

By the Committee on Governmental Oversight and Accountability;
and Senator Ring

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1 A bill to be entitled
2 An act relating to public retirement plans; amending
3 s. 112.66, F.S.; providing for the calculation of
4 local government retirement benefits after a certain
5 date; providing a prohibition on the use of plan
6 revenues; prohibiting a reduction in certain
7 contributions to a plan; amending s. 121.051, F.S.;
8 providing that a plan is eligible for participation in
9 the Florida Retirement System if it has no unfunded
10 actuarial liabilities; amending s. 175.032, F.S.;
11 revising the definition of the term "compensation" or
12 "salary" for purposes of firefighters' pensions;
13 amending s. 175.351, F.S.; revising provisions
14 relating to benefits paid from the premium tax by a
15 municipality or special fire control district that has
16 its own pension plan; providing for funding a plan's
17 actuarial accrued liability; conforming a cross-
18 reference; amending s. 185.02, F.S.; revising the
19 definition of the terms "compensation" and "salary"
20 for purposes of police officers' pensions; amending s.
21 185.35, F.S.; revising provisions relating to benefits
22 paid by a municipality that has its own pension plan;
23 providing for funding a plan's actuarial accrued
24 liability; authorizing a municipality to advance
25 payment for purchasing an annuity contract for a
26 closed plan; directing the Department of Financial
27 Services to rate the financial strength of local
28 government defined benefit plans; specifying the
29 factors for assigning the ratings; requiring local

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30 pension boards, local governments, the Division of
31 Retirement, and all relevant entities to cooperate in
32 providing data for the ratings; requiring the ratings
33 to be posted on the department's website; creating the
34 Task Force on Public Employee Disability Presumptions;
35 providing for appointment and membership; specifying
36 the issues for the task force to address; providing
37 for a report to be submitted to the Governor, Chief
38 Financial Officer, and Legislature by a certain date;
39 providing for future expiration; directing the
40 Department of Financial Services to submit a report on
41 the financial health of local government pension plans
42 to the Governor and Legislature by a certain date;
43 specifying the issues the report must address;
44 providing a declaration of important state interest;
45 providing an effective date.

46
47 Be It Enacted by the Legislature of the State of Florida:

48
49 Section 1. Subsections (11) through (13) are added to
50 section 112.66, Florida Statutes, to read:

51 112.66 General provisions.—The following general provisions
52 relating to the operation and administration of any retirement
53 system or plan covered by this part shall be applicable:

54 (11) Effective July 1, 2011, for purposes of calculating
55 retirement benefits, a pension system or plan sponsored by a
56 local government may not include any overtime in excess of 300
57 hours per year, or any payments for accrued unused sick leave or
58 annual leave. For those members whose terms and conditions of

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59 employment are collectively bargained, this subsection is
60 effective for the first agreement negotiated on or after July 1,
61 2011. This subsection does not apply to state-administered
62 retirement systems or plans.

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

65 (13) A plan or system may not reduce contributions required
66 to fund normal cost.

67 Section 2. Paragraph (g) is added to subsection (2) of
68 section 121.051, Florida Statutes, to read:

69 121.051 Participation in the system.—

70 (2) OPTIONAL PARTICIPATION.—

71 (g) A local government retirement system or plan, including
72 a firefighters' pension plan or a municipal police officers'
73 retirement plan established in accordance with chapter 175 or
74 chapter 185, is eligible for membership under this chapter if
75 the plan has no unfunded actuarial liabilities.

