
424 active police officer member seat. Upon receipt of such person's
425 name, the legislative body of the municipality shall, as a
426 ministerial duty, appoint such person to the board of trustees.
427 This paragraph applies only to those plans that are closed to
428 new members under s. 185.38(2), and does not apply to any other
429 municipality having a chapter or local law plan.

430 (d) If the chapter plan or local law plan with an active
431 membership of 10 or more is closed to new members, the member
432 seats may be held by either a retiree, as defined in s. 185.02,
433 or an active police officer of the plan who has been elected by
434 the active police officers. A closed plan means a plan that is
435 closed to new members but continues to operate, pursuant to s.
436 185.38(2), for participants who elect to remain in the existing
437 plan. This paragraph applies only to those plans that are closed
438 to new members pursuant to s. 185.38(2) and does not apply to
439 any other municipality that has a chapter plan or a local law
440 plan.

441 Section 10. Paragraph (b) of subsection (2) of section
442 185.07, Florida Statutes, is amended to read:

443 185.07 Creation and maintenance of fund.—For any
444 municipality, chapter plan, local law municipality, or local law
445 plan under this chapter:

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

447 (b) Police officer member contributions may be increased by



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448 consent of the members' collective bargaining representative or,
449 if none, by majority consent of police officer members of the
450 fund ~~to provide greater benefits.~~

451
452 Nothing in this section shall be construed to require adjustment
453 of member contribution rates in effect on the date this act
454 becomes a law, including rates that exceed 5 percent of salary,
455 provided that such rates are at least one-half of 1 percent of
456 salary.

457 Section 11. Paragraph (a) of subsection (3) of section
458 185.35, Florida Statutes, is amended, and subsection (5) is
459 added to that section, to read:

460 185.35 Municipalities having their own pension plans for
461 police officers.—For any municipality, chapter plan, local law
462 municipality, or local law plan under this chapter, in order for
463 municipalities with their own pension plans for police officers,
464 or for police officers and firefighters where included, to
465 participate in the distribution of the tax fund established
466 pursuant to s. 185.08, local law plans must meet the minimum
467 benefits and minimum standards set forth in this chapter:

468 (3) Notwithstanding any other provision, with respect to
469 any supplemental plan municipality:

470 (a) ~~Section 185.02(4)(a) shall not apply,~~ and A local law
471 plan and a supplemental plan may continue to use their
472 definition of compensation or salary in existence on the
473 effective date of this act.

474 (5) DEFINED CONTRIBUTION PLAN.—A municipality may close a
475 retirement plan subject to this chapter and establish a defined
476 contribution plan after July 1, 2010, for employees hired after



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477 the date selected by the municipality to establish the plan.
478 Employees hired before that date may transfer to the defined
479 contribution plan, but may not transfer back to the defined
480 benefit retirement plan or belong to both plans simultaneously.
481 A municipality may close a defined benefit plan subject to this
482 chapter and join the Florida Retirement System under chapter 121
483 after July 1, 2010, for employees hired after the date selected
484 by the municipality. A municipality operating under this
485 subsection shall receive and use the premium tax provided by
486 this chapter for the closed plan until the plan is fully funded
487 as described in s. 185.38(2), as determined by the plan's
488 actuary.

489 Section 12. Section 215.986, Florida Statutes, is created
490 to read:

491 215.986 Transparency in government accounting.—Any
492 governmental entity, as defined in s. 215.985, which offers a
493 pension or other retirement program to its employees must
494 include an addendum to the comprehensive annual financial report
495 which contains all information from the governmental entity's
496 balance sheet and is in the same format as the balance sheet.
497 The addendum must also include on the list of assets and
498 liabilities the actuarial value of assets and the actuarial
499 accrued liability, as defined in Government Accounting Standards
500 Board Statements 25, 27, and 45 and as amended in Government
501 Accounting Standards Board Statement 50. When reporting the
502 unfunded actuarial accrued liability, the liability must be
503 presented clearly, meaningfully, and prominently in the Notes to
504 the Financial Statements.

505 Section 13. This act shall take effect July 1, 2010.



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506
507 ===== T I T L E A M E N D M E N T =====

508 And the title is amended as follows:

509 Delete everything before the enacting clause
510 and insert:

511 A bill to be entitled
512 An act relating to public employee retirement;
513 providing a short title; amending s. 112.65, F.S.;
514 providing that overtime, sick leave, or other forms of
515 payment may not be included when calculating an
516 employee's average final compensation; amending s.
517 121.021, F.S.; redefining the terms "compensation" and
518 "average final compensation" for purposes of the state
519 retirement system to exclude certain payments;
520 amending s. 175.032, F.S.; redefining the term
521 "compensation" for purposes of a firefighters'
522 retirement system to exclude certain payments;
523 amending s. 175.061, F.S.; revising who may be a
524 member of the board of trustees responsible for
525 administering a firefighters' pension trust fund;
526 amending s. 175.091, F.S.; deleting a provision that
527 allows an increase in firefighter contribution rates
528 to be used to provide greater benefits; amending s.
529 175.351, F.S.; conforming a cross-reference; providing
530 that a municipality or special fire control district
531 may establish a defined contribution plan for
532 firefighters; amending s. 185.02, F.S.; redefining the
533 term "compensation" for purposes of a police officers'
534 retirement system to exclude certain payments;



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535 amending s. 185.05, F.S.; revising who may be a member
536 of the board of trustees responsible for administering
537 a police officers' pension trust fund; amending s.
538 185.07, F.S.; deleting a provisions which allows an
539 increase in police officer contribution rates to be
540 used to provide greater benefits; amending s. 185.35,
541 F.S.; conforming a cross-reference; providing that a
542 municipality may establish a defined contribution plan
543 for police officers; creating s. 215.986, F.S.;
544 requiring a retirement program for public employees to
545 include an addendum to its annual financial report
546 which includes a list of assets and liabilities;
547 providing an effective date.

548
549 WHEREAS, it is important for state and local governments to
550 provide reasonable retirement benefits for their employees who
551 are their most valuable resource, and

552 WHEREAS, it is necessary for state and local governments to
553 be in an adequate financial position in order to keep the
554 retirement promises made and to fund retirement benefits, and

555 WHEREAS, state and local governments must increase the
556 predictability of, and reduce the expense of, future pension
557 obligations in order to remain financially solvent, thus
558 preserving the benefits of current employees who may have
559 already been promised certain retirement benefits, and

560 WHEREAS, citizens have a right to know, and governments
561 have an obligation to disclose, the dollar amount of all
562 retirement-related liabilities owed at any point in time, NOW,
563 THEREFORE,