

1                   A bill to be entitled  
2           An act relating to public employees; amending s.  
3           112.18, F.S.; revising conditions under which certain  
4           firefighters, law enforcement officers, correctional  
5           officers, or correctional probations officers who  
6           suffer or have died from any of specified medical  
7           conditions are presumed to have been injured or killed  
8           accidentally and in the line of duty; revising the  
9           conditions under which the presumption with respect to  
10          disability due to any of specified diseases is against  
11          occurrence in the line of duty for purposes of  
12          workers' compensation claims; changing an evidentiary  
13          standard; amending s. 175.061, F.S.; providing duties  
14          of the board of trustees relating to the reporting of  
15          expenses and the operation under an administrative  
16          expense budget; amending s. 175.071, F.S.; revising  
17          requirements of the board relating to the employment  
18          of legal counsel, actuaries, and other advisers;  
19          amending s. 175.101, F.S.; providing for the  
20          discontinuation of excise taxes under certain  
21          conditions; amending s. 175.231, F.S.; providing  
22          medical conditions or behaviors that are appropriate  
23          for consideration in denying or overcoming the  
24          presumption of accidental disabilities or death  
25          suffered in the line of duty for firefighters;  
26          changing an evidentiary standard; amending s. 175.351,  
27          F.S.; revising provisions relating to benefits paid  
28          from the premium tax by a municipality or special fire

29 control district that has its own pension plan;  
30 providing definitions; providing a process for  
31 determining the allocation of the premium tax revenues  
32 to a supplemental plan; amending s. 175.361, F.S.;  
33 providing certain powers and responsibilities to  
34 municipalities and special fire control districts  
35 relating to termination of plans and distribution of  
36 funds; amending s. 185.02, F.S.; revising the  
37 definition of the term "compensation" or "salary" for  
38 purposes of police officers' pensions; amending s.  
39 185.05, F.S.; authorizing a municipality to change the  
40 municipal representation of the board of trustees  
41 pursuant to certain requirements; providing duties of  
42 the board of trustees relating to the reporting of  
43 expenses and the operation under an administrative  
44 expense budget; amending s. 185.06, F.S.; revising  
45 requirements of the board relating to the employment  
46 of legal counsel, actuaries, and other advisers;  
47 amending s. 185.08, F.S.; providing for the  
48 discontinuation of excise taxes under certain  
49 conditions; amending s. 185.34, F.S.; providing  
50 medical conditions or behaviors that are appropriate  
51 for consideration in denying or overcoming the  
52 presumption of accidental disabilities or death  
53 suffered in the line of duty for police officers;  
54 changing an evidentiary standard; amending s. 185.35,  
55 F.S.; revising provisions relating to benefits paid by  
56 a municipality that has its own pension plan;

57 providing definitions; providing a process for  
 58 determining the allocation of the premium tax revenues  
 59 to a supplemental plan; amending s. 185.37, F.S.;  
 60 providing certain powers and responsibilities to  
 61 municipalities relating to termination of plans and  
 62 distribution of funds; providing a declaration of  
 63 important state interest; providing an effective date.  
 64

65 Be It Enacted by the Legislature of the State of Florida:  
 66

67 Section 1. Section 112.18, Florida Statutes, is amended to  
 68 read:

69 112.18 Firefighters and law enforcement or correctional  
 70 officers; special provisions relative to disability.—

71 (1) (a) Any condition or impairment of health of any  
 72 Florida state, municipal, county, port authority, special tax  
 73 district, or fire control district firefighter or any law  
 74 enforcement officer, correctional officer, or correctional  
 75 probation officer as defined in s. 943.10(1), (2), or (3), who  
 76 has been employed by the current employer for at least 5 years  
 77 and who is less than 37 years of age, caused by tuberculosis,  
 78 heart disease, or hypertension resulting in total or partial  
 79 disability or death shall be presumed to have been accidental  
 80 and to have been suffered in the line of duty unless the  
 81 contrary be shown by a preponderance of the ~~competent~~ evidence.  
 82 However, any such firefighter, correctional officer,  
 83 correctional probation officer, or law enforcement officer must  
 84 have successfully passed a physical examination upon entering

85 into any such service as a firefighter, correctional officer,  
86 correctional probation officer, or law enforcement officer,  
87 which examination failed to reveal any evidence of any such  
88 condition. Risk factors and epidemiological data relating to  
89 nonwork-related conditions unique to an individual, such as  
90 blood cholesterol, body mass index, history of tobacco and  
91 alcohol use, and other medical conditions or behaviors that are  
92 associated with the disease or condition subject to the  
93 presumption, are appropriate for consideration in denying or  
94 overcoming the presumption. Such presumption does not apply to  
95 benefits payable under or granted in a policy of life insurance  
96 or disability insurance, unless the insurer and insured have  
97 negotiated for such additional benefits to be included in the  
98 policy contract.