76 Section 3. Subsection (3) of section 175.032, Florida
77 Statutes, is amended to read:

78 175.032 Definitions.—For any municipality, special fire
79 control district, chapter plan, local law municipality, local
80 law special fire control district, or local law plan under this
81 chapter, the following words and phrases have the following
82 meanings:

83 (3) "Compensation" or "salary" means, for noncollectively
84 bargained service earned before July 1, 2011, or for service
85 earned under collective bargaining agreements in place before
86 July 1, 2011, the fixed monthly remuneration paid a firefighter.
87 ~~If, where, as in the case of a volunteer firefighter,~~

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88 remuneration is based on actual services rendered, as in the
89 case of a volunteer firefighter, the term means the total cash
90 remuneration received yearly for such services, prorated on a
91 monthly basis. For noncollectively bargained service earned on
92 or after July 1, 2011, or for service earned under collective
93 bargaining agreements entered into on or after July 1, 2011, the
94 term has the same meaning except that overtime compensation in
95 excess of 300 hours per year, or payments for accrued unused
96 sick or annual leave, may not be included for purposes of
97 calculating retirement benefits.

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

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

112 (b)~~(e)~~ The member's compensation or salary contributed as
113 employee-elective salary reductions or deferrals to any salary
114 reduction, deferred compensation, or tax-sheltered annuity
115 program authorized under the Internal Revenue Code shall be
116 deemed to be the compensation or salary the member would receive

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117 if he or she were not participating in such program and shall be
118 treated as compensation for retirement purposes under this
119 chapter.

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

137 Section 4. Section 175.351, Florida Statutes, is amended to
138 read:

139 175.351 Municipalities and special fire control districts
140 having their own pension plans for firefighters.—For any
141 municipality, special fire control district, local law
142 municipality, local law special fire control district, or local
143 law plan under this chapter, in order for municipalities and
144 special fire control districts with their own pension plans for
145 firefighters, or for firefighters and police officers if,~~where~~

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146 included, to participate in the distribution of the tax fund
147 established pursuant to s. 175.101, local law plans must meet
148 the minimum benefits and minimum standards set forth in this
149 chapter.

150 (1) ~~PREMIUM TAX INCOME.~~—If a municipality or special fire
151 control district has a pension plan for firefighters, or a
152 pension plan for firefighters and police officers if, ~~where~~
153 included, which in the opinion of the division meets the minimum
154 benefits and minimum standards set forth in this chapter, the
155 board of trustees of the pension plan, as approved by a majority
156 of firefighters, or firefighters and police officers, of the
157 municipality or fire control district, may:

158 (a) Place the income from the premium tax in s. 175.101 in
159 such pension plan for the sole and exclusive use of its
160 firefighters, or for firefighters and police officers if, ~~where~~
161 included, where it shall become an integral part of that pension
162 plan and shall be used to pay extra benefits to the
163 firefighters, or firefighters and police officers, included in
164 that pension plan; or

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

169 (2) The premium tax provided by this chapter shall in all
170 cases be used in its entirety to provide retirement ~~extra~~
171 benefits to firefighters, or to firefighters and police officers
172 if, ~~where~~ included. However, local law plans in effect on
173 October 1, 1998, must ~~shall be required to~~ comply with the
174 minimum benefit provisions of this chapter only to the extent

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175 that additional premium tax revenues become available to
176 incrementally fund the cost of such compliance as provided in s.
177 175.162(2)(a). ~~If when~~ a plan is in compliance with such minimum
178 benefit provisions, as subsequent additional premium tax
179 revenues become available, they must ~~shall~~ be used to provide
180 extra benefits, except as provided in subsection (1). For the
181 purpose of this chapter, "additional premium tax revenues" means
182 revenues received by a municipality or special fire control
183 district pursuant to s. 175.121 which exceed that amount
184 received for calendar year 1997, and the term "extra benefits"
185 means benefits in addition to or greater than those provided to
186 general employees of the municipality and in addition to those
187 in existence for firefighters on March 12, 1999. Local law plans
188 created by special act before May 23, 1939, shall be deemed to
189 comply with this chapter. Notwithstanding any other provisions
190 of this section, if, as of March 1, 2011:

191 (a) A plan's actuarial accrued liability is funded below 80
192 percent, 50 percent of the premium tax revenues in excess of the
193 adjusted base amount and accumulated excess premium tax revenues
194 held in reserve shall be used to pay the plan's actuarial
195 accrued liability until the liability exceeds 80 percent.

