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CS/HB 859

2010 Legislature

1 A bill to be entitled
2 An act relating to the West Palm Beach Police Pension Fund
3 of the City of West Palm Beach, Palm Beach County;
4 amending chapter 24981 (1947), Laws of Florida, as
5 amended; revising the definition of the term "salary";
6 authorizing other fiduciary designees to sign fund drafts;
7 clarifying an exception relating to the adoption of
8 experience tables and interest rates; providing for the
9 adjustment of benefits when changing joint annuitants or
10 beneficiaries; removing the requirement for a spouse's
11 consent to waive a joint and survivor benefit; providing
12 for quarterly adjustment of share accounts; providing an
13 exception to an exclusion for disabled members; revising
14 provisions relating to the payment of certain death
15 benefits; providing for bimonthly refund repayments;
16 requiring the board of trustees to identify and report any
17 holdings in a scrutinized company; requiring divestiture
18 of certain securities within a specified time; limiting
19 board liability relating to such divestiture; authorizing
20 the withholding of certain retirement funds for certain
21 purposes upon request of a retiree; reducing the amount of
22 small retirement income that may be paid in a lump sum;
23 authorizing certain city police officers to recontribute
24 to the fund; revising provisions relating to determination
25 of creditable service for members who die or become
26 disabled while on active duty military service; providing
27 for distribution of the fund in the event of termination
28 of the pension plan; providing an effective date.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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

Section 1. Section 16 of chapter 24981 (1947), Laws of Florida, as amended, is amended to read:

Section 16. West Palm Beach Police Pension Fund.—

(1) Creation of fund.—There is hereby created and established a special fund for the police officers of the City of West Palm Beach to be known as the West Palm Beach Police Pension Fund. All assets of every description held in the name of the West Palm Beach Police Pension and Relief Fund and in the name of the West Palm Beach Pension Fund have been and continue to be combined.

(2) Definitions.—The following words or phrases, as used in this act, shall have the following meanings, unless a different meaning is clearly indicated by the context:

(a) "Actuarial equivalent value," "actuarial equivalence," or "single sum value" means the stated determination using an interest rate of 8.25 percent per year and the 1983 Group Annuity Mortality Table.

(b) "Beneficiary" means any person, except a retirant, who is entitled to receive a benefit from the West Palm Beach Police Pension Fund or the West Palm Beach Police Pension and Relief Fund, as applicable.

(c) "Board of Trustees" or "Board" means the Board of Trustees provided for in this act.

(d) "City" means the City of West Palm Beach, Florida.

(e) "Department" means the Police Department in the City

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57 | of West Palm Beach.

58 | (f) "Enrolled actuary" means an actuary who is enrolled
59 | under Subtitle C of Title III of the Employee Retirement Income
60 | Security Act of 1974 and who is a member of the Society of
61 | Actuaries or the American Academy of Actuaries.

62 | (g) "Final average salary" means the average of the
63 | monthly salary paid a member in the 3 best years of employment.
64 | In no event shall any one year, beginning January 1, 2005,
65 | include more than 400 hours of overtime. Prior to January 1,
66 | 2005, individual years may include more than 400 hours of
67 | overtime.

68 | (h) "Fund" or "Pension Fund" means the West Palm Beach
69 | Police Pension Fund or the West Palm Beach Pension and Relief
70 | Fund, as applicable.

71 | (i) "Member" or "participant" means any person who is
72 | included in the membership of the Fund in accordance with
73 | subsection (6).

74 | (j) "Pension" means a monthly amount payable from the Fund
75 | throughout the future life of a person, or for a limited period
76 | of time, as provided in this act.

77 | (k) "Police officer" means any person who is elected,
78 | appointed, or employed full time by the City, who is certified
79 | or required to be certified as a law enforcement officer in
80 | compliance with section 943.14, Florida Statutes, who is vested
81 | with authority to bear arms and make arrests, and whose primary
82 | responsibility is the prevention and detection of crime or the
83 | enforcement of the penal, criminal, traffic, or highway laws of
84 | the state. This definition includes all certified supervisory

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85 | and command personnel whose duties include, in whole or in part,
86 | the supervision, training, guidance, and management
87 | responsibilities of full-time law enforcement officers, part-
88 | time law enforcement officers, or auxiliary law enforcement
89 | officers, but does not include part-time law enforcement
90 | officers or auxiliary law enforcement officers as the same are
91 | defined in subsections (6) and (8) of section 943.10, Florida
92 | Statutes.

93 | (1) "Qualified health professional" means a person duly
94 | and regularly engaged in the practice of his or her profession
95 | who holds a professional degree from a university or college and
96 | has special professional training or skill regarding the
97 | physical or mental condition, disability, or lack thereof, upon
98 | which he or she is to present evidence to the Board.

99 | (m) "Qualified public depository" means any bank or
100 | savings association organized and existing under the laws of
101 | Florida and any bank or savings association organized under the
102 | laws of the United States that has its principal place of
103 | business, or a branch office, in Florida which is authorized
104 | under the laws of Florida or the United States to receive
105 | deposits in Florida; that meets all of the requirements of
106 | chapter 280, Florida Statutes; and that has been designated by
107 | the Treasurer of the State of Florida as a qualified public
108 | depository.

109 | (n) "Retirant" means any member who retires with a pension
110 | from the Fund.

111 | (o) "Retirement" means a member's withdrawal from Police
112 | Department employment as a police officer with a pension payable

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113 from the Fund.

114 (p) "Salary" means the fixed monthly compensation paid to
 115 a member; compensation shall include those items as have been
 116 included as compensation in accordance with past practice.
 117 However, the term shall not be construed to include lump sum
 118 payments for accumulated leave. On and after January 1, 2003,
 119 salary shall mean total cash remuneration paid by the City to a
 120 police officer for services rendered excluding lump sum payments
 121 for accumulated leave such as accrued vacation leave, accrued
 122 sick leave, and accrued personal leave. Effective January 1,
 123 2005, overtime hours earned and paid in excess of 400 hours in
 124 any 26 consecutive pay periods shall be excluded from the
 125 definition of salary; prior to January 1, 2005, all overtime
 126 hours earned and paid shall be included in the definition of
 127 salary and shall not be limited by any cap. This definition of
 128 compensation shall not include off-duty employment performed for
 129 vendors other than the City of West Palm Beach per Article 30,
 130 Pension Plan and Section 5 of the collective bargaining
 131 agreement between the Palm Beach County Police Benevolent
 132 Association and the City of West Palm Beach. Beginning with
 133 salary paid after December 31, 2008, and pursuant to s.
 134 414(u) (7) of the Internal Revenue Code, "salary" includes
 135 amounts paid by the City as differential wages to members who
 136 are absent from employment while in qualified military service.

137 (q) "Service" or "service credit" means the total number
 138 of years, and fractional parts of years, of employment of any
 139 police officer, omitting intervening years, and fractional parts
 140 of years, when such police officer was not employed by the City.

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141 No member shall receive credit for years, or fractional parts of
 142 years, of service for which the member has withdrawn his or her
 143 contributions to the Fund. It is further provided that a member
 144 may voluntarily leave his or her contributions in the Fund for a
 145 period of 5 years after leaving the employ of the Department,
 146 pending the possibility of being rehired by the Department,
 147 without losing credit for the time he or she has participated
 148 actively as a police officer. Should he or she not be re-
 149 employed as a police officer with the Department within 5 years,
 150 his or her contributions shall be returned without interest. In
 151 determining the aggregate number of years of service of any
 152 member, years of service for prior police officer or military
 153 service, as well as intervening military service, may be added,
 154 provided the member meets the requirements of subsection (35) ~~35~~
 155 ~~of the Plan.~~

156 (r) The masculine gender includes the feminine and words
 157 in the singular with respect to persons shall include the plural
 158 and vice versa.

159 (3) Board of Trustees of Police Pension Fund.—

160 (a) Board of Trustees created.—There is hereby created a
 161 Board of Trustees, which shall be solely responsible for
 162 administering the West Palm Beach Police Pension Fund. The Board
 163 shall be a legal entity, with the power to bring and defend
 164 lawsuits of every kind, nature, and description and shall be
 165 independent of the City to the extent required to accomplish the
 166 intent, requirements, and responsibilities provided for in this
 167 act. The Board shall consist of five trustees, as follows:

168 1. Two legal residents of the City, who shall be appointed

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169 by the City. Each resident trustee shall serve as a trustee for
170 a period of 2 years, unless sooner replaced by the City, at
171 whose pleasure he or she shall serve, and may succeed himself or
172 herself as a trustee.

173 2. Two police officers, who shall be elected by a majority
174 of the police officers who are members of the Fund. Elections
175 shall be held under such reasonable rules and regulations as the
176 Board shall from time to time adopt. Each member-trustee shall
177 serve as trustee for a period of 2 years, unless he or she
178 sooner ceases to be a police officer in the employ of the
179 Department, whereupon the members shall choose his or her
180 successor in the same manner as the original appointment. Each
181 member-trustee of the Fund may succeed himself or herself as a
182 trustee.

183 3. A fifth trustee, who shall be chosen by a majority of
184 the other four trustees. This fifth person's name shall be
185 submitted to the City, which shall, as a ministerial duty,
186 appoint such person to the Board as a fifth trustee. The fifth
187 person shall serve as trustee for a period of 2 years, and may
188 succeed himself or herself as a trustee.

189 (b) Board vacancy; how filled.—In the event a trustee
190 provided for in subparagraph (a)2. ceases to be a police officer
191 in the employ of the Department, he or she shall be considered
192 to have resigned from the Board. In the event a trustee provided
193 for in subparagraph (a)2. shall resign, be removed, or become
194 ineligible to serve as a trustee, the Board shall, by
195 resolution, declare the office of trustee vacated as of the date
196 of adoption of said resolution. If such a vacancy occurs in the

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197 office of trustee within 90 days of the next succeeding election
198 for trustee, the vacancy shall be filled at the regular election
199 for the next term; otherwise, the vacancy shall be filled for
200 the unexpired portion of the term, as provided in subparagraph
201 (a)2. In the event a trustee provided for in subparagraph (a)1.
202 or subparagraph (a)3. shall resign, be removed, or become
203 ineligible to serve as a trustee, the Board shall, by
204 resolution, declare the office of trustee vacated as of the date
205 of adoption of said resolution. The trustee's successor for the
206 unexpired portion of said trustee's term shall be chosen in the
207 same manner as an original appointment.

208 (c) Board meetings; quorum; procedures.—The Board shall
209 hold meetings regularly, at least one in each quarter year, and
210 shall designate the time and place thereof. At any meeting of
211 the Board, three trustees shall constitute a quorum. Each
212 trustee shall be entitled to one vote on each question before
213 the Board and at least three concurring votes shall be required
214 for a decision by the Board at any of its meetings. The Board
215 shall adopt its own rules of procedure and shall keep a record
216 of its proceedings. All public records of the Board shall be
217 kept and maintained as required by law. All meetings of the
218 Board shall be open to the public and shall be held as required
219 by law.

220 (d) Board chair.—The Board shall elect from among the
221 trustees a chair.

222 (e) Board secretary.—The Board shall elect from among the
223 trustees a secretary. The secretary shall keep a complete minute
224 book of the actions, proceedings, and hearings of the Board.

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225 (f) Compensation.—The trustees of the Fund shall not
226 receive any compensation for their services as such, but may
227 receive expenses and per diem as provided by law.

228 (4) Professional and clerical services.—

229 (a) Pension administrator.—The pension administrator of
230 the Fund shall be designated by the Board and shall carry out
231 its orders and directions.

232 (b) Custodian of funds.—All moneys and securities of the
233 Fund may be deposited with the cash management coordinator of
234 the City, acting in a ministerial capacity only, who shall be
235 bonded and shall be liable in the same manner and to the same
236 extent as he or she is liable for the safekeeping of funds for
237 the City. However, any funds and securities deposited with the
238 cash management coordinator shall be kept in a separate fund by
239 the cash management coordinator or clearly identified as funds
240 and securities of the Fund. In lieu thereof, the Board shall
241 deposit the Funds and securities in a qualified public
242 depository designated by the Board.

243 1. The cash management coordinator or other designated
244 qualified public depository shall receive all moneys due said
245 Fund from all sources whatsoever. All tax revenue received
246 pursuant to the provisions of chapter 185, Florida Statutes,
247 shall be deposited into the Fund no more than 5 days after
248 receipt. Member contributions withheld by the City on behalf of
249 a member shall be deposited in the Fund immediately.

250 2. The Board may issue drafts upon the Fund pursuant to
251 this act and rules and regulations prescribed by the Board,
252 provided that such drafts shall be issued in accordance with

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253 generally accepted accounting procedures, American Institute of
254 Certified Public Accountants guidelines, and rules of the State
255 of Florida Auditor General. All such drafts shall be
256 consecutively numbered and signed by the chair and secretary, or
257 other fiduciary designee, and each draft shall, upon its face,
258 state the purpose for which it is drawn. For this purpose, the
259 chair and secretary shall be bonded. The cash management
260 coordinator or other depository shall retain such drafts when
261 paid, as permanent vouchers for disbursements made, and no money
262 shall be otherwise drawn from the Fund. Payments from the Fund
263 shall be made only upon a specific or general motion or
264 resolution previously adopted by the Board authorizing such
265 payment or payments.