99 (b)1. For any workers' compensation claim filed under this  
100 section and chapter 440 occurring on or after July 1, 2010, a  
101 firefighter, law enforcement officer, correctional officer, or  
102 correctional probation officer as defined in s. 943.10(1), (2),  
103 or (3) suffering from tuberculosis, heart disease, or  
104 hypertension is presumed not to have incurred such disease in  
105 the line of duty as provided in this section if the firefighter,  
106 law enforcement officer, correctional officer, or correctional  
107 probation officer:

108 a. Departed in a material fashion from the prescribed  
109 course of treatment of his or her personal physician and the  
110 departure is demonstrated to have resulted in a significant  
111 aggravation of the tuberculosis, heart disease, or hypertension  
112 resulting in disability or increasing the disability or need for

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113 | medical treatment; or

114 |       b. Was previously compensated pursuant to this section and  
115 | chapter 440 for tuberculosis, heart disease, or hypertension and  
116 | thereafter sustains and reports a new compensable workers'  
117 | compensation claim under this section and chapter 440, and the  
118 | firefighter, law enforcement officer, correctional officer, or  
119 | correctional probation officer has departed in a material  
120 | fashion from the prescribed course of treatment of an authorized  
121 | physician for the preexisting workers' compensation claim and  
122 | the departure is demonstrated to have resulted in a significant  
123 | aggravation of the tuberculosis, heart disease, or hypertension  
124 | resulting in disability or increasing the disability or need for  
125 | medical treatment.

126 |       2. As used in this paragraph, "prescribed course of  
127 | treatment" means prescribed medical courses of action and  
128 | prescribed medicines for the specific disease or diseases  
129 | claimed and as documented in the prescribing physician's medical  
130 | records.

131 |       3. If there is a dispute as to the appropriateness of the  
132 | course of treatment prescribed by a physician under sub-  
133 | subparagraph 1.a. or sub-subparagraph 1.b. or whether a  
134 | departure in a material fashion from the prescribed course of  
135 | treatment is demonstrated to have resulted in a significant  
136 | aggravation of the tuberculosis, heart disease, or hypertension  
137 | resulting in disability or increasing the disability or need for  
138 | medical treatment, the firefighter, law enforcement officer,  
139 | correctional officer, or correctional probation officer is  
140 | entitled to seek an independent medical examination pursuant to

141 s. 440.13(5).

142 4. A firefighter, law enforcement officer, correctional  
 143 officer, or correctional probation officer is not entitled to  
 144 the presumption provided in this section unless a claim for  
 145 benefits is made prior to or within 180 days after leaving the  
 146 employment of the employing agency.

147 (2) This section authorizes each governmental entity  
 148 specified in subsection (1) to negotiate policy contracts for  
 149 life and disability insurance to include accidental death  
 150 benefits or double indemnity coverage which shall include the  
 151 presumption that any condition or impairment of health of any  
 152 firefighter, law enforcement officer, or correctional officer  
 153 caused by tuberculosis, heart disease, or hypertension resulting  
 154 in total or partial disability or death was accidental and  
 155 suffered in the line of duty, unless the contrary be shown by a  
 156 preponderance of the competent evidence.

157 Section 2. Subsection (8) is added to section 175.061,  
 158 Florida Statutes, to read:

159 175.061 Board of trustees; members; terms of office;  
 160 meetings; legal entity; costs; attorney's fees.—For any  
 161 municipality, special fire control district, chapter plan, local  
 162 law municipality, local law special fire control district, or  
 163 local law plan under this chapter:

164 (8) The board of trustees shall:

165 (a) Provide a detailed accounting report of its expenses  
 166 for each fiscal year to the plan sponsor and the Department of  
 167 Management Services and make the report available to every  
 168 member of the plan. The report must include, but need not be

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169 limited to, all administrative expenses that, for purposes of  
170 this subsection, are expenses relating to any legal counsel,  
171 actuary, plan administrator, and all other consultants, and all  
172 travel and other expenses paid to or on behalf of the members of  
173 the board of trustees or anyone else on behalf of the plan.

174 (b) Operate under an administrative expense budget for  
175 each fiscal year, provide a copy of the budget to the plan  
176 sponsor, and make available a copy of the budget to plan members  
177 before the beginning of the fiscal year. The administrative  
178 expense budget must regulate the administrative expenses of the  
179 board of trustees. If the board of trustees amends the  
180 administrative expense budget, the board must provide a copy of  
181 the amended budget to the plan sponsor and make available a copy  
182 of the amended budget to plan members before the amendment takes  
183 effect.

184 Section 3. Subsection (7) of section 175.071, Florida  
185 Statutes, is amended to read:

186 175.071 General powers and duties of board of trustees.—  
187 For any municipality, special fire control district, chapter  
188 plan, local law municipality, local law special fire control  
189 district, or local law plan under this chapter:

190 (7) To assist the board in meeting its responsibilities  
191 under this chapter, the board, if it so elects, and subject to  
192 s. 175.061(8), may:

193 (a) Employ independent legal counsel at the pension fund's  
194 expense.