196 (b) For a supplemental plan that exists in conjunction with
197 a defined benefit plan under this chapter, the defined benefit
198 plan's actuarial accrued liability is funded below 70 percent,
199 the premium tax revenues in excess of the adjusted base amount
200 of the defined benefit plan shall be used to pay the plan's
201 actuarial accrued liability until such liability is at least 80
202 percent funded.

203 (3) ~~(2)~~ A ADOPTION OR REVISION OF A LOCAL LAW PLAN. ~~No~~

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204 retirement plan or amendment to a retirement plan may not ~~shall~~
205 be proposed for adoption unless the proposed plan or amendment
206 contains an actuarial estimate of the costs involved. ~~No~~ Such
207 proposed plan or proposed plan change may not ~~shall~~ be adopted
208 without the approval of the municipality, special fire control
209 district, or, where permitted, the Legislature. Copies of the
210 proposed plan or proposed plan change and the actuarial impact
211 statement of the proposed plan or proposed plan change shall be
212 furnished to the division before ~~prior to~~ the last public
213 hearing thereon. Such statement must ~~shall~~ also indicate whether
214 the proposed plan or proposed plan change is in compliance with
215 s. 14, Art. X of the State Constitution and those provisions of
216 part VII of chapter 112 which are not expressly provided in this
217 chapter. Notwithstanding any other provision, only those local
218 law plans created by special act of legislation before ~~prior to~~
219 May 23, 1939, are ~~shall be~~ deemed to meet the minimum benefits
220 and minimum standards only in this chapter.

221 (4) ~~(3)~~ Notwithstanding any other provision, with respect to
222 any supplemental plan municipality:

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

227 (b) Section 175.061(1)(b) does ~~shall~~ not apply, and a local
228 law plan and a supplemental plan shall continue to be
229 administered by a board or boards of trustees numbered,
230 constituted, and selected as the board or boards were numbered,
231 constituted, and selected on December 1, 2000.

232 (c) The election set forth in paragraph (1)(b) is ~~shall be~~

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233 deemed to have been made.

234 (5)~~(4)~~ The retirement plan setting forth the benefits and
235 the trust agreement, if any, covering the duties and
236 responsibilities of the trustees and the regulations of the
237 investment of funds must be in writing, and copies ~~thereof must~~
238 ~~be~~ made available to the participants and to the general public.

239 Section 5. Subsection (4) of section 185.02, Florida
240 Statutes, is amended to read:

241 185.02 Definitions.—For any municipality, chapter plan,
242 local law municipality, or local law plan under this chapter,
243 the following words and phrases as used in this chapter shall
244 have the following meanings, unless a different meaning is
245 plainly required by the context:

246 (4) "Compensation" or "salary" means, for noncollectively
247 bargained service earned before July 1, 2011, or for service
248 earned under collective bargaining agreements in place before
249 July 1, 2011, the total cash remuneration including "overtime"
250 paid by the primary employer to a police officer for services
251 rendered, but not including any payments for extra duty or a
252 special detail work performed on behalf of a second party
253 employer. However, A local law plan may limit the amount of
254 overtime payments which can be used for retirement benefit
255 calculation purposes; however, but in no event shall such
256 overtime limit may not be less than 300 hours per officer per
257 calendar year. For noncollectively bargained service earned on
258 or after July 1, 2011, or for service earned under collective
259 bargaining agreements entered into on or after July 1, 2011, the
260 term has the same meaning except that overtime compensation in
261 excess of 300 hours per year, or payments for accrued unused

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262 sick or annual leave, may not be included for purposes of
263 calculating retirement benefits.

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

269 (b) The member's compensation or salary contributed as
270 employee-elective salary reductions or deferrals to any salary
271 reduction, deferred compensation, or tax-sheltered annuity
272 program authorized under the Internal Revenue Code shall be
273 deemed to be the compensation or salary the member would receive
274 if he or she were not participating in such program and shall be
275 treated as compensation for retirement purposes under this
276 chapter.