266 (c) Legal counsel.—The City Attorney shall give advice to
267 the Board in all matters pertaining to its duties in the
268 administration of the Fund whenever requested, shall represent
269 and defend the Board as its attorney in all suits and actions at
270 law or in equity that may be brought against it, and shall bring
271 all suits and actions in its behalf that may be required or
272 determined upon by said Board. However, if the Board so elects,
273 it may employ independent legal counsel at the Fund's expense
274 for the purposes set forth in this act.

275 (d) Actuary.—The Board shall designate an enrolled actuary
276 who shall be its technical advisor and who shall perform such
277 other actuarial services as are required.

278 (e) Certified public accountant.—The Board shall employ,
279 at its expense, a certified public accountant to conduct an
280 independent audit of the Fund. The certified public accountant

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281 shall be independent of the Board and the City.

282 (f) Additional professional, technical, or other
283 services.—The Board shall have the authority to employ such
284 professional, technical, or other advisors as are required to
285 carry out the provisions of this act.

286 (5) Reports; experience tables; regular interest.—

287 (a) Reports.—The pension administrator shall keep, or
288 cause to be kept, such data as shall be necessary for an
289 actuarial valuation of the assets and liabilities of the Fund.

290 (b) Experience tables; regular interest; adoption of
291 same.—The Board shall, from time to time, adopt such mortality
292 and other tables of experience, and a rate or rates of interest,
293 as required to operate the Fund on an actuarial basis, except as
294 provided in subsection (34).

295 (6) Membership.—All police officers in the employ of the
296 Department shall be included in the membership of the Fund, and
297 all persons who hereafter become police officers in the employ
298 of the City shall thereupon become members of the Fund. Except
299 as otherwise provided in this act, should any member cease to be
300 a police officer in the employ of the Department, he or she
301 shall thereupon cease to be a member and his or her credited
302 service at that time shall be forfeited. In the event such
303 person is re-employed in the Department as a police officer, he
304 or she shall again become a member. His or her forfeited service
305 shall be restored to the member's credit, provided that he or
306 she returns to the Fund the amount he or she might have
307 withdrawn, together with regular interest from the date of
308 withdrawal to the date of repayment. Upon the member's

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309 retirement or death, he or she shall thereupon cease to be a
310 member.

311 (7) Service credit.—Pursuant to appropriate rules and
312 regulations, the Board shall determine and credit the amount of
313 service to which each member shall be credited, consistent with
314 the provisions of this act and chapter 185, Florida Statutes.

315 (8) Age and service requirements for retirement.—

316 (a) Normal retirement.—Upon written application filed with
317 the Board, any member may retire and receive the applicable
318 pension provided for in paragraph (9) (a), provided that the
319 member has attained age 50 and has at least 20 years of credited
320 service, has attained age 55 and has at least 10 years of
321 credited service, or has at least 25 years of continuous
322 credited service, regardless of age.

323 (b) Vested deferred retirement.—A member who leaves the
324 employ of the Department with 10 or more years of credited
325 service and who is not eligible for any other retirement benefit
326 under this act shall be entitled to the pension provided for in
327 this subsection. Payments of this pension shall begin the first
328 day of the calendar month following the month in which his or
329 her application is filed with and accepted by the Board on or
330 after attainment of age 50 years. If applicable, the amount of
331 the pension shall be determined in accordance with the early
332 retirement provisions below.

333 (c) Early retirement.—Any member may retire from the
334 service of the Department as of the first day of any calendar
335 month which is prior to the member's normal retirement date but
336 subsequent to the date as of which he or she has both attained

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337 the age of 50 and completed 10 years of credited service. In the
338 event of early retirement, the monthly amount of retirement
339 income payable shall be computed as described in paragraph
340 (9) (a), taking into account his or her credited service to his
341 or her date of actual retirement and his or her final average
342 salary as of such date. The amount of retirement income shall be
343 actuarially reduced to take into account the member's younger
344 age and earlier commencement of retirement income benefits. The
345 early retirement reduction shall be 3 percent for each year by
346 which the member's age at retirement preceded the member's
347 normal retirement age.

348 (9) Retirement pension calculation.—

349 (a) Upon retirement eligibility as provided in subsection
350 (8), a member shall receive a monthly pension. The pension shall
351 be the following, as applicable:

352 1. A member who has more than or equal to 12 years and 6
353 months of service at October 1, 1999, and who was actively
354 employed by the Department on or after October 1, 1999, shall
355 receive a benefit equal to the greater of the following:

356 a. Three percent of final average salary multiplied by the
357 number of years, and fraction of a year, of credited service
358 earned from April 1, 1987, plus 2.5 percent of final average
359 salary multiplied by the number of years, and fraction of a
360 year, of credited service earned prior to April 1, 1987, up to a
361 total of 26 years, plus 1 percent of the final average salary
362 multiplied by the number of years, and fraction of a year, of
363 credited service which is in excess of 26 years;

364 b. Two and one-half percent of final average salary

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365 multiplied by the number of years, and fraction of a year, of
 366 credited service, not to exceed 26 years, plus 1 percent of the
 367 final average salary multiplied by the number of years, and
 368 fraction of a year, of credited service which is in excess of 26
 369 years; or

370 c. The sum of the following:

371 (I) Two and one-half percent of final average salary
 372 multiplied by the number of years, and fraction of a year, of
 373 credited service earned through September 30, 1988; and

374 (II) Two percent of final average salary multiplied by the
 375 number of years, and fraction of a year, of credited service
 376 earned on and after October 1, 1988.

377

378 However, in no event shall the benefit be less than 2 percent
 379 per year of credited service.

380 2. A member who has more than 12 years and 6 months of
 381 service and who has entered the DROP on or before October 1,
 382 1999, and who was actively employed by the Department on October
 383 1, 1999, shall receive a benefit equal to the greater of the
 384 following:

385 a. Three percent of final average salary multiplied by the
 386 number of years, and fraction of a year, of credited service
 387 earned in the 12 years and 6 months prior to entering the DROP,
 388 plus 2.5 percent of final average salary multiplied by the
 389 number of years, and fraction of a year, of credited service
 390 earned prior to that date which is 12 years and 6 months prior
 391 to entering the DROP, up to a total of 26 years, plus 1 percent
 392 of the final average salary multiplied by the number of years,

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393 and fraction of a year, of credited service which is in excess
394 of 26 years. The one-half percent enhancement to the accrual
395 rate shall also be applied retroactively to the date of entering
396 the DROP, or 2 years, whichever is less, provided that the
397 retroactive application shall include principal only and not any
398 earnings thereon. An example of the calculation described in
399 this sub-subparagraph is set forth in the collective bargaining
400 agreement between the City of West Palm Beach and the Police
401 Benevolent Association, Certified Unit No. 825, October 1, 1998-
402 September 30, 2001;

403 b. Two and one-half percent of final average salary
404 multiplied by the number of years, and fraction of a year, of
405 credited service, not to exceed 26 years, plus 1 percent of the
406 final average salary multiplied by the number of years, and
407 fraction of a year, of credited service which is in excess of 26
408 years; or

409 c. The sum of the following:

410 (I) Two and one-half percent of final average salary
411 multiplied by the number of years, and fraction of a year, of
412 credited service earned through September 30, 1988; and

413 (II) Two percent of final average salary multiplied by the
414 number of years, and fraction of a year, of credited service
415 earned on and after October 1, 1988.

416

417 However, in no event shall the benefit be less than 2 percent
418 per year of credited service.

419 3. A member who has less than 12 years and 6 months of
420 service on October 1, 1999, and who was actively employed by the

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421 Department on or after October 1, 1999, shall receive a benefit
422 equal to the greater of the following:

423 a. Three percent of final average salary multiplied by the
424 number of years, and fraction of a year, of credited service up
425 to a total of 26 years, plus 1 percent of the final average
426 salary multiplied by the number of years, and fraction of a
427 year, of credited service which is in excess of 26 years;

428 b. Two and one-half percent of final average salary
429 multiplied by the number of years, and fraction of a year, of
430 credited service, not to exceed 26 years, plus 1 percent of the
431 final average salary multiplied by the number of years, and
432 fraction of a year, of credited service which is in excess of 26
433 years; or

434 c. The sum of the following:

435 (I) Two and one-half percent of final average salary
436 multiplied by the number of years, and fraction of a year, of
437 credited service earned through September 30, 1988; and

438 (II) Two percent of final average salary multiplied by the
439 number of years, and fraction of a year, of credited service
440 earned on and after October 1, 1988.

441
442 However, in no event shall the benefit be less than 2 percent
443 per year of credited service.

444 4. A member who terminated employment, retired on a vested
445 deferred benefit, or retired on or before October 1, 1999, shall
446 receive a benefit equal to the greater of the following:

447 a. Two and one-half percent of final average salary
448 multiplied by the number of years, and fraction of a year, of

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449 credited service not to exceed 26 years, plus 1 percent of the
450 final average salary multiplied by the number of years, and
451 fraction of a year, of credited service which is in excess of 26
452 years; or

453 b. The sum of the following:

454 (I) Two and one-half percent of final average salary
455 multiplied by the number of years, and fraction of a year, of
456 credited service earned through September 30, 1988; and

457 (II) Two percent of final average salary multiplied by the
458 number of years, and fraction of a year, of credited service
459 earned on and after October 1, 1988.

460
461 The 3-percent benefit accrual factor for active employees in
462 subparagraphs (a)1., 2., 3., and 4. is contingent on and subject
463 to the adoption and maintenance of the assumptions set forth in
464 subsection (34). If such assumptions are modified by
465 legislative, judicial, or administrative agency action and the
466 modification results in increased City contributions to the
467 Pension Fund, the 3-percent benefit accrual factor for active
468 employees in subparagraphs (a)1., 2., and 3. shall be
469 automatically decreased prospectively from the date of the
470 action, to completely offset the increase in City contributions.
471 However, in no event shall the benefit accrual factor in
472 subparagraphs (a)1., 2., 3., and 4. be adjusted below 2.5
473 percent.

474
475 To the extent that the benefit accrual factor is less than 3
476 percent for active members with less than 12 years and 6 months

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477 of service on October 1, 1999, the supplemental pension
 478 distribution calculation under subparagraph (12)(a)2. shall be
 479 adjusted for employees who retire or enter the DROP after
 480 October 1, 1999. The adjustment shall be to decrease the minimum
 481 return of 8.25 percent needed to afford the supplemental pension
 482 distribution, where the amount of the reduction is zero if an
 483 employee has been credited with 12 years and 6 months of service
 484 or more with the 3-percent benefit accrual factor or 1.25
 485 percent if an employee has been credited with no more than a
 486 2.5-percent benefit accrual factor. If an employee has been
 487 credited with less than 12 years and 6 months of service at the
 488 3-percent benefit accrual factor, then the accumulated amount
 489 over 2.5 percent for each year of service divided by one-half
 490 percent divided by 12.5 subtracted from 1 multiplied by 1.25
 491 percent is the reduction from 8.25 percent. An example of the
 492 calculation of the minimum return for the supplemental pension
 493 distribution as herein described is set forth in the collective
 494 bargaining agreement between the City of West Palm Beach and the
 495 Police Benevolent Association, Certified Unit No. 145 and
 496 Certified Unit No. 825, October 1, 1998-September 30, 2001.

497 (b) Payment of benefits.—

498 1. First payment.—Service pensions shall be payable on the
 499 first day of each month. The first payment shall be payable the
 500 first day of the month coincident with or next following the
 501 date of retirement or death, provided the member has completed
 502 the applicable age and service requirements.

503 2. Last payment.—The last payment shall be the payment due
 504 next preceding the member's death, except that payments shall be

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505 continued to the designated beneficiary (or beneficiaries) if a
506 10-year certain benefit, a joint and survivor option, or
507 beneficiary benefits, as applicable, are payable.

508 (c) Normal form of retirement income; 10-year certain
509 benefit.—

510 1. Married member.—The normal form of retirement benefit
511 for a married member or for a member with dependent children or
512 parents shall be a pension and death benefits. The pension
513 benefit shall provide monthly payments for the life of the
514 member. Thereafter, death benefits shall be paid to the
515 beneficiary designated by the member as provided in subsection
516 (17).

517 2. Unmarried member.—The normal form of retirement benefit
518 for an unmarried member without dependent children or parents
519 shall be a 10- year certain benefit. This benefit shall pay
520 monthly benefits for the member's lifetime. In the event the
521 member dies after his or her retirement but before receiving
522 retirement benefits for a period of 10 years, the same monthly
523 benefit shall be paid to the beneficiary (or beneficiaries) as
524 designated by the member for the balance of such 10-year period
525 or, if no beneficiary is designated, to heirs at law, or estate
526 of the member, as provided in section 185.162, Florida Statutes.

527 (d) Optional forms of retirement income.—

528 1.a. In the event of normal, early, or disability
529 retirement, in lieu of the normal form of retirement income
530 payable as specified in paragraph (c), and in lieu of the death
531 benefits as specified in subsection (17), a member, upon written
532 request to the Board and subject to the approval of the Board,

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533 may elect to receive a retirement income of equivalent actuarial
534 value payable in accordance with one of the following options:

535 (I) Lifetime option.—A retirement income of a larger
536 monthly amount, payable to the member for his or her lifetime
537 only.