195 (b) Employ an independent actuary, as defined in s.  
196 175.032(7), at the pension fund's expense.

197 (c) Employ such independent professional, technical, or  
 198 other advisers as it deems necessary at the pension fund's  
 199 expense.

200  
 201 If the board chooses to use the municipality's or special  
 202 district's legal counsel or actuary, or chooses to use any of  
 203 the municipality's or special district's ~~other~~ professional,  
 204 technical, or other advisers, it must do so only under terms and  
 205 conditions acceptable to the board.

206 Section 4. Subsection (4) is added to section 175.101,  
 207 Florida Statutes, to read:

208 175.101 State excise tax on property insurance premiums  
 209 authorized; procedure.—For any municipality, special fire  
 210 control district, chapter plan, local law municipality, local  
 211 law special fire control district, or local law plan under this  
 212 chapter:

213 (4) If a municipality or special fire control district  
 214 revokes its participation under this chapter in accordance with  
 215 s. 175.411, the excise tax authorized by this section shall not  
 216 continue to be imposed on property insurance policies covering  
 217 property situated within the municipality or special fire  
 218 control district.

219  
 220 This section also applies to any municipality consisting of a  
 221 single consolidated government which is made up of a former  
 222 county and one or more municipalities, consolidated pursuant to  
 223 the authority in s. 3 or s. 6(e), Art. VIII of the State  
 224 Constitution, and to property insurance policies covering

225 | property within the boundaries of the consolidated government,  
 226 | regardless of whether the properties are located within one or  
 227 | more separately incorporated areas within the consolidated  
 228 | government, provided the properties are being provided fire  
 229 | protection services by the consolidated government. This section  
 230 | also applies to any municipality, as provided in s.  
 231 | 175.041(3)(c), which has entered into an interlocal agreement to  
 232 | receive fire protection services from another municipality  
 233 | participating under this chapter. The excise tax may be levied  
 234 | on all premiums collected on property insurance policies  
 235 | covering property located within the corporate limits of the  
 236 | municipality receiving the fire protection services, but will be  
 237 | available for distribution to the municipality providing the  
 238 | fire protection services.

239 | Section 5. Section 175.231, Florida Statutes, is amended  
 240 | to read:

241 | 175.231 Diseases of firefighters suffered in line of duty;  
 242 | presumption.—For any municipality, special fire control  
 243 | district, chapter plan, local law municipality, local law  
 244 | special fire control district, or local law plan under this  
 245 | chapter, any condition or impairment of health of a firefighter,  
 246 | who has been employed by the current employer for at least 5  
 247 | years and who is less than 37 years of age, caused by  
 248 | tuberculosis, hypertension, or heart disease resulting in total  
 249 | or partial disability or death shall be presumed to have been  
 250 | accidental and suffered in the line of duty unless the contrary  
 251 | is shown by a preponderance of the ~~competent~~ evidence, provided  
 252 | that such firefighter shall have successfully passed a physical

253 examination before entering into such service, which examination  
 254 failed to reveal any evidence of such condition. Risk factors  
 255 and epidemiological data relating to nonwork-related conditions  
 256 unique to an individual, such as blood cholesterol, body mass  
 257 index, history of tobacco and alcohol use, and other medical  
 258 conditions or behaviors that are associated with the disease or  
 259 condition subject to the presumption, are appropriate for  
 260 consideration in denying or overcoming the presumption. This  
 261 section shall be applicable to all firefighters only with  
 262 reference to pension and retirement benefits under this chapter.

263 Section 6. Section 175.351, Florida Statutes, is amended  
 264 to read:

265 175.351 Municipalities and special fire control districts  
 266 having their own pension plans for firefighters.—For any  
 267 municipality, special fire control district, local law  
 268 municipality, local law special fire control district, or local  
 269 law plan under this chapter, in order for municipalities and  
 270 special fire control districts with their own pension plans for  
 271 firefighters, or for firefighters and police officers if  
 272 included, to participate in the distribution of the tax fund  
 273 established pursuant to s. 175.101, local law plans must meet  
 274 the minimum benefits and minimum standards set forth in this  
 275 chapter.

276 (1) Notwithstanding any other provision, retirement  
 277 benefits provided pursuant to this chapter and the use of the  
 278 income from the premium tax in s. 175.101 must be determined and  
 279 implemented in accordance with the collective bargaining  
 280 process, and where collective bargaining is not applicable, in

281 accordance with the pension plan, except as provided in  
 282 subsection (2). If the term of a collective bargaining agreement  
 283 ends without a new collective bargaining agreement in effect,  
 284 the retirement benefits of a plan operating pursuant to this  
 285 chapter shall revert to the minimum benefit provisions of this  
 286 chapter for the period of time from the end of the collective  
 287 bargaining agreement until the effective date of the subsequent  
 288 collective bargaining agreement, and the income from the premium  
 289 tax may be used for any retirement benefit provided pursuant to  
 290 this chapter as determined unilaterally by the municipality or  
 291 special fire control district. ~~If a municipality has a pension~~  
 292 ~~plan for firefighters, or a pension plan for firefighters and~~  
 293 ~~police officers if included, which in the opinion of the~~  
 294 ~~division meets the minimum benefits and minimum standards set~~  
 295 ~~forth in this chapter, the board of trustees of the pension~~  
 296 ~~plan, as approved by a majority of firefighters of the~~  
 297 ~~municipality, may:~~