277 (c) For any person who first becomes a member in any plan
278 year beginning on or after January 1, 1996, compensation for
279 that any plan year may shall not include any amounts in excess
280 of the Internal Revenue Code s. 401(a)(17) limitation, ~~(as~~
281 ~~amended by the Omnibus Budget Reconciliation Act of 1993),~~ which
282 limitation of \$150,000 shall be adjusted as required by federal
283 law for qualified government plans and shall be further adjusted
284 for changes in the cost of living in the manner provided by
285 Internal Revenue Code s. 401(a)(17)(B). For any person who first
286 became a member before ~~prior to~~ the first plan year beginning on
287 or after January 1, 1996, the limitation on compensation may
288 ~~shall be~~ not be less than the maximum compensation amount that
289 was allowed to be taken into account under the plan as in effect
290 on July 1, 1993, which limitation shall be adjusted for changes

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291 in the cost of living since 1989 in the manner provided by
292 Internal Revenue Code s. 401(a)(17)(1991).

293 Section 6. Section 185.35, Florida Statutes, is amended to
294 read:

295 185.35 Municipalities having their own pension plans for
296 police officers.—For any municipality, chapter plan, local law
297 municipality, or local law plan under this chapter, in order for
298 municipalities with their own pension plans for police officers,
299 or for police officers and firefighters if where included, to
300 participate in the distribution of the tax fund established
301 pursuant to s. 185.08, local law plans must meet the minimum
302 benefits and minimum standards set forth in this chapter:

303 (1) ~~PREMIUM TAX INCOME.~~—If a municipality has a pension
304 plan for police officers, or for police officers and
305 firefighters if where included, which, in the opinion of the
306 division, meets the minimum benefits and minimum standards set
307 forth in this chapter, the board of trustees of the pension
308 plan, as approved by a majority of police officers, or police
309 officers and firefighters, of the municipality, may:

310 (a) Place the income from the premium tax in s. 185.08 in
311 such pension plan for the sole and exclusive use of its police
312 officers, or its police officers and firefighters if where
313 included, where it shall become an integral part of that pension
314 plan and shall be used to pay extra benefits to the police
315 officers, or police officers and firefighters, included in that
316 pension plan; or

317 (b) May place the income from the premium tax in s. 185.08
318 in a separate supplemental plan to pay extra benefits to the
319 police officers, or police officers and firefighters if where

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320 included, participating in such separate supplemental plan.

321 (2) Except as provided in subsection (3), the premium tax
322 provided by this chapter shall in all cases be used in its
323 entirety to provide retirement ~~extra~~ benefits to police
324 officers, or to police officers and firefighters if, ~~where~~
325 included. However, local law plans in effect on October 1, 1998,
326 must shall be required to comply with the minimum benefit
327 provisions of this chapter only to the extent that additional
328 premium tax revenues become available to incrementally fund the
329 cost of such compliance as provided in s. 185.16(2). If ~~When~~ a
330 plan is in compliance with such minimum benefit provisions, as
331 subsequent additional tax revenues become available, they shall
332 be used to provide extra benefits, except as provided under
333 subsection (1). For the purpose of this chapter, "additional
334 premium tax revenues" means revenues received by a municipality
335 pursuant to s. 185.10 which exceed the amount received for
336 calendar year 1997, and the term "extra benefits" means benefits
337 in addition to or greater than those provided to general
338 employees of the municipality and in addition to those in
339 existence for police officers on March 12, 1999. Local law plans
340 created by special act before May 23, 1939, shall be deemed to
341 comply with this chapter. Notwithstanding any other provisions
342 of this section, if, as of March 1, 2011:

343 (a) A plan's actuarial accrued liability is funded below 80
344 percent, 50 percent of the premium tax revenues in excess of the
345 adjusted base amount and accumulated excess premium tax revenues
346 held in reserve shall be used to pay the plan's actuarial
347 accrued liability until the liability exceeds 80 percent.