538 (II) Joint and survivor option.—A retirement income of a
539 modified monthly amount, payable to the member during the joint
540 lifetime of the member and a dependent joint pensioner
541 designated by the member, and following the death of either of
542 them, 100 percent, 75 percent, 66-2/3 percent, or 50 percent of
543 such monthly amounts, payable to the survivor for the lifetime
544 of the survivor.

545 b. The member, upon electing any option of this paragraph,
546 shall designate the joint pensioner or beneficiary (or
547 beneficiaries) to receive the benefit, if any, payable in the
548 event of his or her death, and shall have the power to change
549 such designation from time to time; but any such change shall be
550 deemed a new election and shall be subject to approval by the
551 Board. Such designation shall name a joint pensioner or one or
552 more primary beneficiaries where applicable. If a member has
553 elected an option with a joint pensioner or beneficiary and his
554 or her retirement income benefits have commenced, he or she may
555 thereafter change the designated joint pensioner or beneficiary
556 only twice. Any retired member who desires to change his or her
557 joint pensioner or beneficiary shall file with the Board a
558 notarized notice of such change. Upon receipt of a completed
559 change of joint pensioner form or such other notice, the Board
560 shall adjust the member's monthly benefit by the application of

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561 actuarial tables and calculations developed to ensure that the
562 benefit paid is the actuarial equivalent of the present value of
563 the member's current benefit and there is no impact to the Plan.

564 c. The consent of a member's joint pensioner or
565 beneficiary to any such change shall not be required. ~~However,~~
566 ~~the spouse of a married member must consent to any election to~~
567 ~~waive a joint and survivor benefit by signing the election~~
568 ~~before a notary public. The spouse's written consent must~~
569 ~~acknowledge the effect of such a waiver. Consent of the spouse~~
570 ~~shall not be required if the spouse cannot be located, or for~~
571 ~~such other circumstances as may be prescribed by regulations of~~
572 ~~the Secretary of the Treasury. Any consent by a spouse shall be~~
573 ~~effective only with respect to such spouse.~~

574 d. For any other changes of beneficiaries, the Board may
575 request such evidence of the good health of the joint pensioner
576 who is being removed as it may require; and the amount of the
577 retirement income payable to the member upon the designation of
578 a new joint pensioner shall be actuarially redetermined, taking
579 into account the ages and sex of the former joint pensioner, the
580 new joint pensioner, and the member. Each such designation shall
581 be made in writing on a form prepared by the Board, and, on
582 completion, shall be filed with the Board. In the event that no
583 designated beneficiary survives the member, such benefits as are
584 payable in the event of the death of the member subsequent to
585 his or her retirement shall be paid as provided in subparagraph
586 (c)2.

587 2. Retirement income payments shall be made under the
588 option elected in accordance with the provisions of this

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589 paragraph and shall be subject to the following limitations:

590 a. If a member dies prior to his or her normal retirement
591 date or early retirement date, whichever first occurs,
592 retirement benefits shall be paid in accordance with subsection
593 (17).

594 b. If the designated beneficiary (or beneficiaries) or
595 joint pensioner dies before the member's retirement, the option
596 elected shall be canceled automatically and a retirement income
597 of the normal form and amount shall be payable to the member
598 upon his or her retirement as if the election had not been made,
599 unless a new election is made in accordance with the provisions
600 of this paragraph or a new beneficiary is designated by the
601 member prior to his or her retirement.

602 c. If a member continues in the employ of the Department
603 after meeting the age and service requirements set forth in
604 paragraph (8) (a) and dies prior to retirement and while an
605 option provided for in this paragraph is in effect, monthly
606 retirement income payments shall be paid, under the option, to a
607 beneficiary (or beneficiaries) designated by the member in the
608 amount or amounts computed as if the member had retired under
609 the option on the date on which his or her death occurred.

610 3. No member may make any change in his or her retirement
611 option after the date of cashing or depositing the first
612 retirement check.

613 (e) Designation of beneficiary.—

614 1. Each member may, on a form provided for that purpose,
615 signed and filed with the Board, designate a beneficiary (or
616 beneficiaries) to receive the benefit, if any, which may be

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617 payable in the event of the member's death; and each designation
 618 may be revoked by such member by signing and filing with the
 619 Board a new designation of beneficiary form. However, after the
 620 benefits have commenced, a retirant may change his or her
 621 designation of a joint annuitant or beneficiary only twice. If
 622 the retirant desires to change his or her joint annuitant or
 623 beneficiary, he or she shall file with the Board a notarized
 624 notice of such change either by registered letter or on a form
 625 as provided by the Board. Upon receipt of a completed change of
 626 joint annuitant form or such other notice, the Board shall
 627 adjust the member's monthly benefit by the application of
 628 actuarial tables and calculations developed to ensure that the
 629 benefit paid is the actuarial equivalent of the present value of
 630 the member's current benefit.

631 2. Absence or death of beneficiary.—If a deceased member
 632 failed to name a beneficiary in the manner prescribed in
 633 subparagraph 1., or if the beneficiary (or beneficiaries) named
 634 by a deceased member predeceases the member, death benefits, if
 635 any, which may be payable under this act on behalf of such
 636 deceased member may be paid, in the discretion of the Board, to:

637 a. The spouse or dependent child or children of the
 638 member;

639 b. The dependent living parent or parents of the member;

640 or

641 c. The estate of the member.

642 (10) Cost-of-living adjustments.—

643 (a) The following words and phrases as used in this
 644 subsection mean:

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645 1. Unadjusted amount of retirement benefit.—The amount of
646 retirement benefit that would be paid a retiree or beneficiary
647 of the provisions if this subsection were not applicable.

648 2. Consumer price index.—The consumer price index for
649 urban wage earners and clerical workers as published by the
650 United States Department of Labor, Bureau of Labor Statistics.
651 Should the Bureau of Labor Statistics adopt a new base or modify
652 the method of computation of the consumer price index so as to
653 render it unsuitable, the Board shall make appropriate
654 adjustments. The Board shall choose another index which it
655 determines to be appropriate if the consumer price index is no
656 longer published.

657 3. Retirement benefit effective date.—The date as of which
658 payments of a retirement benefit first commence. A new effective
659 date does not occur when a retiree dies and a retirement
660 allowance is paid to a beneficiary.

661 4. Base month.—The more recent of the month of October
662 1976, the month and year of the retirement benefit effective
663 date, or the month and year in which the retiree attains age 64
664 years.

665 (b) Subject to the limitations stated in this subsection,
666 the unadjusted amount of the retirement benefit for retirees 65
667 years of age or older shall be increased each January 1,
668 beginning January 1, 1977. The retirement benefit shall increase
669 by 3 percent multiplied by the number of complete years from the
670 later of:

671 1. January 1, 1976;

672 2. The retirement benefit effective date; or

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673 3. The first day of the month after attainment of age 65
674 years

675
676 to January 1 of the year in which the adjustment is being made.

677 (c) The accumulated adjustments to a retirement benefit
678 after January 1, 1977, expressed as a percentage of the
679 unadjusted amount of retirement allowance, shall not exceed the
680 percentage increase in the consumer price index for the period
681 between the base month and the month of October in the year
682 preceding adjustment.

683 (d) An adjustment shall not be made on any January first
684 if the amount of the adjustment is less than 1 percent of the
685 unadjusted amount of retirement benefit.

686 (11) Chapter 185 share accounts.—

687 (a) A separate individual member account shall be
688 established and maintained in each member's name effective
689 October 1, 1988.

690 (b) Share account funding.—

691 1. Chapter 185 moneys.—Each individual member account
692 shall be credited with the moneys received from chapter 185,
693 Florida Statutes, tax revenues in June 1988 and thereafter.

694 2. Forfeitures.—In addition, any forfeitures as provided
695 in paragraph (e) shall be credited to the individual member
696 accounts in accordance with the formula set forth in paragraph
697 (c).

698 (c) Quarterly ~~annual~~ allocation of accounts.—

699 1. Moneys shall be credited to each individual member
700 account in an amount directly proportionate to the number of pay

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701 periods for which the member was paid compared to the total
702 number of pay periods for which all members were paid, counting
703 the pay periods in the calendar year preceding the date for
704 which chapter 185, Florida Statutes, tax revenues were received.

705 2. At the end of each fiscal quarter ~~year (September 30)~~,
706 each individual member account shall be adjusted to reflect the
707 earnings or losses resulting from investments, as well as
708 reflecting the costs, fees, and expenses of administration.

709 3. Effective October 1, 2002, vested Participants have the
710 option to select between two methods to credit investment
711 earnings to their account. The method may be changed each year
712 effective October 1; however, the method must be elected prior
713 to October 1. The methods are:

714 a. The investment earnings (or losses) credited to the
715 individual member accounts shall be the same percentage as are
716 earned (or lost) by the total investment earnings (or losses) of
717 the Fund as a whole, unless the Board dedicates a separate
718 investment portfolio for chapter 185, Florida Statutes, share
719 accounts, in which case the investment earnings (or losses)
720 shall be measured by the investment earnings (or losses) of the
721 separate investment portfolio.

722 b. A fixed annual rate of 8.25 percent.

723 4. Costs, fees, and expenses of administration shall be
724 debited from the individual member accounts on a proportionate
725 basis, taking the costs, fees, and expenses of administration of
726 the Fund as a whole, multiplied by a fraction, the numerator of
727 which is the total of the assets in all individual member
728 accounts and the denominator of which is the total of the assets

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729 of the Fund as a whole. The proportionate share of the costs,
730 fees, and expenses shall be debited to each individual member
731 account on a pro rata basis in the same manner as chapter 185,
732 Florida Statutes, tax revenues are credited to each individual
733 member account (i.e., based on pay periods).

734 ~~5. If the entire balance of the individual member account~~
735 ~~is withdrawn before September 30 of any year, there shall be no~~
736 ~~adjustment made to that individual member account to reflect~~
737 ~~either investment earnings (or losses) or costs, fees, and~~
738 ~~expenses of administration.~~

739 (d) Eligibility for benefits.—Any member who terminates
740 employment with the City, upon application filed with the Board,
741 shall be entitled to 100 percent of the value of his or her
742 individual member account, provided the member meets any of the
743 following criteria:

744 1. The member is eligible to receive a pension as provided
745 in subsection (8);

746 2. The member has 5 or more years of credited service and
747 is eligible to receive either:

748 a. A nonduty disability pension as provided in paragraph
749 (14) (a); or

750 b. Death benefits for nonduty death as provided in
751 paragraph (17) (a); or

752 3. The member has any credited service and is eligible to
753 receive either:

754 a. A duty disability pension as provided in subsection
755 (15); or

756 b. Death benefits for death in the line of duty as

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757 provided in paragraph (17) (b).

758 (e) Forfeitures.—Any member who has less than 10 years of
759 credited service and who is not eligible for payment of benefits
760 after termination of employment with the City shall forfeit his
761 or her individual member account. The amounts credited to said
762 individual member account shall be redistributed to the
763 remaining individual member accounts in the same manner as
764 chapter 185, Florida Statutes, tax revenues are credited (i.e.,
765 based on pay periods).

766 (f) Payment of benefits.—The normal form of benefit
767 payment shall be a lump sum payment of the entire balance of the
768 member's individual member account or upon the written election
769 of the member, upon a form provided by the Board; and payment
770 shall be made:

- 771 1. Over 3 years in annual installments; or
- 772 2. In monthly installments over the lifetime of the member
773 or until the entire balance is exhausted. The monthly amount
774 paid shall be determined by the Fund's actuary in accordance
775 with selections made by the member on a form provided by the
776 Board of Trustees.

777 (g) Death of member.—If a member dies and is eligible for
778 benefits from the individual member account, the entire balance
779 of the individual member account shall be converted to the name
780 of the beneficiary designated in accordance with paragraph
781 (9) (e). The entire balance shall be paid out in a lump sum to
782 the beneficiary, at the discretion of the beneficiary. If the
783 designated beneficiary is the surviving spouse, the account may
784 remain with the Fund until the latest period specified under

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785 subsection (30). These individual accounts shall not be eligible
786 for any further shares of the Chapter 185 moneys but shall be
787 credited with interest. If a member fails to designate a
788 beneficiary, or if the beneficiary predeceases the member, the
789 entire balance shall be converted, in the following order, to
790 the name or names of:

- 791 1. The member's surviving children on a pro rata basis;
- 792 2. If no children are alive, the member's spouse;
- 793 3. If no spouse is alive, the member's surviving parents
794 on a pro rata basis; or
- 795 4. If none are alive, the estate of the member.

796
797 The accounts which are converted to the names of the
798 beneficiaries shall have the right to name a successor
799 beneficiary. Any designated beneficiary, other than the
800 surviving spouse of the member, must take a distribution of the
801 entire share account balance by the end of 5 years following the
802 death of the member. Installment distributions which begin in
803 the calendar year of the member's death shall be treated as
804 complying with this 5-year distribution requirement, even though
805 the installments are not completed within 5 years after the
806 member's death.