298 ~~(a) Place the income from the premium tax in s. 175.101 in~~  
 299 ~~such pension plan for the sole and exclusive use of its~~  
 300 ~~firefighters, or for firefighters and police officers if~~  
 301 ~~included, where it shall become an integral part of that pension~~  
 302 ~~plan and shall be used to pay extra benefits to the firefighters~~  
 303 ~~included in that pension plan; or~~

304 ~~(b) Place the income from the premium tax in s. 175.101 in~~  
 305 ~~a separate supplemental plan to pay extra benefits to~~  
 306 ~~firefighters, or to firefighters and police officers if~~  
 307 ~~included, participating in such separate supplemental plan.~~

308 ~~(2) The premium tax provided by this chapter shall in all~~

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309 ~~eases be used in its entirety to provide extra benefits to~~  
310 ~~firefighters, or to firefighters and police officers if~~  
311 ~~included. For However, local law plans in effect on October 1,~~  
312 ~~1998, that do not ~~must~~ comply with the minimum benefit~~  
313 ~~provisions of this chapter, as only to the extent that~~  
314 ~~additional premium tax revenues become available, such revenues~~  
315 ~~shall be used to incrementally fund the cost of such compliance~~  
316 ~~as provided in s. 175.162(2) (a). ~~If a plan is in compliance with~~~~  
317 ~~~~such minimum benefit provisions, as subsequent additional~~~~  
318 ~~~~premium tax revenues become available, they must be used to~~~~  
319 ~~~~provide extra benefits.~~ Local law plans created by special act~~  
320 ~~before May 27, 1939, are deemed to comply with this chapter. For~~  
321 ~~the purpose of this chapter, the term:~~

322       ~~(a)~~ "additional premium tax revenues" means revenues  
323 received by a municipality or special fire control district  
324 pursuant to s. 175.121 which exceed that amount received for  
325 calendar year 1997. Once a plan is in compliance with the  
326 minimum benefit provisions of this chapter, the provisions of  
327 subsection (1) apply.

328       ~~(b)~~ ~~"Extra benefits" means benefits in addition to or~~  
329 ~~greater than those provided to general employees of the~~  
330 ~~municipality and in addition to those in existence for~~  
331 ~~firefighters on March 12, 1999.~~

332       (3) A retirement plan or amendment to a retirement plan  
333 may not be proposed for adoption unless the proposed plan or  
334 amendment contains an actuarial estimate of the costs involved.  
335 The ~~Such~~ proposed plan or proposed plan change may not be  
336 adopted without the approval of the municipality, special fire

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337 control district, or, if required ~~where permitted~~, the  
338 Legislature. Copies of the proposed plan or proposed plan change  
339 and the actuarial impact statement of the proposed plan or  
340 proposed plan change shall be furnished to the division before  
341 the last public hearing thereon. Such statement must also  
342 indicate whether the proposed plan or proposed plan change is in  
343 compliance with s. 14, Art. X of the State Constitution and  
344 those provisions of part VII of chapter 112 which are not  
345 expressly provided in this chapter. Notwithstanding any other  
346 provision, only those local law plans created by special act of  
347 legislation before May 27, 1939, are deemed to meet the minimum  
348 benefits and minimum standards only in this chapter.

349 (4) Notwithstanding any other provision, with respect to  
350 any supplemental plan municipality:

351 (a) A local law plan and a supplemental plan may continue  
352 to use their definition of compensation or salary in existence  
353 on March 12, 1999.

354 (b) Section 175.061(1)(b) does not apply, and a local law  
355 plan and a supplemental plan shall continue to be administered  
356 by a board or boards of trustees numbered, constituted, and  
357 selected as the board or boards were numbered, constituted, and  
358 selected on December 1, 2000.

359 (c) The election set forth in paragraph (1)(b) is deemed  
360 to have been made.

361 (d) The annual amount of premium tax revenues allocated to  
362 the supplemental plan shall be determined through collective  
363 bargaining, where applicable, and in accordance with the pension  
364 plan where collective bargaining does not apply. If the term of

365 a collective bargaining agreement ends without a new collective  
366 bargaining agreement in effect, the amount of premium tax  
367 revenues allocated to the supplemental plan shall be determined  
368 unilaterally by the municipality or special fire control  
369 district for the period of time from the end of the collective  
370 bargaining agreement until the effective date of the subsequent  
371 collective bargaining agreement.

372 (5) The retirement plan setting forth the benefits and the  
373 trust agreement, if any, covering the duties and  
374 responsibilities of the trustees and the regulations of the  
375 investment of funds must be in writing, and copies made  
376 available to the participants and to the general public.