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

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349 a defined benefit plan under this chapter, the defined benefit
350 plan's actuarial accrued liability is funded below 70 percent,
351 the premium tax revenues in excess of the adjusted base amount
352 of the defined benefit plan shall be used to pay the plan's
353 actuarial accrued liability until such liability is at least 80
354 percent funded.

355 (3) In a closed plan where police services have been
356 transferred or merged with another governmental agency and the
357 plan has fewer than five active members, the municipality may
358 advance payment for purchasing an annuity contract applicable to
359 the accrued liabilities of the plan. In such case, the board of
360 trustees, as approved by the members, may authorize repayment
361 from the future receipt of premium taxes; however, the plan may
362 not be deemed fully funded until the full cost of the advanced
363 payment has been returned to the municipality by the plan. This
364 subsection does not preclude the continued receipt of premium
365 tax to provide extra benefits for active or retired police
366 officers as provided under subsection (2).

367 (4) ~~(2)~~ A ~~ADOPTION OR REVISION OF A LOCAL LAW PLAN.~~ ~~No~~
368 retirement plan or amendment to a retirement plan ~~may not shall~~
369 be proposed for adoption unless the proposed plan or amendment
370 contains an actuarial estimate of the costs involved. ~~No~~ Such
371 proposed plan or proposed plan change ~~may not shall~~ be adopted
372 without the approval of the municipality or, where permitted,
373 the Legislature. Copies of the proposed plan or proposed plan
374 change and the actuarial impact statement of the proposed plan
375 or proposed plan change shall be furnished to the division
376 before ~~prior to~~ the last public hearing thereon. Such statement
377 must ~~shall~~ also indicate whether the proposed plan or proposed

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378 plan change is in compliance with s. 14, Art. X of the State
379 Constitution and those provisions of part VII of chapter 112
380 which are not expressly provided in this chapter.

381 Notwithstanding any other provision, only those local law plans
382 created by special act of legislation before ~~prior to~~ May 23,
383 1939, are ~~shall be~~ deemed to meet the minimum benefits and
384 minimum standards only in this chapter.

385 (5) ~~(3)~~ Notwithstanding any other provision, with respect to
386 any supplemental plan municipality:

387 (a) Section 185.02(4)(a) does ~~shall~~ not apply, and a local
388 law plan and a supplemental plan may continue to use their
389 definition of compensation or salary in existence on March 12,
390 1999 ~~the effective date of this act.~~

391 (b) Section 185.05(1)(b) does ~~shall~~ not apply, and a local
392 law plan and a supplemental plan shall continue to be
393 administered by a board or boards of trustees numbered,
394 constituted, and selected as the board or boards were numbered,
395 constituted, and selected on December 1, 2000.

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

398 (6) ~~(4)~~ The retirement plan setting forth the benefits and
399 the trust agreement, if any, covering the duties and
400 responsibilities of the trustees and the regulations of the
401 investment of funds must be in writing and copies made available
402 to the participants and to the general public.

403 Section 7. Financial rating of local pension plans.-The
404 Department of Financial Services shall develop standardized
405 ratings for classifying the financial strength of all local
406 government defined benefit pension plans.

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

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

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

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

415 (d) Municipal bond ratings for the local government, if
416 applicable.

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

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

421 (2) The department may obtain all necessary data to
422 formulate the ratings from all relevant entities, including
423 local pension boards, local governments, and the Division of
424 Retirement, all of which shall cooperate with the department in
425 supplying all necessary information.

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

428 Section 8. Task Force on Public Employee Disability
429 Presumptions.—

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

434 (2) All members of the task force shall be appointed on or
435 before July 15, 2011, and the task force shall hold its first

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436 meeting on or before August 15, 2011. The task force shall be
437 composed of nine members as follows:

438 (a) Three members appointed by the President of the Senate,
439 one of whom must be an attorney in private practice who has
440 experience in the relevant laws; one of whom must be a
441 representative of organized labor and who is a member of a
442 pension plan under chapter 175, Florida Statutes; and one of
443 whom must be from the Florida Association of Counties.

