



138858

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/15/2011	.	
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	.	

The Committee on Budget (Richter) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Present paragraph (f) of subsection (1) of
section 112.63, Florida Statutes, is redesignated as paragraph
(g), and a new paragraph (f) is added to that subsection, to
read:

112.63 Actuarial reports and statements of actuarial
impact; review.—

(1) Each retirement system or plan subject to the
provisions of this act shall have regularly scheduled actuarial
reports prepared and certified by an enrolled actuary. The



138858

14 actuarial report shall consist of, but shall not be limited to,
15 the following:

16 (f) A disclosure of the present value of the plan's accrued
17 vested, nonvested, and total benefits, as adopted by the
18 Financial Accounting Standards Board, using the Florida
19 Retirement System's assumed rate of return, in order to promote
20 the comparability of actuarial data between local plans.

21
22 The actuarial cost methods utilized for establishing the amount
23 of the annual actuarial normal cost to support the promised
24 benefits shall only be those methods approved in the Employee
25 Retirement Income Security Act of 1974 and as permitted under
26 regulations prescribed by the Secretary of the Treasury.

27 Section 2. Subsections (11) through (13) are added to
28 section 112.66, Florida Statutes, to read:

29 112.66 General provisions.—The following general provisions
30 relating to the operation and administration of any retirement
31 system or plan covered by this part shall be applicable:

32 (11) For noncollectively bargained service earned on or
33 after July 1, 2011, or for service earned under collective
34 bargaining agreements entered into on or after July 1, 2011, a
35 pension system or plan sponsored by a local government may not
36 include any overtime compensation in excess of 300 hours per
37 year, or any payments for accrued unused sick leave or annual
38 leave for purposes of calculating retirement benefits. For those
39 members whose terms and conditions of employment are
40 collectively bargained, this subsection is effective for the
41 first agreement entered into on or after July 1, 2011. This
42 subsection does not apply to state-administered retirement



138858

43 systems or plans.

44 (12) An actuarial or cash surplus in any system or plan may
45 not be used for any expenses outside the plan.

46 (13) A local government sponsor of a retirement system or
47 plan may not reduce contributions required to fund the normal
48 cost. This subsection does not apply to state-administered
49 retirement systems or plans.

50 Section 3. Present paragraphs (e) and (f) of subsection (1)
51 of section 112.665, Florida Statutes, are redesignated as
52 paragraphs (f) and (g), respectively, and a new paragraph (e) is
53 added to that subsection, to read:

54 112.665 Duties of Department of Management Services.—

55 (1) The Department of Management Services shall:

56 (e) Provide a fact sheet for each participating local
57 government defined benefit pension plan summarizing the plan's
58 actuarial status. The fact sheet should provide a summary of the
59 plan's most current actuarial data, minimum funding requirements
60 as a percentage of pay, and a 5-year history of funded ratios.
61 The fact sheet must include a brief explanation of each element
62 in order to maximize the transparency of the local government
63 plans. These documents shall be posted on the department's
64 website. Plan sponsors that have websites must provide a link to
65 the department's website.

66 Section 4. Paragraph (b) of subsection (2) of section
67 121.051, Florida Statutes, is amended to read:

68 121.051 Participation in the system.—

69 (2) OPTIONAL PARTICIPATION.—

70 (b)1. The governing body of any municipality, metropolitan
71 planning organization, or special district ~~in the state~~ may



138858

72 elect to participate in the system upon proper application to
73 the administrator and may cover all or any of its units as
74 approved by the Secretary of Health and Human Services and the
75 administrator. The department shall adopt rules establishing
76 provisions for the submission of documents necessary for such
77 application. Before ~~Prior to~~ being approved for participation in
78 the Florida Retirement System, the governing body of ~~any~~ such
79 municipality, metropolitan planning organization, or special
80 district that has a local retirement system shall submit to the
81 administrator a certified financial statement showing the
82 condition of the local retirement system ~~as of a date~~ within 3
83 months before ~~prior to~~ the proposed effective date of membership
84 in the ~~Florida Retirement~~ system. The statement must be
85 certified by a recognized accounting firm that is independent of
86 the local retirement system. All required documents necessary
87 for extending Florida Retirement System coverage must be
88 received by the department for consideration at least 15 days
89 before ~~prior to~~ the proposed effective date of coverage. If the
90 municipality, metropolitan planning organization, or special
91 district does not comply with this requirement, the department
92 may require that the effective date of coverage be changed.