377 (6) A municipality or special fire control district may  
378 unilaterally establish one or more new plans, or benefit levels  
379 within a plan, which provide different benefit levels for plan  
380 members based on the member's date of hire if the new plan or  
381 benefit level provides pension benefits that, in the aggregate,  
382 meet or exceed the minimum benefits set forth in this chapter,  
383 as determined by the plan's or employer's actuary. A  
384 municipality or special fire control district may unilaterally  
385 elect to maintain an existing plan and join the Florida  
386 Retirement System or establish a defined contribution retirement  
387 plan for employees hired after a specified date. A municipality  
388 or special fire control district choosing to operate under this  
389 subsection shall use the premium tax provided under this chapter  
390 for the current plan or benefit level, for any additional plan  
391 or benefit level, for contributions to the Florida Retirement

392 System, or for contributions to a defined contribution  
 393 retirement plan.

394 Section 7. Section 175.361, Florida Statutes, is amended  
 395 to read:

396 175.361 Termination of plan and distribution of fund.—For  
 397 any municipality, special fire control district, chapter plan,  
 398 local law municipality, local law special fire control district,  
 399 or local law plan under this chapter, the plan may be terminated  
 400 by the municipality or special fire control district. Upon  
 401 termination of the plan by the municipality or special fire  
 402 control district for any reason or because of a transfer,  
 403 merger, or consolidation of governmental units, services, or  
 404 functions as provided in chapter 121, or upon written notice by  
 405 the municipality or special fire control district to the board  
 406 of trustees that contributions under the plan are being  
 407 permanently discontinued, the rights of all employees to  
 408 benefits accrued to the date of such termination and the amounts  
 409 credited to the employees' accounts are nonforfeitable. The fund  
 410 shall be distributed in accordance with the following  
 411 procedures:

412 (1) The board of trustees, subject to prior written  
 413 approval of the municipality or special fire control district,  
 414 shall determine the date of distribution and the asset value  
 415 required to fund all the nonforfeitable benefits after taking  
 416 into account the expenses of such distribution. The board shall  
 417 inform the municipality or special fire control district if  
 418 additional assets are required, in which event the municipality  
 419 or special fire control district shall continue to financially

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420 support the plan until all nonforfeitable benefits have been  
421 funded.

422 (2) The board of trustees, subject to prior written  
423 approval of the municipality or special fire control district,  
424 shall determine the method of distribution of the asset value,  
425 whether distribution shall be by payment in cash, by the  
426 maintenance of another or substituted trust fund, by the  
427 purchase of insured annuities, or otherwise, for each  
428 firefighter entitled to benefits under the plan as specified in  
429 subsection (3).

430 (3) The board of trustees, subject to prior written  
431 approval of the municipality or special fire control district,  
432 shall distribute the asset value as of the date of termination  
433 in the manner set forth in this subsection, on the basis that  
434 the amount required to provide any given retirement income is  
435 the actuarially computed single-sum value of such retirement  
436 income, except that if the method of distribution determined  
437 under subsection (2) involves the purchase of an insured  
438 annuity, the amount required to provide the given retirement  
439 income is the single premium payable for such annuity. The  
440 actuarial single-sum value may not be less than the employee's  
441 accumulated contributions to the plan, with interest if provided  
442 by the plan, less the value of any plan benefits previously paid  
443 to the employee.

444 (4) If there is asset value remaining after the full  
445 distribution specified in subsection (3), and after the payment  
446 of any expenses incurred with such distribution, such excess  
447 shall be returned to the municipality or special fire control

448 | district, less return to the state of the state's contributions,  
 449 | provided that, if the excess is less than the total  
 450 | contributions made by the municipality or special fire control  
 451 | district and the state to date of termination of the plan, such  
 452 | excess shall be divided proportionately to the total  
 453 | contributions made by the municipality or special fire control  
 454 | district and the state.

455 |       (5) The board of trustees, subject to prior written  
 456 | approval of the municipality or special fire control district,  
 457 | shall distribute, in accordance with subsection (2), the amounts  
 458 | determined under subsection (3).

459 |  
 460 | If, after 24 months after the date the plan terminated or the  
 461 | date the board received written notice that the contributions  
 462 | thereunder were being permanently discontinued, the municipality  
 463 | or special fire control district or the board of trustees of the  
 464 | firefighters' pension trust fund affected has not complied with  
 465 | all the provisions in this section, the Department of Management  
 466 | Services shall effect the termination of the fund in accordance  
 467 | with this section and in the manner having the least fiscal  
 468 | impact on the municipality or special fire control district.