807 (12) Supplemental pension distribution.—

808 (a) The Board of Trustees shall annually authorize a
809 supplemental pension distribution, the amount of which shall be
810 determined as of each September 30, as applicable.

811 1. For employees who retired prior to October 1, 1999, the
812 amount of the distribution shall be equal to the actuarial

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813 present value of future pension payments to those ~~current~~
814 pensioners, multiplied by the positive difference, if any,
815 between the rate of investment return (not to exceed 9 percent)
816 and 7 percent, plus one-half of any investment earnings over 9
817 percent.

818 2. For those employees who have more than 12-1/2 years of
819 service on and after October 1, 1999, or who are part of the
820 DROP on or after October 1, 1999, the amount of the distribution
821 shall be equal to the actuarial present value of future pension
822 payments to those pensioners multiplied by the positive
823 difference, if any, between the rate of investment return (not
824 to exceed 9 percent) and 7 percent, plus one-half of any
825 investment earnings over 9 percent.

826 3. For those employees who have less than 12-1/2 years of
827 service as of October 1, 1999, the amount of the distribution
828 shall be equal to the actuarial present value of future pension
829 payments to those pensioners multiplied by the positive
830 difference, if any, between the rate of investment return (not
831 to exceed 9 percent) and 8.25 percent, plus one-half of any
832 investment earnings over 9 percent.

833 (b) The actuary shall determine whether there may be a
834 supplemental pension distribution based on the following
835 factors:

836 1. The actuary for the Pension Fund shall determine the
837 rate of investment return earned on the Pension Fund assets
838 during the 12-month period ending each September 30. The rate
839 determined shall be the rate reported in the most recent
840 actuarial report submitted pursuant to part VII of chapter 112,

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841 Florida Statutes.

842 2. The actuary for the Pension Fund shall, as of September
843 30, determine the actuarial present value of future pension
844 payments to current pensioners. The actuarial present values
845 shall be calculated using an interest rate of 7 percent per year
846 compounded annually, and a mortality table approved by the Board
847 of Trustees and as used in the most recent actuarial report
848 submitted pursuant to part VII of chapter 112, Florida Statutes.

849 3. The supplemental pension distribution amount shall not
850 exceed accumulated net actuarial experience from all pension
851 liabilities and assets. If the net actuarial experience is
852 favorable, cumulatively, commencing with the experience for the
853 year ending September 30, 1991, after offset for all prior
854 supplemental distributions, the supplemental distribution may be
855 made. If the net actuarial experience is unfavorable,
856 cumulatively, commencing with the experience for the year ended
857 September 30, 1991, after offset for all prior supplemental
858 distributions, no supplemental distribution may be made, and the
859 City must amortize the loss until it is offset by cumulative
860 favorable experience.

861
862 If an actuarial report submitted as provided in this paragraph
863 is not state accepted prior to distribution, and if a deficiency
864 to the Pension Fund results, the deficiency shall be made up
865 from the next available supplemental pension distribution,
866 unless sooner made up by agreement between the Board of Trustees
867 and the City. No such deficiency shall be permitted to continue
868 for a period greater than 3 years from the date of payment of

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869 the supplemental pension distribution which resulted from the
870 deficiency.

871 (c) If the actuary determines there may be a supplemental
872 distribution, the Board of Trustees shall authorize a
873 "supplemental pension distribution," unless the administrative
874 expenses of distribution exceed the amount available for the
875 distribution.

876 (d) Eligible persons are:

- 877 1. Pensioners.
- 878 2. Surviving spouses.
- 879 3. Surviving dependent children.
- 880 4. Pensioners' estates.

881 (e) The supplemental pension distribution shall be
882 allocated among eligible persons based upon years of service in
883 the proportion that the eligible person's years of service bear
884 to the aggregate amount of years of service of all eligible
885 persons. Allocations for surviving spouses and surviving
886 dependent children who are eligible to receive supplemental
887 pension distributions shall be $66\frac{2}{3}$ percent of the years of
888 service earned by the pensioner. Maximum service credits shall
889 be 25 years. Allocations for duty-disability pensioners shall be
890 based upon 25 years of service. Allocations for duty-death
891 beneficiaries (surviving spouse and surviving dependent
892 children) shall be based upon $66\frac{2}{3}$ percent of 25 years of
893 service.

894 (f) The supplemental pension distribution shall be made as
895 of April 1, 1992, and each April 1 thereafter. Each eligible
896 person shall be paid his or her allocated portion from the

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897 preceding September 30. Eligible persons retired for less than 1
898 year are entitled to a pro rata share of their supplemental
899 pension distribution based on the number of months retired. A
900 pensioner's estate is entitled to a pro rata share of the
901 deceased retirant's supplemental pension distribution based on
902 the number of months that the deceased retirant received a
903 pension during the year ending the September 30 prior to the
904 retirant's death.

905 (13) Deferred Retirement Option Plan (DROP).—

906 (a) Eligibility to participate in the DROP.—

907 1. Any member who is eligible to receive a normal
908 retirement pension may participate in the DROP. Members shall
909 elect to participate by applying to the Board of Trustees on a
910 form provided for that purpose.

911 2. Election to participate shall be forfeited if not
912 exercised within the first 27 years of combined credited
913 service.

914 3. A member shall not participate in the DROP beyond the
915 time of attaining 30 years of service and the total years of
916 participation in the DROP shall not exceed 5 years. For example:

917 a. Members with 25 years of credited service at the time
918 of entry shall participate for only 5 years.

919 b. Members with 26 years of credited service at the time
920 of entry shall participate for only 4 years.

921 c. Members with 27 years of credited service at the time
922 of entry shall participate for only 3 years.

923 4. Upon a member's election to participate in the DROP, he
924 or she shall cease to be a member and shall no longer accrue any

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925 benefits under the Pension Fund, except for the benefits
 926 provided under subsection (11), Chapter 185 share accounts. For
 927 all Fund purposes, the member becomes a retirant, except that a
 928 DROP participant shall continue to receive shares of the chapter
 929 moneys in accordance with subsection (11), Chapter 185 share
 930 accounts. DROP members shall also be eligible to vote as members
 931 for purposes of election of the member-trustee. The amount of
 932 credited service shall freeze as of the date of entry into the
 933 DROP.

934 (b) Amounts payable upon election to participate in DROP.—

935 1. Monthly retirement benefits that would have been
 936 payable had the member terminated employment with the Department
 937 and elected to receive monthly pension payments shall be paid
 938 into the DROP and credited to the retirant. Payments into the
 939 DROP shall be made monthly over the period the retirant
 940 participates in the DROP, up to a maximum of 60 months.

941 2. Effective October 1, 2002, DROP Participants have the
 942 option to select between two methods to credit investment
 943 earnings to their account. The method may be changed each year
 944 effective October 1; however, the method must be elected prior
 945 to October 1. The methods are:

946 a. Earnings using the rate of investment return earned (or
 947 lost) on Pension Fund assets as reported by the Fund's
 948 investment monitor. DROP assets are commingled with the Pension
 949 Fund assets for investment purposes.

950 b. A fixed rate of 8.25 percent.

951
 952 However, if a police officer does not terminate employment at

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953 the end of participation in the DROP, interest credits shall
954 cease on the balance.

955 3. No payments shall be made from the DROP until the
956 member terminates employment with the Department.

957 4. Upon termination of employment, participants in the
958 DROP shall receive the balance of the DROP account in accordance
959 with the following rules:

960 a. Members may elect to begin to receive payment upon
961 termination of employment or defer payment of the DROP until the
962 latest day as provided under sub-subparagraph c.

963 b. Payments shall be made in either:

964 (I) Lump sum.—The entire account balance shall be paid to
965 the retirant upon approval of the Board of Trustees.

966 (II) Installments.—The account balance shall be paid out
967 to the retirant in three equal payments paid over 3 years, the
968 first payment to be made upon approval of the Board of Trustees.

969 (III) Annuity.—The account balance shall be paid out in
970 monthly installments over the lifetime of the member or until
971 the entire balance is exhausted. Monthly amount paid shall be
972 determined by the Fund's actuary in accordance with selections
973 made by the member on a form provided by the Board of Trustees.

974 c. Any form of payment selected by a police officer must
975 comply with the minimum distribution requirements of s.
976 401(A)(9) of the Internal Revenue Code and is subject to the
977 requirements of subsection (30) ~~(29)~~ of this act; e.g., payments
978 must commence by age 70-1/2.

979 d. The beneficiary of the DROP participant who dies before
980 payments from the DROP begin shall have the same right as the

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981 participant in accordance with subsection (17).

982 e. Costs, fees, and expenses of administration shall be
983 debited from the individual member accounts on a proportionate
984 basis, taking the cost, fees, and expenses of administration of
985 the Fund as a whole, multiplied by a fraction, the numerator of
986 which is the total assets in all individual member accounts and
987 the denominator of which is the total assets of the Fund as a
988 whole.

989 (c) Loans from the DROP.—

990 1. Availability of loans.—

991 a. Loans are available to members only after termination
992 of employment, provided the member had participated in the DROP
993 for a period of 12 months.

994 b. Loans may only be made from a member's own account.

995 c. There may be no more than one loan at a time.

996 2. Amount of loan.—

997 a. Loans may be made up to a maximum of 50 percent of
998 account balance.

999 b. The maximum dollar amount of a loan is \$50,000, reduced
1000 by the highest outstanding loan balance during the last 12
1001 months.

1002 c. The minimum amount of a loan is \$5,000.

1003 3. Limitations on loans.—Loans shall be made from the
1004 amounts paid into the DROP and the earnings thereon.

1005 4. Term of loan.—

1006 a. The loan must be for at least 1 year.

1007 b. The loan shall be no longer than 5 years.

1008 5. Loan interest rate.—

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1009 a. The interest rate shall be fixed at the time the loan
1010 is originated for the entire term of the loan.

1011 b. The interest rate shall be equal to the prime rate
1012 published by an established local bank on the last day of each
1013 calendar quarter preceding the date of loan application.

1014 6. Defaults on loans.—

1015 a. Loans shall be in default if 2 consecutive months'
1016 repayments are missed or if a total of 4 months' repayments are
1017 missed.

1018 b. Upon default, the entire balance becomes due and
1019 payable immediately.

1020 c. If a loan in default is not repaid in full immediately,
1021 the loan may be canceled and the outstanding balance treated as
1022 a distribution, which may be taxable.

1023 d. Upon default of a loan, a member shall not be eligible
1024 for additional loans.

1025 7. Miscellaneous provisions.—

1026 a. All loans must be evidenced by a written loan agreement
1027 signed by the member and the Board of Trustees. The agreement
1028 shall contain a promissory note.

1029 b. A member's spouse must consent in writing to the loan.
1030 The consent shall acknowledge the effect of the loan on the
1031 member's account balance.

1032 c. Loans shall be considered a general asset of the Fund.

1033 d. Loans shall be subject to administrative fees to be set
1034 by the Board of Trustees.

1035 (14) Nonduty disability pension.—

1036 (a) Retirement.—Any member who entered the employ of the

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1037 Department as a police officer after September 30, 1961, and who
 1038 has 5 or more years of credited service, who becomes physically
 1039 or mentally, totally and permanently disabled to perform the
 1040 duties of a police officer, shall be retired with a pension
 1041 provided for in this subsection upon his or her application, or
 1042 upon the application of the Police Chief on his or her behalf,
 1043 filed with the Board, provided that after a medical examination
 1044 of the member made by or under the direction of the medical
 1045 committee, the medical committee reports to the Board in writing
 1046 whether:

- 1047 1. The member is wholly prevented from rendering useful
- 1048 and efficient service as a police officer; and
- 1049 2. The member is likely to remain so disabled continuously
- 1050 and permanently.

1051

1052 The Board may admit and consider any other evidence that will
 1053 assist it in understanding the medical committee's report. The
 1054 final decision as to whether a member meets the requirements for
 1055 a nonduty disability pension rests with the Board and shall be
 1056 based on substantial competent evidence on the record as a
 1057 whole.

1058 (b) Nonduty disability pension benefits; disability occurs
 1059 after age and service eligibility.—A member whose retirement on
 1060 account of disability, as provided in paragraph (a), occurs on
 1061 or after the date he or she became eligible to retire under
 1062 subsection (8) shall receive the applicable pension provided for
 1063 in subsection (9).

1064 (c) Nonduty disability pension benefits; disability occurs

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1065 before age and service eligibility.—A member whose retirement on
1066 account of disability, as provided in paragraph (a), occurs
1067 prior to the date he or she would have become eligible to retire
1068 under paragraph (8)(a) shall receive a disability pension equal
1069 to the applicable pension payable in subsection (9), provided
1070 that:

1071 1. If the member has less than 10 years of credited
1072 service, the disability pension shall not be less than 20
1073 percent of his or her final average salary as of his or her
1074 disability retirement date;

1075 2. If the member has at least 10 years of credited
1076 service, the disability pension shall not be less than 25
1077 percent of his or her final average salary as of his or her
1078 disability retirement date; and

1079 3. The disability pension shall be subject to the
1080 provisions of subsection (18).