93 2. A local government employer sponsoring a local
94 government retirement system or plan, including a firefighters'
95 pension plan or a municipal police officers' pension plan
96 established in accordance with chapter 175 or chapter 185, is
97 eligible for membership under this chapter if the local
98 government retirement system or plan has no unfunded actuarial
99 liabilities. Any municipality ~~city~~, metropolitan planning
100 organization, or special district that has an existing



138858

101 retirement system covering the employees in the units that are
102 to be brought under the Florida Retirement System may
103 participate only after holding a referendum in which all
104 employees in the affected units have the right to participate.
105 Only those employees electing coverage under the Florida
106 Retirement System by affirmative vote in the said referendum are
107 ~~shall be~~ eligible for coverage under this chapter, and those not
108 participating or electing not to be covered by the ~~Florida~~
109 ~~Retirement~~ system shall remain in their present systems and are
110 ~~shall not be~~ eligible for coverage under this chapter. After the
111 referendum is held, all future employees are ~~shall be~~ compulsory
112 members of the Florida Retirement System.

113 3. The governing body of any municipality ~~city~~,
114 metropolitan planning organization, or special district
115 complying with subparagraph 1. may elect to provide, or not
116 provide, benefits based on past service of officers and
117 employees as described in s. 121.081(1). However, if such
118 employer elects to provide past service benefits, such benefits
119 must be provided for all officers and employees of its covered
120 group.

121 4. Once ~~this~~ election is made and approved it may not be
122 revoked, except pursuant to subparagraphs 5. and 6., and all
123 present officers and employees electing coverage under this
124 chapter and all future officers and employees are ~~shall be~~
125 compulsory members of the Florida Retirement System.

126 5. Subject to the conditions set forth in subparagraph 6.,
127 the governing body of any hospital licensed under chapter 395
128 which is governed by the board of a special district as defined
129 in s. 189.403~~(1)~~ or by the board of trustees of a public health



138858

130 trust created under s. 154.07, hereinafter referred to as
131 "hospital district," and which participates in the system, may
132 elect to cease participation in the system with regard to future
133 employees in accordance with the following procedure:

134 a. No more than 30 days and at least 7 days before adopting
135 a resolution to partially withdraw from the ~~Florida Retirement~~
136 system and establish an alternative retirement plan for future
137 employees, a public hearing must be held on the proposed
138 withdrawal and proposed alternative plan.

139 b. From 7 to 15 days before such hearing, notice of intent
140 to withdraw, specifying the time and place of the hearing, must
141 be provided in writing to employees of the hospital district
142 proposing partial withdrawal and must be published in a
143 newspaper of general circulation in the area affected, as
144 provided by ss. 50.011-50.031. Proof of publication of such
145 notice shall be submitted to the department ~~of Management~~
146 ~~Services~~.

147 c. The governing body of any hospital district seeking to
148 partially withdraw from the system must, before such hearing,
149 have an actuarial report prepared and certified by an enrolled
150 actuary, as defined in s. 112.625(3), illustrating the cost to
151 the hospital district of providing, through the retirement plan
152 that the hospital district is to adopt, benefits for new
153 employees comparable to those provided under the ~~Florida~~
154 ~~Retirement~~ system.

155 d. Upon meeting all applicable requirements of this
156 subparagraph, and subject to ~~the conditions set forth in~~
157 subparagraph 6., partial withdrawal from the system and adoption
158 of the alternative retirement plan may be accomplished by



138858

159 resolution duly adopted by the hospital district board. The
160 hospital district board must provide written notice of such
161 withdrawal to the division by mailing a copy of the resolution
162 to the division, postmarked no later than December 15, 1995. The
163 withdrawal shall take effect January 1, 1996.

164 6. Following the adoption of a resolution under sub-
165 subparagraph 5.d., all employees of the withdrawing hospital
166 district who were participants in the Florida Retirement System
167 before ~~prior to~~ January 1, 1996, shall remain as participants in
168 the system for as long as they are employees of the hospital
169 district, and all rights, duties, and obligations between the
170 hospital district, the system, and the employees ~~shall~~ remain in
171 full force and effect. Any employee who is hired or appointed on
172 or after January 1, 1996, may not participate in the Florida
173 Retirement System, and the withdrawing hospital district has
174 ~~shall have~~ no obligation to the system with respect to such
175 employees.