469 |       Section 8. Subsection (4) of section 185.02, Florida  
 470 | Statutes, is amended to read:

471 |       185.02 Definitions.—For any municipality, chapter plan,  
 472 | local law municipality, or local law plan under this chapter,  
 473 | the following words and phrases as used in this chapter shall  
 474 | have the following meanings, unless a different meaning is  
 475 | plainly required by the context:

476 (4) "Compensation" or "salary" means, for noncollectively  
 477 bargained service earned before July 1, 2011, or for service  
 478 earned under collective bargaining agreements in place before  
 479 July 1, 2011, the total cash remuneration including "overtime"  
 480 paid by the primary employer to a police officer for services  
 481 rendered, but not including any payments for extra duty or  
 482 special detail work performed on behalf of a second party  
 483 employer. A local law plan may limit the amount of overtime  
 484 payments which can be used for retirement benefit calculation  
 485 purposes; ~~however, such overtime limit may not be less than 300~~  
 486 ~~hours per officer per calendar year.~~ For noncollectively  
 487 bargained service earned on or after July 1, 2011, or for  
 488 service earned under collective bargaining agreements entered  
 489 into on or after July 1, 2011, the term has the same meaning  
 490 except that when calculating retirement benefits, up to 300  
 491 hours per year in overtime compensation may be included as  
 492 specified in the plan or collective bargaining agreement, but  
 493 payments for accrued unused sick or annual leave may not be  
 494 included.

495 (a) Any retirement trust fund or plan that meets the  
 496 requirements of this chapter does not, solely by virtue of this  
 497 subsection, reduce or diminish the monthly retirement income  
 498 otherwise payable to each police officer covered by the  
 499 retirement trust fund or plan.

500 (b) The member's compensation or salary contributed as  
 501 employee-elective salary reductions or deferrals to any salary  
 502 reduction, deferred compensation, or tax-sheltered annuity  
 503 program authorized under the Internal Revenue Code shall be

504 deemed to be the compensation or salary the member would receive  
 505 if he or she were not participating in such program and shall be  
 506 treated as compensation for retirement purposes under this  
 507 chapter.

508 (c) For any person who first becomes a member in any plan  
 509 year beginning on or after January 1, 1996, compensation for  
 510 that plan year may not include any amounts in excess of the  
 511 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
 512 the Omnibus Budget Reconciliation Act of 1993, which limitation  
 513 of \$150,000 shall be adjusted as required by federal law for  
 514 qualified government plans and shall be further adjusted for  
 515 changes in the cost of living in the manner provided by Internal  
 516 Revenue Code s. 401(a)(17)(B). For any person who first became a  
 517 member before the first plan year beginning on or after January  
 518 1, 1996, the limitation on compensation may not be less than the  
 519 maximum compensation amount that was allowed to be taken into  
 520 account under the plan as in effect on July 1, 1993, which  
 521 limitation shall be adjusted for changes in the cost of living  
 522 since 1989 in the manner provided by Internal Revenue Code s.  
 523 401(a)(17)(1991).

524 Section 9. Subsection (8) is added to section 185.05,  
 525 Florida Statutes, to read:

526 185.05 Board of trustees; members; terms of office;  
 527 meetings; legal entity; costs; attorney's fees.—For any  
 528 municipality, chapter plan, local law municipality, or local law  
 529 plan under this chapter:

530 (8) The board of trustees shall:

531 (a) Provide a detailed accounting report of its expenses

532 for each fiscal year to the plan sponsor and the Department of  
 533 Management Services and make the report available to every  
 534 member of the plan. The report must include, but need not be  
 535 limited to, all administrative expenses that, for purposes of  
 536 this subsection, are expenses relating to any legal counsel,  
 537 actuary, plan administrator, and all other consultants, and all  
 538 travel and other expenses paid to or on behalf of the members of  
 539 the board of trustees or anyone else on behalf of the plan.

540 (b) Operate under an administrative expense budget for  
 541 each fiscal year, provide a copy of the budget to the plan  
 542 sponsor, and make available a copy of the budget to plan members  
 543 before the beginning of the fiscal year. The administrative  
 544 expense budget must regulate the administrative expenses of the  
 545 board of trustees. If the board of trustees amends the  
 546 administrative expense budget, the board must provide a copy of  
 547 the amended budget to the plan sponsor and make available a copy  
 548 of the amended budget to plan members before the amendment takes  
 549 effect.

550 Section 10. Subsection (6) of section 185.06, Florida  
 551 Statutes, is amended to read:

552 185.06 General powers and duties of board of trustees.—For  
 553 any municipality, chapter plan, local law municipality, or local  
 554 law plan under this chapter:

555 (6) To assist the board in meeting its responsibilities  
 556 under this chapter, the board, if it so elects, and subject to  
 557 s. 185.05(8), may:

558 (a) Employ independent legal counsel at the pension fund's  
 559 expense.

560 (b) Employ an independent actuary, as defined in s.  
 561 185.02(8), at the pension fund's expense.

562 (c) Employ such independent professional, technical, or  
 563 other advisers as it deems necessary at the pension fund's  
 564 expense.

565  
 566 If the board chooses to use the municipality's or special  
 567 district's legal counsel or actuary, or chooses to use any of  
 568 the municipality's ~~other~~ professional, technical, or other  
 569 advisers, it must do so only under terms and conditions  
 570 acceptable to the board.