1081 (15) Duty disability pension.—

1082 (a) Retirement.—Any member who becomes physically or
1083 mentally, totally and permanently disabled to perform the duties
1084 of a police officer by reason of a personal injury or disease
1085 arising out of and in the course of the performance of his or
1086 her duties as a police officer in the employ of the City shall
1087 be retired with a pension provided for in this subsection,
1088 provided that, after a medical examination of the member made by
1089 or under the direction of the medical committee, the medical
1090 committee reports to the Board in writing whether:

1091 1. The member is wholly prevented from rendering useful
1092 and efficient service as a police officer; and

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1093 2. The member is likely to remain so disabled continuously
1094 and permanently.

1095
1096 The Board may admit and consider any other evidence that will
1097 assist it in understanding the medical committee's report. Any
1098 condition or impairment of health of a member caused by
1099 tuberculosis, hypertension, heart disease or hardening of the
1100 arteries, hepatitis, or meningococcal meningitis resulting in
1101 total or partial disability or death shall be presumed to be
1102 accidental and suffered in line of duty unless the contrary be
1103 shown by competent evidence. Any condition or impairment of
1104 health caused directly or proximately by exposure, which
1105 exposure occurred in the active performance of duty at some
1106 definite time or place without willful negligence on the part of
1107 the member, resulting in total or partial disability shall be
1108 presumed to be accidental and suffered in the line of duty,
1109 provided that such member shall have successfully passed a
1110 physical examination upon entering such service, which physical
1111 examination, including electrocardiogram, failed to reveal any
1112 evidence of such condition. In order to be entitled to the
1113 presumption in the case of hepatitis, meningococcal meningitis,
1114 or tuberculosis, the member must meet the requirements of
1115 section 112.181, Florida Statutes. The final decision as to
1116 whether a member meets the requirements for duty disability
1117 pension rests with the Board and shall be based on substantial
1118 competent evidence on the record as a whole.

1119 (b) Duty disability pension benefits; disability occurs
1120 after age and service eligibility.—A member whose retirement on

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1121 account of disability, as provided in paragraph (a), occurs on
1122 or after the date he or she becomes eligible to retire under
1123 subsection (8) shall receive the applicable pension provided for
1124 in subsection (9).

1125 (c) Duty disability pension benefits; disability occurs
1126 before age and service eligibility.—A member whose retirement on
1127 account of disability, as provided in paragraph (a), occurs
1128 prior to the date he or she would become eligible to retire
1129 under subsection (8) shall receive a disability pension equal to
1130 the appropriate pension payable in subsection (9). The
1131 disability pension payable to age 55 shall not be less than two-
1132 thirds of his or her final average salary. Upon reaching age 55,
1133 the member shall begin receiving a pension computed in
1134 accordance with the applicable provisions of subsection (9). In
1135 calculating the new pension figure, the member shall be given
1136 service credit for the period he or she was in receipt of the
1137 disability pension provided for in this paragraph. Any pension
1138 payable under this subsection shall be subject to the provisions
1139 of subsection (18).

1140 (16) Conditions applicable to all disability retirants.—

1141 (a) Medical committee.—The medical committee provided for
1142 in subsections (14) and (15) shall consist of no less than two
1143 qualified health professionals, one of whom shall be designated
1144 by the Board, and one by the member. If deemed necessary by the
1145 Board, a third qualified health professional, selected by the
1146 two committee members previously designated, may be named to the
1147 medical committee. The member shall be responsible for the
1148 expenses of the qualified health professional he or she

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1149 designates to serve on the medical committee. Expenses for any
1150 other medical examination required under this act shall be paid
1151 by the Fund. The medical committee shall report to the Board the
1152 existence and degree of permanent physical impairment of the
1153 member, if any, based upon the most recent edition of the
1154 American Medical Association's Guide to the Evaluation of
1155 Permanent Impairment, if applicable.

1156 (b) Exclusions from disability pensions.—No disability
1157 pension shall be payable, either as a duty disability or as a
1158 nonduty disability, if the disability is the result of:

1159 1. Excessive and habitual use by the member of drugs,
1160 intoxicants, or narcotics;

1161 2. Injury or disease sustained by the member while
1162 willfully and illegally participating in fights, riots, or civil
1163 insurrections or while committing a crime;

1164 3. Injury or disease sustained by the member while serving
1165 in any armed forces. This exclusion does not affect members who
1166 have become disabled as a result of intervening military service
1167 under the federal Heroes Earnings Assistance and Relief Tax Act
1168 of 2008 (H.R. 6081; P.L. 110-245);

1169 4. Injury or disease sustained by the member after his or
1170 her employment has terminated;

1171 5. Injury or disease sustained by the member while working
1172 for anyone other than the City and arising out of such
1173 employment; or

1174 6. Injury or disease sustained by the member before
1175 employment with the City begins. This exclusion ~~subparagraph~~
1176 applies only in the event of an application for a duty

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1177 disability benefit ~~injury or disease~~.

1178 (c) Payment of disability pensions.—Monthly disability
1179 retirement benefits shall be payable as of the date the Board
1180 determines that the member was entitled to a disability pension;
1181 however, the first payment shall actually be paid on the first
1182 day of the first month after the Board determines such
1183 entitlement. Any portion due for a partial month shall be paid
1184 together with the first payment. The last payment shall be, if
1185 the member recovers from the disability prior to his or her
1186 normal retirement date, the payment due next preceding the date
1187 of recovery or, if the member dies without recovering from his
1188 or her disability, then the following shall apply:

1189 1. Member with 10 or more years of service.—Death benefits
1190 as set forth in subsection (17) shall be paid.

1191 2. Member with less than 10 years of service.—Payments
1192 shall be made until the member's death.

1193
1194 Any monthly disability retirement income payments due after the
1195 death of a disabled member shall be paid to the member's
1196 designated beneficiary (or beneficiaries) as provided in section
1197 185.162, Florida Statutes, or paragraph (9)(e) or subsection
1198 (17), as applicable.

1199 (d) Normal form of disability retirement income.—

1200 1. Duty or nonduty disability with 10 years of service.—

1201 a. Married member.—The standard form of disability
1202 retirement benefit for a married member or for a member with
1203 dependent children or parents shall be a disability pension and
1204 death benefit. This form of benefit shall provide monthly

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1205 | payments for the life of the member as set forth in subsection
1206 | (14) or subsection (15), as applicable, or the disability
1207 | retiree may select optional forms of benefits in accordance with
1208 | paragraph (9)(d). Thereafter, death benefits shall be paid as
1209 | provided in subsection (17).

1210 | b. Unmarried member.—The standard form of disability
1211 | retirement benefit for a member who is not married or who does
1212 | not have dependent children or parents shall be a 10-year
1213 | certain benefit. This benefit shall pay monthly benefits for the
1214 | member's lifetime. In the event the member dies after his or her
1215 | retirement but before he or she has received disability
1216 | retirement benefits for a period of 10 years, the same monthly
1217 | benefit shall be paid to the beneficiary (or beneficiaries) as
1218 | designated by the member for the balance of such 10-year period.
1219 | In the absence of a designated beneficiary, then the benefits
1220 | shall be paid to the estate of the retiree.

1221 | 2. Duty or nonduty disability with less than 10 years of
1222 | service.—The standard form of disability retirement benefit
1223 | shall provide monthly payments for the life of a member as set
1224 | forth in subsection (14) or subsection (15), as applicable.
1225 | Thereafter, beneficiary benefits shall be paid as provided in
1226 | subsection (17), as applicable.

1227 | (e) Reexaminations of disability retirants.—At least once
1228 | each year during the first 5 years following a member's
1229 | retirement on account of disability, and at least once in each
1230 | 3-year period thereafter, the Board shall require any disability
1231 | retirant who has not attained age 50 to undergo a medical
1232 | examination by a physician designated by the Board. If the

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1233 | retirant refuses to submit to the medical examination, his or
 1234 | her disability pension may be suspended by the Board until his
 1235 | or her withdrawal of such refusal. If such refusal continues for
 1236 | 1 year, all of his or her rights in and to a disability pension
 1237 | may be revoked by the Board. If, upon medical examination of
 1238 | such retirant, the physician reports to the Board that the
 1239 | retirant is physically able and capable of performing the duties
 1240 | of a police officer in the rank held by him or her at the time
 1241 | of his or her retirement, the retirant shall be returned to
 1242 | employment in the Department at a salary not less than the
 1243 | salary of the rank previously held by him or her. The disability
 1244 | pension shall then terminate.

1245 | (f) Credited service for disability retirant.—In the event
 1246 | a disability retirant is returned to employment in the
 1247 | Department, as provided in paragraph (e), he or she shall again
 1248 | become a member of the Fund and shall be restored the credited
 1249 | service at the time of the member's retirement. If he or she
 1250 | retired under a duty disability as provided in paragraph
 1251 | (15) (a), he or she shall be given service credit for the period
 1252 | he or she was in receipt of a disability pension. If the member
 1253 | retired under a nonduty disability as provided in paragraph
 1254 | (14) (a), then he or she shall not be given service credit for
 1255 | the period he or she was in receipt of a disability pension.

1256 | (17) Death benefits.—

1257 | (a) Nonduty death while employed by the department; 5
 1258 | years or more.—In the event a member who has 5 or more years of
 1259 | credited service dies, and the Board finds his or her death to
 1260 | have occurred as the result of causes arising outside the

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1261 performance of his or her duties as a member, the following
1262 applicable pensions shall be paid:

1263 1. A pension equal to two-thirds of the pension to which
1264 he or she would have been entitled under subsection (9) if he or
1265 she had retired the day preceding the date of his or her death,
1266 notwithstanding that he or she might not have satisfied a
1267 retirement age and service requirement stipulated in subsection
1268 (8), provided that the "widow's pension" shall not be less than
1269 one-seventh of the member's final average salary. Upon the
1270 surviving spouse's death, the pension shall terminate. Any
1271 pension payable under this paragraph shall be subject to the
1272 provisions of subsection (18).

1273 2. In the event the deceased member does not leave a
1274 surviving spouse, or if the surviving spouse dies and the member
1275 leaves an unmarried child or children under age 18, each such
1276 child shall receive a pension of any equal share of the pension
1277 to which the said deceased member's surviving spouse was
1278 entitled or would have been entitled if he or she left a
1279 surviving spouse. Upon any such child's adoption, marriage,
1280 death, or attainment of age 18, the child's pension shall
1281 terminate and it shall be apportioned to the pensions payable to
1282 the said deceased member's remaining eligible children under the
1283 age of 18. In no case shall the pension payable to any such
1284 child exceed one-seventh of the deceased member's final average
1285 salary, nor shall it be less than \$15 per month. A pension
1286 payable under this paragraph shall be subject to the provisions
1287 of subsection (18).

1288 3. In the event the deceased member does not leave a

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1289 surviving spouse or children eligible to receive a pension and
 1290 the member leaves a parent or parents who the Board finds are
 1291 dependent upon the member for at least 50 percent of his, her,
 1292 or their financial support, each parent shall receive a pension
 1293 of an equal share of the pension to which the member's surviving
 1294 spouse would have been entitled if he or she had left a
 1295 surviving spouse. Upon any such parent's remarriage or death,
 1296 his or her pension shall terminate. Any pension payable under
 1297 this paragraph shall be subject to the provisions of subsection
 1298 (18).

1299 4. In the event the deceased member does not leave a
 1300 surviving spouse, children, or parents to receive a pension,
 1301 then the death benefit, if any, shall be paid to the estate of
 1302 the deceased member. Any retirement income payments due after
 1303 the death of a vested member may, in the discretion of the
 1304 Board, be paid to the member's designated beneficiary or
 1305 beneficiaries.

1306
 1307 In any of the above cases, the Board, in its discretion, may
 1308 direct that the actuarial value of the monthly benefit be paid
 1309 as a lump sum.

1310 (b) Duty death.—In the event a member dies and the Board
 1311 finds his or her death to be the natural and proximate result of
 1312 a personal injury or disease arising out of and in the course of
 1313 his or her actual performance of the duties as a police officer
 1314 in the employ of the City, the following applicable pensions
 1315 shall be paid:

1316 1. Effective October 1, 2003, the surviving spouse shall

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1317 receive a pension equal to two-thirds of the member's highest 12
1318 consecutive months' salary or the current top step police
1319 officer pay, whichever is greater. Upon the surviving spouse's
1320 death, the pension shall terminate. Any pension payable under
1321 this paragraph shall be subject to the provisions of subsection
1322 (18).

1323 2. If, in addition to a surviving spouse, the deceased
1324 member leaves an unmarried child or children under age 18, each
1325 child shall receive a pension of \$150 per month. Upon any
1326 child's adoption, marriage, death, or attainment of age 18, the
1327 child's pension shall terminate. Any pension payable under this
1328 paragraph shall be subject to the provisions of subsection (18).

1329 3. In the event the deceased member does not leave a
1330 surviving spouse, or if the surviving spouse dies, and the
1331 member leaves an unmarried child or children under age 18, each
1332 such child shall receive a pension of an equal share of one-
1333 third of the deceased member's final average salary. Upon any
1334 such child's adoption, marriage, death, or attainment of age 18,
1335 the child's pension shall terminate and it shall be apportioned
1336 to the pensions payable to the deceased member's remaining
1337 eligible children under age 18. Any pension payable under this
1338 paragraph shall be subject to the provisions of subsection (18).