176 Section 5. Subsection (3) of section 175.032, Florida
177 Statutes, is amended to read:

178 175.032 Definitions.—For any municipality, special fire
179 control district, chapter plan, local law municipality, local
180 law special fire control district, or local law plan under this
181 chapter, the following words and phrases have the following
182 meanings:

183 (3) "Compensation" or "salary" means, for noncollectively
184 bargained service earned before July 1, 2011, or for service
185 earned under collective bargaining agreements in place before
186 July 1, 2011, the fixed monthly remuneration paid a firefighter.
187 ~~If; where, as in the case of a volunteer firefighter,~~



138858

188 remuneration is based on actual services rendered, as in the
189 case of a volunteer firefighter, the term means the total cash
190 remuneration received yearly for such services, prorated on a
191 monthly basis. For noncollectively bargained service earned on
192 or after July 1, 2011, or for service earned under collective
193 bargaining agreements entered into on or after July 1, 2011, the
194 term has the same meaning except that overtime compensation in
195 excess of 300 hours per year, or payments for accrued unused
196 sick or annual leave, may not be included for purposes of
197 calculating retirement benefits.

198 ~~(a) A retirement trust fund or plan may use a definition of~~
199 ~~salary other than the definition in this subsection but only if~~
200 ~~the monthly retirement income payable to each firefighter~~
201 ~~covered by the retirement trust fund or plan, as determined~~
202 ~~under s. 175.162(2) (a) and using such other definition, equals~~
203 ~~or exceeds the monthly retirement income that would be payable~~
204 ~~to each firefighter if his or her monthly retirement income were~~
205 ~~determined under s. 175.162(2) (a) and using the definition in~~
206 ~~this subsection.~~

207 ~~(a)~~ (b) Any retirement trust fund or plan that ~~which now or~~
208 ~~hereafter~~ meets the requirements of this chapter does ~~shall~~ not,
209 solely by virtue of this subsection, reduce or diminish the
210 monthly retirement income otherwise payable to each firefighter
211 covered by the retirement trust fund or plan.

212 ~~(b)~~ (e) The member's compensation or salary contributed as
213 employee-elective salary reductions or deferrals to any salary
214 reduction, deferred compensation, or tax-sheltered annuity
215 program authorized under the Internal Revenue Code shall be
216 deemed to be the compensation or salary the member would receive



138858

217 if he or she were not participating in such program and shall be
218 treated as compensation for retirement purposes under this
219 chapter.

220 (c)~~(d)~~ For any person who first becomes a member in any
221 plan year beginning on or after January 1, 1996, compensation
222 for that ~~any~~ plan year may ~~shall~~ not include any amounts in
223 excess of the Internal Revenue Code s. 401(a)(17) limitation,
224 ~~(as amended by the Omnibus Budget Reconciliation Act of 1993),~~
225 which limitation of \$150,000 shall be adjusted as required by
226 federal law for qualified government plans and shall be further
227 adjusted for changes in the cost of living in the manner
228 provided by Internal Revenue Code s. 401(a)(17)(B). For any
229 person who first became a member before ~~prior to~~ the first plan
230 year beginning on or after January 1, 1996, the limitation on
231 compensation may ~~shall be~~ not be less than the maximum
232 compensation amount that was allowed to be taken into account
233 under the plan ~~as~~ in effect on July 1, 1993, which limitation
234 shall be adjusted for changes in the cost of living since 1989
235 in the manner provided by Internal Revenue Code s.
236 401(a)(17)(1991).

237 Section 6. Section 175.351, Florida Statutes, is amended to
238 read:

239 175.351 Municipalities and special fire control districts
240 having their own pension plans for firefighters.—For any
241 municipality, special fire control district, local law
242 municipality, local law special fire control district, or local
243 law plan under this chapter, in order for municipalities and
244 special fire control districts with their own pension plans for
245 firefighters, or for firefighters and police officers if, ~~where~~



138858

246 included, to participate in the distribution of the tax fund
247 established pursuant to s. 175.101, local law plans must meet
248 the minimum benefits and minimum standards set forth in this
249 chapter.

250 (1) ~~PREMIUM TAX INCOME.~~—If a municipality or special fire
251 control district has a pension plan for firefighters, or a
252 pension plan for firefighters and police officers if, ~~where~~
253 included, which in the opinion of the division meets the minimum
254 benefits and minimum standards set forth in this chapter, the
255 board of trustees of the pension plan, as approved by a majority
256 of firefighters, or firefighters and police officers, of the
257 municipality or fire control district, may:

258 (a) Place the income from the premium tax in s. 175.101 in
259 such pension plan for the sole and exclusive use of its
260 firefighters, or for firefighters and police officers if, ~~where~~
261 included, where it shall become an integral part of that pension
262 plan and shall be used to pay extra benefits to the
263 firefighters, or firefighters and police officers, included in
264 that pension plan; or

265 (b) Place the income from the premium tax in s. 175.101 in
266 a separate supplemental plan to pay extra benefits to
267 firefighters, or to firefighters and police officers if ~~where~~
268 included, participating in such separate supplemental plan.