571 Section 11. Subsection (4) is added to section 185.08,  
 572 Florida Statutes, to read:

573 185.08 State excise tax on casualty insurance premiums  
 574 authorized; procedure.—For any municipality, chapter plan, local  
 575 law municipality, or local law plan under this chapter:

576 (4) If a municipality revokes its participation under this  
 577 chapter in accordance with s. 185.60, the excise tax authorized  
 578 by this section shall not continue to be imposed on casualty  
 579 insurance policies covering property situated within the  
 580 municipality.

581 Section 12. Section 185.34, Florida Statutes, is amended  
 582 to read:

583 185.34 Disability in line of duty.—For any municipality,  
 584 chapter plan, local law municipality, or local law plan under  
 585 this chapter, any condition or impairment of health of any ~~and~~  
 586 all police officer officers employed in the state, who has been  
 587 employed by the current employer for at least 5 years and who is

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588 less than 37 years of age, caused by tuberculosis, hypertension,  
589 heart disease, or hardening of the arteries, resulting in total  
590 or partial disability or death, shall be presumed to be  
591 accidental and suffered in line of duty unless the contrary be  
592 shown by a preponderance of the ~~competent~~ evidence. Any  
593 condition or impairment of health caused directly or proximately  
594 by exposure, which exposure occurred in the active performance  
595 of duty at some definite time or place without willful  
596 negligence on the part of the police officer, resulting in total  
597 or partial disability, shall be presumed to be accidental and  
598 suffered in the line of duty, provided that such police officer  
599 shall have successfully passed a physical examination upon  
600 entering such service, which physical examination including  
601 electrocardiogram failed to reveal any evidence of such  
602 condition, and, further, that such presumption shall not apply  
603 to benefits payable under or granted in a policy of life  
604 insurance or disability insurance. Risk factors and  
605 epidemiological data relating to nonwork-related conditions  
606 unique to an individual, such as blood cholesterol, body mass  
607 index, history of tobacco and alcohol use, and other medical  
608 conditions or behaviors that are associated with the disease or  
609 condition subject to the presumption, are appropriate for  
610 consideration in denying or overcoming the presumption. This  
611 section shall be applicable to all police officers only with  
612 reference to pension and retirement benefits under this chapter.

613 Section 13. Section 185.35, Florida Statutes, is amended  
614 to read:

615 185.35 Municipalities having their own pension plans for

616 police officers.—For any municipality, chapter plan, local law  
617 municipality, or local law plan under this chapter, in order for  
618 municipalities with their own pension plans for police officers,  
619 or for police officers and firefighters if included, to  
620 participate in the distribution of the tax fund established  
621 pursuant to s. 185.08, local law plans must meet the minimum  
622 benefits and minimum standards set forth in this chapter.†

623 (1) Notwithstanding any other provision, retirement  
624 benefits provided pursuant to this chapter and the use of the  
625 income from the premium tax in s. 185.08 must be determined and  
626 implemented in accordance with the collective bargaining  
627 process, and where collective bargaining is not applicable, in  
628 accordance with the pension plan, except as provided in  
629 subsection (2). If the term of a collective bargaining agreement  
630 ends without a new collective bargaining agreement in effect,  
631 the retirement benefits of a plan operating pursuant to this  
632 chapter shall revert to the minimum benefit provisions of this  
633 chapter for the period of time from the end of the collective  
634 bargaining agreement until the effective date of the subsequent  
635 collective bargaining agreement, and the income from the premium  
636 tax may be used for any retirement benefit provided pursuant to  
637 this chapter as determined unilaterally by the municipality. †  
638 ~~a municipality has a pension plan for police officers, or for~~  
639 ~~police officers and firefighters if included, which, in the~~  
640 ~~opinion of the division, meets the minimum benefits and minimum~~  
641 ~~standards set forth in this chapter, the board of trustees of~~  
642 ~~the pension plan, as approved by a majority of police officers~~  
643 ~~of the municipality, may:~~

644 ~~(a) Place the income from the premium tax in s. 185.08 in~~  
 645 ~~such pension plan for the sole and exclusive use of its police~~  
 646 ~~officers, or its police officers and firefighters if included,~~  
 647 ~~where it shall become an integral part of that pension plan and~~  
 648 ~~shall be used to pay extra benefits to the police officers~~  
 649 ~~included in that pension plan; or~~

650 ~~(b) May place the income from the premium tax in s. 185.08~~  
 651 ~~in a separate supplemental plan to pay extra benefits to the~~  
 652 ~~police officers, or police officers and firefighters if~~  
 653 ~~included, participating in such separate supplemental plan.~~