1339 4. Any pensions payable, under subparagraphs 2. and 3.
1340 above, to any child under age 18 shall be paid to his or her
1341 legal guardian.

1342 5. In the event the deceased member does not leave a
1343 surviving spouse or children under age 18 eligible to receive a
1344 pension provided for in subparagraph 1., subparagraph 2., or

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1345 subparagraph 3., and the member leaves a parent or parents who
1346 the Board finds are dependent upon the member for at least 50
1347 percent of his, her, or their financial support, then each
1348 parent shall receive a pension of an equal share of one-third of
1349 the deceased member's final average salary. Upon any such
1350 parent's remarriage or death, his or her pension shall
1351 terminate. Any pension payable under this paragraph shall be
1352 subject to the provisions of subsection (18).

1353 6. In the event the deceased member does not leave a
1354 surviving spouse, children, or parents eligible to receive a
1355 pension, then the death benefit, if any, shall be paid to the
1356 estate of the deceased member. Any retirement income payments
1357 due after the death of a vested member may, in the discretion of
1358 the Board, be paid to the member's designated beneficiary or
1359 beneficiaries.

1360
1361 In any of the above cases, the Board, in its discretion, may
1362 direct that the actuarial value of the monthly benefit be paid
1363 as a lump sum.

1364 (c) Death after retirement.—Upon the death of a retirant,
1365 the following applicable pensions shall be paid, subject to the
1366 provisions of subsection (18):

1367 1. The surviving spouse of the retirant shall receive a
1368 pension of two-thirds of the retirant's pension, provided that
1369 the retirant was receiving a pension under paragraph (9)(a).
1370 Upon the surviving spouse's death, the pension shall terminate.

1371 2. In the event the deceased retirant does not leave a
1372 surviving spouse eligible to receive a pension, or if the

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1373 surviving spouse dies and he or she leaves an unmarried child or
 1374 children under age 18, each child shall receive a pension of an
 1375 equal share of two-thirds of the deceased retirant's pension.
 1376 Upon any child's adoption, marriage, death, or attainment of age
 1377 18, the child's pension shall terminate and it shall be
 1378 apportioned to the pensions payable to the deceased retirant's
 1379 remaining eligible children under age 18. In no case shall the
 1380 pension payable to any such child exceed 20 percent of the
 1381 deceased retirant's pension, or be less than \$15 per month.

1382 3. In the event the deceased retirant does not leave a
 1383 surviving spouse or children eligible to a pension provided for
 1384 in subparagraphs 1. and 2. above, and he or she leaves a parent
 1385 or parents who the Board finds are dependent upon the retirant
 1386 for at least 50 percent of his, her, or their financial support,
 1387 each parent shall receive a pension of an equal share of two-
 1388 thirds of the deceased retirant's pension. Upon any parent's
 1389 remarriage or death, his or her pension shall terminate.

1390 4. In the event the deceased member does not leave a
 1391 surviving spouse, children, or parents eligible to receive a
 1392 pension, then the death benefit, if any, shall be paid to the
 1393 estate of the deceased member. Any retirement income payments
 1394 due after the death of a vested member may, in the discretion of
 1395 the Board, be paid to the member's designated beneficiary or
 1396 beneficiaries.

1397
 1398 In any of the above cases, the Board, in its discretion, may
 1399 direct that the actuarial value of the monthly benefit be paid
 1400 as a lump sum.

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1401 (18) Workers' compensation offset.—The pension benefits
1402 payable under this act shall not be offset by any workers'
1403 compensation benefits payable as a result of the disability or
1404 death of a member, except to the extent that the total of the
1405 pension benefit and workers' compensation benefit exceeds the
1406 member's average monthly wage.

1407 (19) Member's contributions; refunds.—

1408 (a) Member's contributions.—

1409 1. The member shall contribute 7 percent of his or her
1410 salary to the Fund. Effective the first full payroll period
1411 after January 1, 2005, the member shall contribute 9 percent of
1412 his or her salary to the Fund, which shall be deducted each pay
1413 period from the salary of each member in the Department.
1414 Effective the first full payroll period after January 1, 2006,
1415 the member shall contribute 10 percent of his or her salary to
1416 the Fund, which shall be deducted each pay period from the
1417 salary of each member in the Department. Effective the first
1418 full payroll period after January 1, 2007, the member shall
1419 contribute 11 percent of his or her salary to the Fund, which
1420 shall be deducted each pay period from the salary of each member
1421 in the Department. All amounts of member contributions that are
1422 deducted shall be immediately paid over to the Pension Fund. Any
1423 contribution amount over 7 percent is to be used to purchase
1424 eligibility for participation in the postretirement health
1425 insurance benefits.

1426 2. The City shall cause the contributions provided for in
1427 subparagraph 1. to be deducted from the compensation of each
1428 member on each payroll, for each pay period, so long as he or

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1429 she remains a member of the Fund. The member's contributions
 1430 provided for herein shall be made, notwithstanding that the
 1431 minimum compensation provided by law for any member is thereby
 1432 changed. Each member shall be deemed to consent and agree to the
 1433 deductions made and provided for herein. Payment of
 1434 compensation, less said deductions, shall be a full and complete
 1435 discharge and acquittance of all claims and demands whatsoever
 1436 for the services rendered by him or her during the period
 1437 covered by such payment, except as to benefits provided by this
 1438 act. When deducted, each of said contributions shall be paid
 1439 into the Fund and credited to the individual member from whose
 1440 compensation said deduction was made.

1441 3. In addition to the contribution deducted from the
 1442 compensation of a member, as hereinbefore provided, a member
 1443 shall deposit in the Fund, by a single contribution or by an
 1444 increased rate of contribution, as approved by the Board of
 1445 Trustees, the amount of previously withdrawn member
 1446 contributions not repaid to the Fund, together with regular
 1447 interest from the date of withdrawal to the date of repayment.
 1448 In no case shall any member be given credit for service rendered
 1449 prior to the date he withdrew his aggregate contributions until
 1450 he or she repays to the member's deposit account all amounts due
 1451 the account by such member.

1452 (b) Refund of member's contributions.—

1453 1. Should any member cease to be employed by the City as a
 1454 police officer and not be entitled to a pension payable from the
 1455 Fund, upon application to and approval by the Board, he or she
 1456 shall be paid the aggregate contributions standing to his or her

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1457 credit in the Fund, without interest, less any benefits paid to
 1458 him or her. In accordance with paragraph (2)(q), a member who
 1459 has ceased to be employed by the City as a police officer may
 1460 elect to voluntarily leave his or her contributions in the
 1461 member's deposit account for a period of up to 5 years, pending
 1462 the possibility of being rehired by the Department. If the
 1463 member is not reemployed at the expiration of 5 years following
 1464 the date the member ceased to be employed by the City as a
 1465 police officer, all contributions remaining in the member's
 1466 deposit account shall be refunded without interest.

1467 2. Upon the death of a member, if no pension becomes
 1468 payable on account of his or her death, the aggregate
 1469 contributions standing to the member's credit in the Fund at the
 1470 time of death shall be paid to his or her designated
 1471 beneficiary. If there be no such designated person surviving the
 1472 member, his or her aggregate contributions shall be paid to his
 1473 or her estate in accordance with subsection (17).

1474 3. Repayments ~~Payments~~ of refunds of a member's aggregate
 1475 contributions, in accordance with subsection (6) and as provided
 1476 in this paragraph, may be made in bimonthly ~~monthly~~ installments
 1477 according to such rules and regulations as the Board of Trustees
 1478 shall from time to time adopt.

1479 (20) Sources of revenue.—

1480 (a) Contributions credited to Fund.—The contributions to
 1481 be credited to the Fund shall consist of, but shall not be
 1482 limited to, the following sources of revenue:

1483 1. Taxes of insurance companies.—The moneys returned to
 1484 the City as provided by chapter 185, Florida Statutes, shall be

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1485 used to fund the share account benefit described in subsection
1486 (11). The City shall not opt out of participation in chapter
1487 185, Florida Statutes, or any similar statutory enactment unless
1488 exigent circumstances exist, such as the bankruptcy of the City
1489 or changes or amendments to the statute regarding extra
1490 benefits. If any statutory changes are made by the Legislature,
1491 the City and the Board shall renegotiate the impact of such
1492 changes, if necessary.

1493 2. City contribution.—The City shall contribute to the
1494 Fund annually an amount which, together with the contributions
1495 from the members and the amount derived from the premium tax
1496 provided in chapter 185, Florida Statutes, and other income
1497 sources as authorized by law, shall be sufficient to meet the
1498 normal cost of the Fund and to fund the actuarial deficiency
1499 over a period of not more than 40 years, provided that the net
1500 increase, if any, in unfunded liability of the Fund arising from
1501 significant amendments or other changes shall be amortized
1502 within 30 plan years.

1503 3. Member contributions.—As provided in subsection (19).

1504 4. Gifts, etc.—All gifts, bequests, and devises when
1505 donated to the Fund.

1506 5. Interest from deposits.—All accretions to the Fund by
1507 way of interest on bank deposits or otherwise.

1508 6. Other sources.—All other sources of income now or
1509 hereafter authorized by law for the augmentation of the Fund.

1510 (b) Actuarial valuations.—The Fund shall be actuarially
1511 evaluated at least once in each 3-year period.

1512 (21) Investments.—

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1513 (a) The Board shall have the power and authority to invest
 1514 and reinvest the moneys of the Fund and to hold, purchase, sell,
 1515 assign, transfer, and dispose of any securities and investments
 1516 held in the Fund, including the power and authority to employ
 1517 counseling or investment management services. The aim of the
 1518 investment policies shall be to preserve the integrity and
 1519 security of Fund principal, to maintain a balanced investment
 1520 portfolio, to maintain and enhance the value of the Fund
 1521 principal, and to secure the maximum total return on investments
 1522 that is consonant with safety of principal, provided that such
 1523 investments and reinvestments shall be limited only by the
 1524 investments permitted by the investment policy guidelines
 1525 adopted by the Board in accordance with Florida law.
 1526 Notwithstanding the foregoing, investments in foreign
 1527 investments are limited in accordance with section
 1528 185.06(1)(b)4., Florida Statutes.

1529 1. The Board members must discharge these duties with
 1530 respect to the Plan solely in the interest of the participants
 1531 and beneficiaries and:

1532 ~~a.1.~~ For the exclusive purpose of providing benefits to
 1533 participants and their beneficiaries and defraying reasonable
 1534 expenses of administering the Plan;

1535 ~~b.2.~~ With the care, skill, prudence, and diligence under
 1536 the circumstances then prevailing that a prudent person acting
 1537 in a like capacity and familiar with such matters would use in
 1538 the conduct of an enterprise of a like character and with like
 1539 aims; and

1540 ~~c.3.~~ By diversifying the investments of the Plan so as to

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1541 minimize the risk of large losses, unless under the
 1542 circumstances it is clearly prudent not to do so.

1543 2. Notwithstanding any other provision of this subsection
 1544 and as provided in section 215.473, Florida Statutes, the Board
 1545 must identify and publicly report any direct or indirect
 1546 holdings it may have in any scrutinized company, as defined in
 1547 section 215.473, Florida Statutes. Beginning January 1, 2010,
 1548 the Board must proceed to sell, redeem, divest, or withdraw all
 1549 publicly traded securities it may have directly in any
 1550 scrutinized company. The divestiture of any such security must
 1551 be completed by September 10, 2010. The Board and its named
 1552 officers or investment advisors may not be deemed to have
 1553 breached their fiduciary duty in any action taken to dispose of
 1554 any such security, and the Board shall have satisfactorily
 1555 discharged the fiduciary duties of loyalty, prudence, and sole
 1556 and exclusive benefit to the participants of the Pension Fund
 1557 and their beneficiaries if the Board's actions are consistent
 1558 with the duties imposed by section 215.473, Florida Statutes, as
 1559 provided for in section 185.06(7), Florida Statutes, and the
 1560 manner of the disposition, if any, is reasonable as to the means
 1561 chosen. For purposes of determining which companies are
 1562 scrutinized companies, the Board may utilize the list of
 1563 scrutinized companies as developed by the State Board of
 1564 Administration. No person may bring any civil, criminal, or
 1565 administrative action against the Board of Trustees or any
 1566 employee, officer, director, or advisor of such Pension Fund
 1567 based upon the divestiture of any security pursuant to this
 1568 subparagraph.

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1569 (b) Professional counsel.—Board shall be required to
1570 engage the services of professional investment counsel to assist
1571 and advise the Trustees in the performance of their duties.

1572 (c) Restricted use of assets.—The assets of the Police
1573 Pension Fund shall be used only for the payment of benefits and
1574 other disbursements authorized by this act and shall be used for
1575 no other purpose.

1576 (d) Performance evaluation and manager selection.—At least
1577 once every 3 years, the Board of Trustees shall retain an
1578 independent consultant professionally qualified to evaluate the
1579 performance of its professional money manager or investment
1580 counsel. The independent consultant shall make recommendations
1581 to the Board of Trustees regarding the selection of money
1582 managers for the next investment term. These recommendations
1583 shall be considered by the Board of Trustees at its next
1584 regularly scheduled meeting. The date, time, place, and subject
1585 of this meeting shall be advertised in a newspaper of general
1586 circulation in the municipality at least 10 days prior to the
1587 date of the hearing.