269 (2) The premium tax provided by this chapter shall in all
270 cases be used in its entirety to provide extra benefits to
271 firefighters, or to firefighters and police officers if, ~~where~~
272 included. However, local law plans in effect on October 1, 1998,
273 must ~~shall be required to~~ comply with the minimum benefit
274 provisions of this chapter only to the extent that additional



138858

275 premium tax revenues become available to incrementally fund the
276 cost of such compliance as provided in s. 175.162(2)(a). If when
277 a plan is in compliance with such minimum benefit provisions, as
278 subsequent additional premium tax revenues become available,
279 they must shall be used to provide extra benefits. For the
280 purpose of this chapter, "additional premium tax revenues" means
281 revenues received by a municipality or special fire control
282 district pursuant to s. 175.121 which exceed that amount
283 received for calendar year 1997, and the term "extra benefits"
284 means benefits in addition to or greater than those provided to
285 general employees of the municipality and in addition to those
286 in existence for firefighters on March 12, 1999. Local law plans
287 created by special act before May 27 23, 1939, shall be deemed
288 to comply with this chapter. Notwithstanding any other
289 provisions of this section, if, based on the actuarial valuation
290 prepared immediately before March 1, 2011:

291 (a) A defined benefit plan's market value of assets,
292 divided by present value of accrued benefits, is less than 80
293 percent, 50 percent of the annual premium tax revenues in excess
294 of the adjusted base amount and 50 percent of accumulated excess
295 premium tax revenues held in reserve shall be used to pay the
296 plan's actuarial accrued liability until the market value of
297 assets, divided by the present value of accrued benefits,
298 exceeds 80 percent. For purposes of this paragraph, the term
299 "adjusted base amount" means the amount received for calendar
300 year 1997, plus any amount attributable to the enactment of
301 minimum benefits and any amount attributable to extra benefit
302 improvements enacted since March 12, 1999.

303 (b) For a supplemental plan that exists in conjunction with



138858

304 a defined benefit plan under this chapter, if the defined
305 benefit plan's market value of assets, divided by present value
306 of accrued benefits, is less than 70 percent, the premium tax
307 revenues in excess of the premium tax revenues received for
308 calendar year 2009 must be used to pay the defined plan's
309 actuarial accrued liability until the defined benefit plan's
310 market value of assets, divided by present value of accrued
311 benefits, is at least 80 percent.

312 ~~(3)(2) A ADOPTION OR REVISION OF A LOCAL LAW PLAN. No~~
313 retirement plan or amendment to a retirement plan may not shall
314 be proposed for adoption unless the proposed plan or amendment
315 contains an actuarial estimate of the costs involved. ~~No~~ Such
316 proposed plan or proposed plan change may not shall be adopted
317 without the approval of the municipality, special fire control
318 district, or, where permitted, the Legislature. Copies of the
319 proposed plan or proposed plan change and the actuarial impact
320 statement of the proposed plan or proposed plan change shall be
321 furnished to the division before ~~prior to~~ the last public
322 hearing thereon. Such statement must shall also indicate whether
323 the proposed plan or proposed plan change is in compliance with
324 s. 14, Art. X of the State Constitution and those provisions of
325 part VII of chapter 112 which are not expressly provided in this
326 chapter. Notwithstanding any other provision, only those local
327 law plans created by special act of legislation before ~~prior to~~
328 May 27 23, 1939, are shall be deemed to meet the minimum
329 benefits and minimum standards only in this chapter.

330 ~~(4)(3)~~ Notwithstanding any other provision, with respect to
331 any supplemental plan municipality:

332 (a) ~~Section 175.032(3)(a) shall not apply, and~~ A local law



138858

333 plan and a supplemental plan may continue to use their
334 definition of compensation or salary in existence on March 12,
335 1999 ~~the effective date of this act.~~

336 (b) Section 175.061(1)(b) does ~~shall~~ not apply, and a local
337 law plan and a supplemental plan shall continue to be
338 administered by a board or boards of trustees numbered,
339 constituted, and selected as the board or boards were numbered,
340 constituted, and selected on December 1, 2000.