444 (b) Three members appointed by the Speaker of the House of
445 Representatives, one of whom must be an attorney in private
446 practice who has experience in the relevant laws; one of whom
447 must be a representative of organized labor and who is a member
448 of a pension plan under chapter 185, Florida Statutes; and one
449 of whom must be from the Florida League of Cities.

450 (c) A member employed by the Office of the Auditor General
451 who has experience in local government auditing and finances.

452 (d) A member employed by the Division of Retirement of the
453 Department of Management Services who has experience in local
454 government pension plans, appointed by the Governor.

455 (e) A member employed by the Department of Financial
456 Services who has relevant expertise in state risk management,
457 appointed by the Chief Financial Officer.

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

460 (a) Data related to the operation of the statutory
461 disability presumptions.

462 (b) The manner in which other states handle disability
463 presumptions.

464 (c) Proposals for changes to the existing disability

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465 presumptions.

466 (4) The Department of Financial Services shall provide
467 administrative support to the task force.

468 (5) Members of the task force shall serve without
469 compensation while in the performance of their duties, but are
470 entitled to reimbursement for per diem and travel expenses in
471 accordance with s. 112.061, Florida Statutes.

472 (6) The task force may obtain data, information, and
473 assistance from any officer or state agency and any political
474 subdivision thereof. All such officers, agencies, and political
475 subdivisions shall provide the task force with all relevant
476 information and assistance on any matter within their knowledge
477 or control.

478 (7) The task force shall submit a report, including
479 findings and recommendations, to the Governor, the Chief
480 Financial Officer, the President of the Senate, and the Speaker
481 of the House of Representatives by January 1, 2012. The report
482 must include specific recommendations for legislative action
483 during the 2012 Regular Session of the Legislature.

484 (8) The task force is dissolved upon submission of its
485 report.

486 Section 9. By December 1, 2011, the Department of Financial
487 Services shall submit a report and recommendations to the
488 Governor, the President of the Senate, and the Speaker of the
489 House of Representatives on actions to be taken to increase the
490 visibility and transparency of local government pension plans,
491 including, but not limited to, those created pursuant to chapter
492 175 or chapter 185, Florida Statutes, with the goal of
493 increasing the ability of a taxpayer or policymaker to assess

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494 the financial health of the local plans. The report must include
495 specific recommendations for legislative action during the 2012
496 Regular Session of the Legislature. The department shall consult
497 with the Legislature's Office of Economic and Demographic
498 Research in formulating the recommendations, which must address,
499 but need not be limited to:

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

503 (2) Whether the reporting requirements of ss. 175.261 and
504 185.221, Florida Statutes, should be supplemented with other
505 types of financial data in order to give a more complete and
506 transparent picture of a local government's financial solvency.

507 (3) Proposals for a uniform format for providing pension
508 data, including standard terminology and data and the specific
509 types of data which should be provided, including funding
510 ratios, and whether contributions are sufficient to fund
511 actuarial liabilities.

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

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

516 (6) Proposals related to the composition of local pension
517 plan boards.

518 Section 10. The Legislature finds that a proper and
519 legitimate state purpose is served when employees and retirees
520 of the state and of its political subdivisions, and the
521 dependents, survivors, and beneficiaries of those employees and
522 retirees, are extended the basic protections afforded by

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523 governmental retirement systems that provide fair and adequate
524 benefits and that are managed, administered, and funded in an
525 actuarially sound manner as required by s. 14, Article X of the
526 State Constitution and part VII of chapter 112, Florida
527 Statutes. Therefore, the Legislature determines and declares
528 that this act fulfills an important state interest.

529 Section 11. This act shall take effect July 1, 2011.