1588 (e) Administrative expenses.—The administrative expenses
1589 of the Fund shall be paid by the Fund.

1590 (22) Existing benefits continued.—This act, and any
1591 amendments hereto, shall not be construed to increase or
1592 decrease the benefits payable to, or on account of, any member
1593 who retired or died prior to October 1, 1987.

1594 (23) Assignments prohibited; voluntary withholding.—

1595 (a) The pensions or other benefits accrued or accruing to
1596 any person under the provisions of this act and the accumulated

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1597 contributions and the cash securities in the Fund created under
1598 this act shall not be subject to execution or attachment or to
1599 any legal process whatsoever and shall be unassignable. However,
1600 pursuant to a court support order, the trustees may direct that
1601 retirement benefits be paid for alimony or child support in
1602 accordance with rules and regulations adopted by the Board of
1603 Trustees.

1604 (b) Upon written request by the retiree, the Board may
1605 authorize the Plan administrator to withhold from the monthly
1606 retirement payment funds necessary to:

- 1607 1. Pay for benefits being received through the City;
1608 2. Pay the certified bargaining agent; or
1609 3. Pay for premiums for accident, health, and long-term
1610 care insurance for the retiree's spouse and dependents.

1611
1612 A retirement plan does not incur liability for participation in
1613 this permissive program if the Board's actions are taken in good
1614 faith pursuant to section 185.05(6), Florida Statutes.

1615 (24) Subrogation rights; loss of pension rights.—

1616 (a) In the event a person becomes entitled to a pension or
1617 other benefits payable from the Fund as a result of an accident
1618 or injury caused by the act of a third party, the City shall be
1619 subrogated to the rights of the said person against such third
1620 person to the extent of the benefits which the City pays or
1621 becomes liable to pay hereunder.

1622 (b) No person shall be entitled to a pension under this
1623 act who is convicted of a specified offense as provided in
1624 section 112.3173, Florida Statutes.

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1625 (25) Ordinances applicable.—All ordinances of the City
1626 applicable to chapter 185, Florida Statutes, are hereby made
1627 applicable to this act with equal force and effect. No proposed
1628 change or amendment to this act shall be adopted without the
1629 approval required by section 185.35(2), Florida Statutes.

1630 (26) Review procedures.—

1631 (a) The applicant for benefits under this act may, within
1632 20 days after being informed of the denial of his or her request
1633 for pension benefits, appeal said denial by filing a reply to
1634 the proposed order with the pension's coordinator. If no appeal
1635 is filed within the time period specified, then the proposed
1636 order shall be final.

1637 (b) The Board of Trustees shall hold a hearing within 45
1638 days after the receipt of the appeal. Written notice of said
1639 hearing shall be sent by certified mail to the applicant 10 days
1640 prior to the hearing, at the address listed on the application.

1641 (c) The procedures at the hearing shall be as follows:

1642 1. All parties shall have an opportunity to respond, to
1643 present physical and testimonial evidence and argument on all
1644 issues involved, to conduct cross-examination, to submit
1645 rebuttal evidence, and to be represented by counsel. Medical
1646 reports and depositions may be accepted in lieu of live
1647 testimony, at the Board's discretion.

1648 2. All witnesses shall be sworn.

1649 3. The applicant and the Board shall have an opportunity
1650 to question all witnesses.

1651 4. Formal rules of evidence and formal rules of civil
1652 procedure shall not apply. The proceedings shall comply with the

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1653 essential requirements of due process and law.
 1654 5. The record in a case governed by this subsection shall
 1655 consist only of:
 1656 a. A tape recording of the hearing, to be taped and
 1657 maintained as part of the official files of the Board of
 1658 Trustees by the pension's secretary.
 1659 b. Evidence received or considered.
 1660 c. All notices, pleadings, motions, and intermediate
 1661 rulings.
 1662 d. Any decisions, opinions, proposed or recommended
 1663 orders, or reports by the Board of Trustees.
 1664 (d) Within 5 days after the hearing, the Board shall take
 1665 one of the following actions:
 1666 1. Grant the pension benefits by overturning the proposed
 1667 order by majority vote.
 1668 2. Deny the benefits and approve the proposed order as a
 1669 final order, after making any changes in the order that the
 1670 Board feels is necessary.
 1671 (e) Findings of fact by the Board shall be based on
 1672 competent, substantial evidence on the record.
 1673 (f) Within 20 calendar days after rendering its order, the
 1674 Board of Trustees shall send by certified mail a copy of said
 1675 order to the applicant.
 1676 (g) The applicant may seek review of the order of the
 1677 Board of Trustees by filing a petition for writ of certiorari
 1678 with the circuit court within 30 days.
 1679 (27) Lump sum payment of small retirement income.—
 1680 Notwithstanding any provision of the Fund to the contrary, if

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1681 the monthly retirement income payable to any person entitled to
1682 benefits hereunder is less than \$30 or if the single sum value
1683 of the accrued retirement income is less than \$1,000 ~~\$5,000~~ as
1684 of the date of retirement or termination of service, whichever
1685 is applicable, the Board of Trustees, in the exercise of its
1686 discretion, may specify that the actuarial equivalent of such
1687 retirement income be paid in lump sum.

1688 (28) Pickup of member contributions.—Effective the first
1689 day of the first full payroll period of the first calendar
1690 quarter following receipt of a favorable determination letter
1691 from the Internal Revenue Service, the City shall pick up the
1692 member contribution required by this section. The contributions
1693 so picked up shall be treated as employer contributions in
1694 determining tax treatment under the United States Internal
1695 Revenue Code. The City shall pick up the member contributions
1696 from funds established and available for salaries, which funds
1697 would otherwise have been designated as member contributions and
1698 paid to the Fund. Member contributions picked up by the City
1699 pursuant to this subsection shall be treated for purposes of
1700 making a refund of members' contributions, and for all other
1701 purposes of this and other laws, in the same manner and to the
1702 same extent as member contributions made prior to the effective
1703 date of this section. The intent of this section is to comply
1704 with s. 414(H)(2) of the Internal Revenue Code.

1705 (29) Internal Revenue Code limits.—

1706 (a) In no event may a member's annual benefit exceed
1707 \$160,000 (adjusted for cost of living in accordance with s.
1708 415(d) of the Internal Revenue Code).

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1709 (b) If a member has less than 10 years of service with the
1710 City, the applicable limitation in paragraph (a) shall be
1711 reduced by multiplying such limitation by a fraction, not to
1712 exceed 1. The numerator of such fraction shall be the number of
1713 years, or part thereof, of service with the City; the
1714 denominator shall be 10 years.

1715 (c) For purposes of this subsection, "annual benefit"
1716 means a benefit payable annually in the form of a straight life
1717 annuity with no ancillary incidental benefits and with no member
1718 or rollover contributions. To the extent that ancillary benefits
1719 are provided, the limits set forth in paragraph (a) shall be
1720 reduced actuarially, using an interest rate assumption equal to
1721 the greater of 5 percent or the rate being used for actuarial
1722 equivalence, to reflect such ancillary benefits.

1723 (d) If distribution of retirement benefits begins before
1724 age 62, the dollar limitation as described in paragraph (a)
1725 shall be reduced, using an interest rate assumption equal to the
1726 greater of 5 percent or the interest rate used for actuarial
1727 equivalence; however, retirement benefits shall not be reduced
1728 below \$75,000 if payment of benefits begins at or after age 55
1729 and not below the actuarial equivalent of \$75,000 if payment of
1730 benefits begins before age 55. For a member with 15 or more
1731 years of service with the City, the reductions described above
1732 shall not reduce such member's benefit below \$50,000 (adjusted
1733 for cost of living in accordance with s. 415(d) of the Internal
1734 Revenue Code, but only for the year in which such adjustment is
1735 effective). If retirement benefits begin after age 65, the
1736 dollar limitation of paragraph (a) shall be increased

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1737 actuarially by using an interest assumption equal to the lesser
1738 of 5 percent or the rate used for actuarial equivalence.

1739 (e) Compensation in excess of limitations set forth in s.
1740 401(a)(17) of the Internal Revenue Code shall be disregarded.
1741 The limitation on compensation for an eligible employee shall
1742 not be less than the amount that was allowed to be taken into
1743 account hereunder as in effect on July 1, 1993. "Eligible
1744 employee" is an individual who was a member before the first
1745 plan year beginning after December 31, 1995.

1746 (30) Required distributions.—

1747 (a) In accordance with s. 401(a)(9) of the Internal
1748 Revenue Code, all benefits under this plan shall be distributed,
1749 beginning not later than the required beginning date set forth
1750 below, over a period not extending beyond the life expectancy of
1751 the police officers or the life expectancy of the police officer
1752 and a beneficiary designated in accordance with paragraph
1753 (9)(e).

1754 (b) Any and all benefit payments shall begin by the later
1755 of:

1756 1. April 1 of the calendar year following the calendar
1757 year of the member's retirement date; or

1758 2. April 1 of the calendar year following the calendar
1759 year in which the member attains age 70-1/2.

1760 (c) If an employee dies before his or her entire vested
1761 interest has been distributed to him or her, the remaining
1762 portion of such interest shall be distributed at least as
1763 rapidly as provided for under subsection (17).

1764 (31)(a) Rollovers from qualified plans.—A member may roll

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1765 over all or a part of his or her interest in another qualified
1766 plan to the Fund, provided all of the following requirements are
1767 met:

1768 1. Some or all of the amount distributed from the other
1769 plan is rolled over to this plan no later than the 60th day
1770 after distribution was made from the Plan or, if distributions
1771 are made in installments, no later than the 60th day after the
1772 last distribution was made.

1773 2. The amount rolled over to this Fund does not include
1774 any amount contributed by the member to the Plan on a post tax
1775 basis.

1776 3. The rollover is made in cash.

1777 4. The member certifies that the distribution is eligible
1778 for a rollover.

1779 5. Any amount which the Trustees accept as a rollover to
1780 this Fund shall, along with any earnings allocated to them, be
1781 fully vested at all times.

1782
1783 A rollover may also be made to this Plan from an individual
1784 retirement account qualified under s. 408 of the Internal
1785 Revenue Code when the individual retirement account was merely
1786 used as a conduit for funds from another qualified plan and the
1787 rollover is made in accordance with the rules provided in
1788 subparagraphs 1.-5. Amounts rolled over may be segregated from
1789 other Fund assets. The trustees shall separately account for
1790 gains, losses, and administrative expenses of these rollovers as
1791 provided for in subsections (11) and (13). In addition, the Fund
1792 may accept the direct transfer of a member's benefits from

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1793 another qualified retirement plan or an Internal Revenue Code
1794 section 457 plan. The Fund shall account for direct transfers in
1795 the same manner as a rollover and shall obtain certification
1796 from the member that the amounts are eligible for a rollover or
1797 direct transfer to this Fund.

1798 (b) Transfer of accumulated leave.—

1799 1. Members who are eligible to receive a lump-sum payment
1800 for accumulated leave payable upon separation and who have funds
1801 remaining after the contributions to the health savings account
1802 as required by the collective bargaining agreement shall have
1803 the remaining leave payment transferred to the Fund up to the
1804 amount permitted by law. Any additional amounts shall be paid
1805 directly to the member. Members on whose behalf leave has been
1806 transferred shall maintain the entire amount of the transferred
1807 leave balance in the DROP or Share Account.

1808 2. If a member on whose behalf the City makes a
1809 transferred leave balance to the Plan dies after retirement or
1810 other separation, then any person who would have received a
1811 death benefit had the member died in service immediately prior
1812 to the date of retirement or other separation shall be entitled
1813 to receive an amount equal to the transferred leave balance in a
1814 lump sum. In the case of a surviving spouse or former spouse, an
1815 election may be made to transfer the leave balance to an
1816 eligible retirement plan in lieu of the lump sum payment.
1817 Failure to make such an election by the surviving spouse or
1818 former spouse within 60 days after the member's death shall be
1819 deemed an election to receive the lump sum payment.

1820 3. The Board, by rule, shall prescribe the method for

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1821 implementing the provisions of this paragraph.

1822 4. Amounts transferred under this section shall remain
1823 invested in the Fund for a period of not less than 1 year.

1824 (32) Rollover distributions.—

1825 (a) This subsection applies to distributions made on or
1826 after January 1, 1993. Notwithstanding any provision of the Plan
1827 to the contrary that would otherwise limit a distributee's
1828 election under this subsection, a distributee may elect, at the
1829 time and in the manner prescribed by the Board of Trustees, to
1830 have any portion of an eligible rollover distribution paid
1831 directly to an eligible retirement plan specified by the
1832 distributee in a direct rollover.