341 (c) The election set forth in paragraph (1)(b) is ~~shall be~~
342 deemed to have been made.

343 (5)~~(4)~~ The retirement plan setting forth the benefits and
344 the trust agreement, if any, covering the duties and
345 responsibilities of the trustees and the regulations of the
346 investment of funds must be in writing, and copies ~~thereof must~~
347 ~~be~~ made available to the participants and to the general public.

348 Section 7. Subsection (4) of section 185.02, Florida
349 Statutes, is amended to read:

350 185.02 Definitions.—For any municipality, chapter plan,
351 local law municipality, or local law plan under this chapter,
352 the following words and phrases as used in this chapter shall
353 have the following meanings, unless a different meaning is
354 plainly required by the context:

355 (4) "Compensation" or "salary" means, for noncollectively
356 bargained service earned before July 1, 2011, or for service
357 earned under collective bargaining agreements in place before
358 July 1, 2011, the total cash remuneration including "overtime"
359 paid by the primary employer to a police officer for services
360 rendered, but not including any payments for extra duty or a
361 special detail work performed on behalf of a second party



138858

362 employer. ~~However,~~ A local law plan may limit the amount of
363 overtime payments which can be used for retirement benefit
364 calculation purposes; however, but in no event shall such
365 overtime limit may not be less than 300 hours per officer per
366 calendar year. For noncollectively bargained service earned on
367 or after July 1, 2011, or for service earned under collective
368 bargaining agreements entered into on or after July 1, 2011, the
369 term has the same meaning except that overtime compensation in
370 excess of 300 hours per year, or payments for accrued unused
371 sick or annual leave, may not be included for purposes of
372 calculating retirement benefits.

373 (a) Any retirement trust fund or plan that ~~which now or~~
374 ~~hereafter~~ meets the requirements of this chapter does ~~shall~~ not,
375 solely by virtue of this subsection, reduce or diminish the
376 monthly retirement income otherwise payable to each police
377 officer covered by the retirement trust fund or plan.

378 (b) The member's compensation or salary contributed as
379 employee-elective salary reductions or deferrals to any salary
380 reduction, deferred compensation, or tax-sheltered annuity
381 program authorized under the Internal Revenue Code shall be
382 deemed to be the compensation or salary the member would receive
383 if he or she were not participating in such program and shall be
384 treated as compensation for retirement purposes under this
385 chapter.

386 (c) For any person who first becomes a member in any plan
387 year beginning on or after January 1, 1996, compensation for
388 that ~~any~~ plan year may ~~shall~~ not include any amounts in excess
389 of the Internal Revenue Code s. 401(a)(17) limitation, ~~(as~~
390 ~~amended by the Omnibus Budget Reconciliation Act of 1993),~~ which



138858

391 limitation of \$150,000 shall be adjusted as required by federal
392 law for qualified government plans and shall be further adjusted
393 for changes in the cost of living in the manner provided by
394 Internal Revenue Code s. 401(a)(17)(B). For any person who first
395 became a member before ~~prior to~~ the first plan year beginning on
396 or after January 1, 1996, the limitation on compensation may
397 ~~shall be~~ not be less than the maximum compensation amount that
398 was allowed to be taken into account under the plan as in effect
399 on July 1, 1993, which limitation shall be adjusted for changes
400 in the cost of living since 1989 in the manner provided by
401 Internal Revenue Code s. 401(a)(17)(1991).

402 Section 8. Section 185.35, Florida Statutes, is amended to
403 read:

404 185.35 Municipalities having their own pension plans for
405 police officers.—For any municipality, chapter plan, local law
406 municipality, or local law plan under this chapter, in order for
407 municipalities with their own pension plans for police officers,
408 or for police officers and firefighters if ~~where~~ included, to
409 participate in the distribution of the tax fund established
410 pursuant to s. 185.08, local law plans must meet the minimum
411 benefits and minimum standards set forth in this chapter:

412 (1) ~~PREMIUM TAX INCOME.~~—If a municipality has a pension
413 plan for police officers, or for police officers and
414 firefighters if ~~where~~ included, which, in the opinion of the
415 division, meets the minimum benefits and minimum standards set
416 forth in this chapter, the board of trustees of the pension
417 plan, as approved by a majority of police officers, or police
418 officers and firefighters, of the municipality, may:

419 (a) Place the income from the premium tax in s. 185.08 in



138858

420 such pension plan for the sole and exclusive use of its police
421 officers, or its police officers and firefighters if ~~where~~
422 included, where it shall become an integral part of that pension
423 plan and shall be used to pay extra benefits to the police
424 officers, or police officers and firefighters, included in that
425 pension plan; or

426 (b) May place the income from the premium tax in s. 185.08
427 in a separate supplemental plan to pay extra benefits to the
428 police officers, or police officers and firefighters if ~~where~~
429 included, participating in such separate supplemental plan.

430 (2) The premium tax provided by this chapter shall in all
431 cases be used in its entirety to provide extra benefits to
432 police officers, or to police officers and firefighters if~~where~~
433 ~~where~~ included. However, local law plans in effect on October 1,
434 1998, must ~~shall be required to~~ comply with the minimum benefit
435 provisions of this chapter only to the extent that additional
436 premium tax revenues become available to incrementally fund the
437 cost of such compliance as provided in s. 185.16(2). If ~~When~~ a
438 plan is in compliance with such minimum benefit provisions, as
439 subsequent additional tax revenues become available, they shall
440 be used to provide extra benefits. For the purpose of this
441 chapter, "additional premium tax revenues" means revenues
442 received by a municipality pursuant to s. 185.10 which exceed
443 the amount received for calendar year 1997, and the term "extra
444 benefits" means benefits in addition to or greater than those
445 provided to general employees of the municipality and in
446 addition to those in existence for police officers on March 12,
447 1999. Local law plans created by special act before May 27 ~~23~~,
448 1939, shall be deemed to comply with this chapter.



138858

449 Notwithstanding any other provisions of this section, if, based
450 on the actuarial valuation prepared immediately before March 1,
451 2011:

452 (a) A defined benefit plan's market value of assets,
453 divided by present value of accrued benefits, is less than 80
454 percent, 50 percent of the annual premium tax revenues in excess
455 of the adjusted base amount and 50 percent of accumulated excess
456 premium tax revenues held in reserve shall be used to pay the
457 plan's actuarial accrued liability until the market value of
458 assets, divided by present value of accrued benefits, exceeds 80
459 percent. For purposes of this paragraph, the term "adjusted base
460 amount" means the amount received for calendar year 1997, plus
461 any amount attributable to the enactment of minimum benefits and
462 any amount attributable to extra benefit improvements enacted
463 since March 12, 1999.

464 (b) For a supplemental plan that exists in conjunction with
465 a defined benefit plan under this chapter, if the defined
466 benefit plan's market value of assets, divided by present value
467 of accrued benefits, is less than 70 percent, the premium tax
468 revenues in excess of the premium tax revenues received for
469 calendar year 2009 must be used to pay the defined benefit
470 plan's actuarial accrued liability until the market value of
471 assets, divided by present value of accrued benefits, is at
472 least 80 percent.

473 ~~(3)-(2) A ADOPTION OR REVISION OF A LOCAL LAW PLAN. No~~
474 ~~retirement plan or amendment to a retirement plan may not shall~~
475 ~~be proposed for adoption unless the proposed plan or amendment~~
476 ~~contains an actuarial estimate of the costs involved. No~~ Such
477 ~~proposed plan or proposed plan change may not shall~~ be adopted



138858

478 without the approval of the municipality or, where permitted,
479 the Legislature. Copies of the proposed plan or proposed plan
480 change and the actuarial impact statement of the proposed plan
481 or proposed plan change shall be furnished to the division
482 before ~~prior to~~ the last public hearing thereon. Such statement
483 must ~~shall~~ also indicate whether the proposed plan or proposed
484 plan change is in compliance with s. 14, Art. X of the State
485 Constitution and those provisions of part VII of chapter 112
486 which are not expressly provided in this chapter.

487 Notwithstanding any other provision, only those local law plans
488 created by special act of legislation before ~~prior to~~ May 27 ~~23~~,
489 1939, are ~~shall be~~ deemed to meet the minimum benefits and
490 minimum standards only in this chapter.

491 (4) ~~(3)~~ Notwithstanding any other provision, with respect to
492 any supplemental plan municipality:

493 (a) Section 185.02(4)(a) does ~~shall~~ not apply, and a local
494 law plan and a supplemental plan may continue to use their
495 definition of compensation or salary in existence on March 12,
496 1999 ~~the effective date of this act.~~

497 (b) Section 185.05(1)(b) does ~~shall~~ not apply, and a local
498 law plan and a supplemental plan shall continue to be
499 administered by a board or boards of trustees numbered,
500 constituted, and selected as the board or boards were numbered,
501 constituted, and selected on December 1, 2000.