1833 (b) Definitions.—

1834 1. "Eligible rollover distribution" is any distribution of
1835 all or any portion of the balance to the credit of the
1836 distributee, except that an eligible rollover does not include
1837 any distribution that is one of a series of substantially equal
1838 periodic payments (not less frequently than annually) made for
1839 the life (or life expectancy) of the distributee or the joint
1840 lives (or joint life expectancies) of the distributee and the
1841 distributee's designated beneficiary, or for a specified period
1842 of 10 years or more; any distribution to the extent such
1843 distribution is required under s. 401(a)(9) of the Internal
1844 Revenue Code; and the portion of any distribution that is not
1845 includable in gross income.

1846 2. "Eligible retirement plan" is an individual retirement
1847 account described in s. 408(a) of the Internal Revenue Code, an
1848 individual retirement annuity described in s. 408(b) of the

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1849 Internal Revenue Code, an annuity plan described in s. 403(a) of
 1850 the Internal Revenue Code, or a qualified trust described in s.
 1851 401(a) of the Internal Revenue Code that accepts the
 1852 distributee's eligible rollover distribution. However, in the
 1853 case of an eligible rollover distribution to the surviving
 1854 spouse, an "eligible retirement plan" is an individual
 1855 retirement account or individual retirement annuity.

1856 3. "Distributee" includes an employee or former employee.
 1857 In addition, the employee's or former employee's surviving
 1858 spouse and the employee's or former employee's spouse or former
 1859 spouse who is entitled to payment for alimony and child support
 1860 under a domestic relations order determined to be qualified by
 1861 this Fund are distributees with regard to the interest of the
 1862 spouse or former spouse.

1863 4. "Direct rollover" is a payment by the Plan to the
 1864 eligible retirement plan specified by the distributee.

1865 (33) Miscellaneous requirements.—

1866 (a) No benefit of any kind shall be payable from the
 1867 assets of the Pension Fund unless specifically provided for in
 1868 this act; however, the Board of Trustees, with the approval of
 1869 the City, may grant ad hoc benefits after a public hearing and
 1870 acceptance by the state of an actuarial impact statement
 1871 submitted pursuant to part VII of chapter 112, Florida Statutes.

1872 (b) The City may not offset any part of its required
 1873 annual contribution by the Fund's assets except as determined in
 1874 an actuarial valuation, the report for which is determined to be
 1875 state accepted pursuant to part VII of chapter 112, Florida
 1876 Statutes.

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1877 (c) All provisions of this act and operations of the
1878 Pension Fund shall be carried out in compliance with part VII of
1879 chapter 112, Florida Statutes.

1880 (d)1. It is unlawful for a person to willfully and
1881 knowingly make, or cause to be made, or to assist, conspire
1882 with, or urge another to make, or cause to be made, any false,
1883 fraudulent, or misleading oral or written statement or to
1884 withhold or conceal material information to obtain any benefit
1885 under this Plan.

1886 2.a. A person who violates subparagraph 1. commits a
1887 misdemeanor of the first degree, punishable as provided in
1888 section 775.082 or section 775.083, Florida Statutes.

1889 b. In addition to any applicable criminal penalty, upon
1890 conviction for a violation described in subparagraph 1., a
1891 participant or beneficiary of this Plan may, in the discretion
1892 of the Board of Trustees, be required to forfeit the right to
1893 receive any or all benefits to which the person would otherwise
1894 be entitled under this Plan. For purposes of this sub-
1895 subparagraph, "conviction" means a determination of guilt that
1896 is the result of a plea or trial, regardless of whether
1897 adjudication is withheld.

1898 (34) Actuarial assumptions.—The following actuarial
1899 assumptions shall be used for all purposes in connection with
1900 this Fund, effective October 1, 1999:

1901 (a) The assumed investment rate of return shall be 8.25
1902 percent.

1903 (b) The period for amortizing current, future, and past
1904 actuarial gains or losses shall be 20 years.

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1905
1906 The consequences of the change in assumptions in paragraphs (a)
1907 and (b) shall first take effect during the October 1, 1999-
1908 September 30, 2000, fiscal year of the City of West Palm Beach.
1909 To the extent that effective dates or legislative delays might
1910 influence the direct application to the October 1, 1999-
1911 September 30, 2000, fiscal year of the actuarial cost estimate
1912 dated March 24, 2000, there shall be a minimum contribution
1913 reserve established by the Pension Fund for the City of West
1914 Palm Beach. The reserve shall be credited with any amounts
1915 contributed to the Pension Fund by the City of West Palm Beach
1916 during the October 1, 1999-September 30, 2000, fiscal year in
1917 excess of \$1,462,965. This amount has been determined by
1918 combining the contribution requirement from the September 30,
1919 1998, actuarial valuation report dated May 7, 1999, with the
1920 subsequent actuarial cost estimate dated March 24, 2000, both of
1921 which were prepared by the Fund's actuary.

1922 (35) Other police officer or military service.-

1923 (a) Prior police officer or military service.-Unless
1924 otherwise prohibited by law, the years, or fractional parts of
1925 years, ~~that a member previously served as a police officer with~~
1926 ~~the City during a period of employment and for which accumulated~~
1927 ~~contributions were withdrawn from the fund, or the years, or~~
1928 ~~fractional parts of years,~~ that a member served as a police
1929 officer for ~~this or~~ any other municipal, county, state, or
1930 federal law enforcement office or any time served in the
1931 military service of the Armed Forces of the United States shall
1932 be added to the years of credited service, provided that the

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1933 member contributes to the fund the sum that would have been
 1934 contributed, based on the member's salary and the employee
 1935 contribution rate in effect at the time that the credited
 1936 service is requested, had the member been a member of this
 1937 system for the years, or fractional parts of years, for which
 1938 the credit is requested, plus the amount actuarially determined,
 1939 such that the crediting of service does not result in any cost
 1940 to the fund, plus payment of costs for all professional services
 1941 rendered to the Board in connection with the purchase of years
 1942 of credited service.

1943 1. Payment by the member of the required amount may be
 1944 made within 6 months after the request for credit and in one
 1945 lump sum payment, or the member may buy back this time over a
 1946 period equal to the length of time being purchased or 5 years,
 1947 whichever is greater, at an interest rate which is equal to the
 1948 Fund's actuarial assumption. A member may request to purchase
 1949 some or all years of service.

1950 2. The credit purchased under this subsection shall count
 1951 for all purposes, except vesting.

1952 3. In no event, however, may credited service be purchased
 1953 pursuant to this section for prior service with any other
 1954 municipal, county, state, or federal law enforcement office, if
 1955 such prior service forms or will form the basis of a retirement
 1956 benefit or pension from another retirement system or plan.

1957 4. In the event that a member who is in the process of
 1958 purchasing service suffers a disability and is awarded a benefit
 1959 from the plan, the member shall not be required to complete the
 1960 buyback. However, contributions made prior to the date the

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1961 disability payment begins will be retained by the Fund.

1962 5. If a member who has either completed the purchase of
1963 service or is in the process of purchasing service terminates
1964 before vesting, the member's contributions shall be refunded,
1965 including the buyback contributions.

1966 6. A request to purchase service may be made at any time
1967 during the course of employment; however, the buyback is a one-
1968 time opportunity.

1969 7. A member who previously served as a police officer with
1970 the City during a period of employment and for which accumulated
1971 contributions were withdrawn from the Fund may recontribute such
1972 withdrawn contributions plus interest from the date of
1973 withdrawal to the date of repayment in accordance with
1974 subsection (6).

1975 (b) Intervening military service.—In determining the
1976 creditable service of any police officer, credit for up to 5
1977 years of the time spent in the military service of the Armed
1978 Forces of the United States shall be added to the years of
1979 actual service without employee contribution, if:

1980 1. The police officer is in the active employ of the
1981 municipality prior to such service and leaves a position, other
1982 than a temporary position, for the purpose of voluntary or
1983 involuntary service in the Armed Forces of the United States.

1984 2. The police officer is entitled to reemployment under
1985 the provisions of the federal Uniformed Services Employment and
1986 Reemployment Rights Act.

1987 3. The police officer returns to his or her employment as
1988 a police officer of the municipality within 1 year after the

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1989 | date of his or her release from such active service, except
 1990 | that, effective January 1, 2007, members who die or become
 1991 | disabled while on active duty military service shall be entitled
 1992 | to the rights of this section even though such member was not
 1993 | reemployed by the City. A member who dies or becomes disabled
 1994 | while on active duty military service shall be treated as though
 1995 | he or she were reemployed the day before he or she became
 1996 | disabled or died, were credited with the service he or she would
 1997 | have been entitled to under this section, and then either died a
 1998 | nonduty death while employed or became disabled from a nonduty
 1999 | disability.

2000 | (36) Reemployment after retirement.—

2001 | (a) Reemployment by public or private employer.—Any
 2002 | retiree who is retired under this Plan, except for disability
 2003 | retirement as previously provided for, may be reemployed by any
 2004 | public or private employer, except the City, and may receive
 2005 | compensation from that employment without limiting or
 2006 | restricting in any way the retirement benefits payable under
 2007 | this Plan. Reemployment by the City on or after August 1, 2008,
 2008 | shall be subject to the limitations set forth in this section.

2009 | (b) Reemployment after normal retirement outside Police
 2010 | Department.—Any retiree who is retired under normal retirement
 2011 | pursuant to this Plan and who is reemployed by the City after
 2012 | that retirement shall, upon being reemployed, continue receipt
 2013 | of benefits, provided the retiree is not hired into the Police
 2014 | Department. Upon reemployment, the retiree is eligible to
 2015 | participate in the plan offered to new employees of that
 2016 | department, and the retiree shall be deemed a new employee

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2017 subject to any vesting and contribution requirements of that
2018 plan. The benefit paid under this Plan shall not be changed in
2019 any way.

2020 (c) Reemployment after normal retirement in Police
2021 Department.—Any retiree who is retired after normal retirement
2022 pursuant to this Plan shall not be reemployed by the Police
2023 Department as a police officer or in any position that
2024 supervises police officers. The pension of a retiree who is
2025 reemployed by the Police Department as a police officer or in
2026 any position that supervises police officers shall stop until
2027 the member terminates employment. However, a retiree who is
2028 reemployed by the Police Department neither as a police officer
2029 nor in any position that supervises police officers is eligible
2030 to participate in the plan offered to new employees of that
2031 employee classification, and the retiree shall be deemed a new
2032 employee subject to any vesting and contribution requirements of
2033 that plan. The benefit paid under this Plan shall not be changed
2034 in any way.

2035 (d) Reemployment of terminated vested persons.—Reemployed
2036 terminated vested persons shall not be subject to the provisions
2037 of this section until such time as they begin to actually
2038 receive benefits but shall be subject to paragraph (9)(c). Upon
2039 receipt of benefits, terminated vested persons shall be treated
2040 as normal retirees for purposes of applying the provisions of
2041 this section.

2042 (e) DROP participants.—Members or retirees who were in the
2043 deferred retirement option plan shall have the options provided
2044 for in this section for reemployment after termination of

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2045 employment as if the retiree were a retiree under normal
2046 retirement.

2047 (37) Termination of the Plan.—Upon termination of the Plan
2048 by the City for any reason, or because of a transfer, merger, or
2049 consolidation of governmental units, services, or functions as
2050 provided in chapter 121, Florida Statutes, or upon written
2051 notice to the Board by the City that contributions under the
2052 Plan are being permanently discontinued, the rights of all
2053 employees to benefits accrued to the date of such termination or
2054 discontinuance and the amounts credited to the employees'
2055 accounts are nonforfeitable. The Fund shall be distributed in
2056 accordance with the following procedures:

2057 (a) The Board shall determine the date of distribution and
2058 the asset value required to fund all the nonforfeitable benefits
2059 after taking into account the expenses of such distribution. The
2060 Board shall inform the City if additional assets are required,
2061 in which event the City shall continue to financially support
2062 the Plan until all nonforfeitable benefits have been funded.

2063 (b) The Board shall determine the method of distribution
2064 of the asset value and whether distribution shall be by payment
2065 in cash, by the maintenance of another or substituted trust
2066 fund, by the purchase of insured annuities, or otherwise for
2067 each police officer entitled to benefits under the Plan, as
2068 specified in paragraph (c).

2069 (c) The Board shall distribute the asset value as of the
2070 date of termination in the manner set forth in this subsection
2071 on the basis that the amount required to provide any given
2072 retirement income is the actuarially computed single-sum value

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2073 of such retirement income, except that if the method of
2074 distribution determined under paragraph (b) involves the
2075 purchase of an insured annuity, the amount required to provide
2076 the given retirement income is the single premium payable for
2077 such annuity. The actuarial single-sum value may not be less
2078 than the employee's accumulated contributions to the Plan, with
2079 interest if provided by the Plan, less the value of any Plan
2080 benefits previously paid to the employee.

2081 (d) If there is asset value remaining after the full
2082 distribution specified in paragraph (c), and after payment of
2083 any expenses incurred with such distribution, such excess shall
2084 be returned to the City, less the return to the state of the
2085 state's contributions, provided that if the excess is less than
2086 the total contributions made by the City and the state to date
2087 of termination of the Plan, such excess shall be divided
2088 proportionately to the total contributions made by the City and
2089 the state.

2090 (e) The Board shall distribute, in accordance with the
2091 manner of distribution determined under paragraph (b), the
2092 amounts determined under paragraph (c).

2093 Section 2. This act shall take effect upon becoming a law.