502 (c) The election set forth in paragraph (1)(b) is ~~shall be~~
503 deemed to have been made.

504 (5) ~~(4)~~ The retirement plan setting forth the benefits and
505 the trust agreement, if any, covering the duties and
506 responsibilities of the trustees and the regulations of the



138858

507 investment of funds must be in writing and copies made available
508 to the participants and to the general public.

509 Section 9. Financial rating of local pension plans.—The
510 Department of Financial Services shall develop standardized
511 ratings for classifying the financial strength of all local
512 government defined benefit pension plans.

513 (1) In assigning a rating to a plan, the department shall
514 consider, without limitation:

515 (a) The plan's current and future unfunded liabilities.

516 (b) The plan's net asset value, managed returns, and funded
517 ratio.

518 (c) Metrics related to the sustainability of the plan,
519 including, but not limited to, the percentage that the annual
520 contribution is of the participating employee payroll.

521 (d) Municipal bond ratings for the local government, if
522 applicable.

523 (e) Whether the local government has reduced contribution
524 rates to the plan when the plan has an actuarial surplus.

525 (f) Whether the local government uses any actuarial surplus
526 in the plan for obligations outside the plan.

527 (2) The department may obtain all necessary data to
528 formulate the ratings from all relevant entities, including
529 local pension boards, local governments, and the Division of
530 Retirement, all of which shall cooperate with the department in
531 supplying all necessary information.

532 (3) The ratings shall be posted on the department's website
533 in a standardized format.

534 Section 10. Task Force on Public Employee Disability
535 Presumptions.—



138858

536 (1) The Task Force on Public Employee Disability
537 Presumptions is created for the purpose of developing findings
538 and issuing recommendations on the disability presumptions in
539 ss. 112.18, 175.231, and 185.34, Florida Statutes.

540 (2) All members of the task force shall be appointed on or
541 before July 15, 2011, and the task force shall hold its first
542 meeting on or before August 15, 2011. The task force shall be
543 composed of eight members as follows:

544 (a) Three members appointed by the President of the Senate,
545 one of whom must be an attorney in private practice who has
546 experience in the relevant laws; one of whom must be a
547 representative of organized labor and who is a member of a
548 pension plan under chapter 175, Florida Statutes; and one of
549 whom must be from the Florida Association of Counties.

550 (b) Three members appointed by the Speaker of the House of
551 Representatives, one of whom must be an attorney in private
552 practice who has experience in the relevant laws; one of whom
553 must be a representative of organized labor and who is a member
554 of a pension plan under chapter 185, Florida Statutes; and one
555 of whom must be from the Florida League of Cities.

556 (c) A member employed by the Division of Retirement of the
557 Department of Management Services who has experience in local
558 government pension plans, appointed by the Governor.

559 (d) A member employed by the Department of Financial
560 Services who has relevant expertise in state risk management,
561 appointed by the Chief Financial Officer.

562 (3) The task force shall address issues, including, but not
563 limited to:

564 (a) Data related to the operation of the statutory



138858

565 disability presumptions.
566 (b) The manner in which other states handle disability
567 presumptions.
568 (c) Proposals for changes to the existing disability
569 presumptions.
570 (4) The Department of Financial Services shall provide
571 administrative support to the task force.
572 (5) Upon request, the Auditor General shall provide
573 technical assistance to the task force regarding local
574 government auditing and finances.
575 (6) Members of the task force shall serve without
576 compensation while in the performance of their duties, but are
577 entitled to reimbursement for per diem and travel expenses in
578 accordance with s. 112.061, Florida Statutes.
579 (7) The task force may obtain data, information, and
580 assistance from any officer or state agency and any political
581 subdivision thereof. All such officers, agencies, and political
582 subdivisions shall provide the task force with all relevant
583 information and assistance on any matter within their knowledge
584 or control.
585 (8) The task force shall submit a report, including
586 findings and recommendations, to the Governor, the Chief
587 Financial Officer, the President of the Senate, and the Speaker
588 of the House of Representatives by January 1, 2012. The report
589 must include specific recommendations for legislative action
590 during the 2012 Regular Session of the Legislature.
591 (9) The task force is dissolved upon submission of its
592 report.
593 Section 11. By December 1, 2011, the Department of



138858

594 Financial Services shall submit a report and recommendations to
595 the Governor, the President of the Senate, and the Speaker of
596 the House of Representatives on actions to be taken to increase
597 the visibility and transparency of local government pension
598 plans, including, but not limited to, those created pursuant to
599 chapter 175 or chapter 185, Florida Statutes, with the goal of
600 increasing the ability of a taxpayer or policymaker to assess
601 the financial health of the local plans. The report must include
602 specific recommendations for legislative action during the 2012
603 Regular Session of the Legislature. The department shall consult
604 with the Legislature's Office of Economic and Demographic
605 Research in formulating the recommendations, which must address,
606 but need not be limited to:

607 (1) Whether and what kinds of local pension plan data
608 should be included in the financial audit reports required under
609 s. 218.39, Florida Statutes.

610 (2) Whether the reporting requirements of ss. 175.261 and
611 185.221, Florida Statutes, should be supplemented with other
612 types of financial data in order to give a more complete and
613 transparent picture of a local government's financial solvency.

614 (3) Proposals for a uniform format for providing pension
615 data, including standard terminology and data and the specific
616 types of data which should be provided, including funding
617 ratios, and whether contributions are sufficient to fund
618 actuarial liabilities.

619 (4) Whether to require local governments to provide pension
620 financial data on local public websites.

621 (5) Other related issues, including insurance benefits,
622 health care benefits, and postemployment plan benefits.



138858

623 (6) Proposals related to the composition of local pension
624 plan boards.

625 Section 12. The Legislature finds that a proper and
626 legitimate state purpose is served when employees and retirees
627 of the state and of its political subdivisions, and the
628 dependents, survivors, and beneficiaries of those employees and
629 retirees, are extended the basic protections afforded by
630 governmental retirement systems that provide fair and adequate
631 benefits and that are managed, administered, and funded in an
632 actuarially sound manner as required by s. 14, Article X of the
633 State Constitution and part VII of chapter 112, Florida
634 Statutes. Therefore, the Legislature determines and declares
635 that this act fulfills an important state interest.

636 Section 13. This act shall take effect July 1, 2011.

637
638
639 ===== T I T L E A M E N D M E N T =====

640 And the title is amended as follows:

641 Delete everything before the enacting clause
642 and insert:

643 A bill to be entitled
644 An act relating to public retirement plans; amending
645 s. 112.63, F.S.; requiring plans to regularly disclose
646 the plan's accrued benefits; amending s. 112.66, F.S.;
647 providing for the calculation of local government
648 retirement benefits after a certain date; providing a
649 prohibition on the use of certain compensation;
650 prohibiting the use of surpluses for expenses outside
651 the plan; prohibiting a reduction in certain



652 contributions to a plan; amending s. 112.665, F.S.;

653 requiring the Department of Management Services to

654 provide a fact sheet on each local plan; amending s.

655 121.051, F.S.; providing that a local government

656 employer is eligible for participation in the Florida

657 Retirement System if it has no unfunded actuarial

658 liabilities; amending s. 175.032, F.S.; revising the

659 definition of the term "compensation" or "salary" for

660 purposes of firefighters' pensions; amending s.

661 175.351, F.S.; revising provisions relating to

662 benefits paid from the premium tax by a municipality

663 or special fire control district that has its own

664 pension plan; providing for funding a plan's actuarial

665 accrued liability; conforming a cross-reference;

666 amending s. 185.02, F.S.; revising the definition of

667 the terms "compensation" and "salary" for purposes of

668 police officers' pensions; amending s. 185.35, F.S.;

669 revising provisions relating to benefits paid by a

670 municipality that has its own pension plan; providing

671 for funding a plan's actuarial accrued liability;

672 directing the Department of Financial Services to rate

673 the financial strength of local government defined

674 benefit plans; specifying the factors for assigning

675 the ratings; requiring local pension boards, local

676 governments, the Division of Retirement, and all

677 relevant entities to cooperate in providing data for

678 the ratings; requiring the ratings to be posted on the

679 department's website; creating the Task Force on

680 Public Employee Disability Presumptions; providing for



138858

681 appointment and membership; specifying the issues for
682 the task force to address; providing for a report to
683 be submitted to the Governor, Chief Financial Officer,
684 and Legislature by a certain date; providing for
685 future expiration; directing the Department of
686 Financial Services to submit a report on the financial
687 health of local government pension plans to the
688 Governor and Legislature by a certain date; specifying
689 the issues the report must address; providing a
690 declaration of important state interest; providing an
691 effective date.