654 (2) ~~The premium tax provided by this chapter shall in all~~  
 655 ~~cases be used in its entirety to provide extra benefits to~~  
 656 ~~police officers, or to police officers and firefighters if~~  
 657 ~~included. For However,~~ local law plans in effect on October 1,  
 658 1998, that do not ~~must~~ comply with the minimum benefit  
 659 provisions of this chapter, as only to the extent that  
 660 additional premium tax revenues become available, such revenues  
 661 shall be used to incrementally fund the cost of such compliance  
 662 as provided in s. 185.16(2). ~~If a plan is in compliance with~~  
 663 ~~such minimum benefit provisions, as subsequent additional tax~~  
 664 ~~revenues become available, they shall be used to provide extra~~  
 665 ~~benefits.~~ Local law plans created by special act before May 27,  
 666 1939, shall be deemed to comply with this chapter. For the  
 667 purpose of this chapter, the term:

668 (a) "additional premium tax revenues" means revenues  
 669 received by a municipality pursuant to s. 185.10 which exceed  
 670 the amount received for calendar year 1997. Once a plan is in  
 671 compliance with the minimum benefit provisions of this chapter,

672 the provisions of subsection (1) apply.

673 ~~(b) "Extra benefits" means benefits in addition to or~~  
 674 ~~greater than those provided to general employees of the~~  
 675 ~~municipality and in addition to those in existence for police~~  
 676 ~~officers on March 12, 1999.~~

677 (3) A retirement plan or amendment to a retirement plan  
 678 may not be proposed for adoption unless the proposed plan or  
 679 amendment contains an actuarial estimate of the costs involved.  
 680 The ~~Such~~ proposed plan or proposed plan change may not be  
 681 adopted without the approval of the municipality or, if required  
 682 ~~where permitted~~, the Legislature. Copies of the proposed plan or  
 683 proposed plan change and the actuarial impact statement of the  
 684 proposed plan or proposed plan change shall be furnished to the  
 685 division before the last public hearing thereon. Such statement  
 686 must also indicate whether the proposed plan or proposed plan  
 687 change is in compliance with s. 14, Art. X of the State  
 688 Constitution and those provisions of part VII of chapter 112  
 689 which are not expressly provided in this chapter.  
 690 Notwithstanding any other provision, only those local law plans  
 691 created by special act of legislation before May 27, 1939, are  
 692 deemed to meet the minimum benefits and minimum standards only  
 693 in this chapter.

694 (4) Notwithstanding any other provision, with respect to  
 695 any supplemental plan municipality:

696 (a) ~~Section 185.02(4)(a) does not apply, and~~ A local law  
 697 plan and a supplemental plan may continue to use their  
 698 definition of compensation or salary in existence on March 12,  
 699 1999.

700           (b) Section 185.05(1)(b) does not apply, and a local law  
 701 plan and a supplemental plan must continue to be administered by  
 702 a board or boards of trustees numbered, constituted, and  
 703 selected as the board or boards were numbered, constituted, and  
 704 selected on December 1, 2000.

705           (c) The election set forth in paragraph (1)(b) is deemed  
 706 to have been made.

707           (d) The annual amount of premium tax revenues allocated to  
 708 the supplemental plan shall be determined through collective  
 709 bargaining, where applicable, and in accordance with the pension  
 710 plan where collective bargaining does not apply. If the term of  
 711 a collective bargaining agreement ends without a new collective  
 712 bargaining agreement in effect, the amount of premium tax  
 713 revenues allocated to the supplemental plan shall be determined  
 714 unilaterally by the municipality for the period of time from the  
 715 end of the collective bargaining agreement until the effective  
 716 date of the subsequent collective bargaining agreement.

717           (5) The retirement plan setting forth the benefits and the  
 718 trust agreement, if any, covering the duties and  
 719 responsibilities of the trustees and the regulations of the  
 720 investment of funds must be in writing and copies made available  
 721 to the participants and to the general public.

722           (6) A municipality may unilaterally establish one or more  
 723 new plans, or benefit levels within a plan, which provide  
 724 different benefit levels for plan members based on the member's  
 725 date of hire if the new plan or benefit level provides pension  
 726 benefits that, in the aggregate, meet or exceed the minimum  
 727 benefits set forth in this chapter, as determined by the plan's

728 or employer's actuary. A municipality may unilaterally elect to  
 729 maintain an existing plan and join the Florida Retirement System  
 730 or establish a defined contribution retirement plan for  
 731 employees hired after a specified date. A municipality choosing  
 732 to operate under this subsection shall use the premium tax  
 733 provided under this chapter for the current plan or benefit  
 734 level, for any additional plan or benefit level, for  
 735 contributions to the Florida Retirement System, or for  
 736 contributions to a defined contribution retirement plan.

737 Section 14. Section 185.37, Florida Statutes, is amended  
 738 to read:

739 185.37 Termination of plan and distribution of fund.—For  
 740 any municipality, chapter plan, local law municipality, or local  
 741 law plan under this chapter, the plan may be terminated by the  
 742 municipality. Upon termination of the plan by the municipality  
 743 for any reason, or because of a transfer, merger, or  
 744 consolidation of governmental units, services, or functions as  
 745 provided in chapter 121, or upon written notice to the board of  
 746 trustees by the municipality that contributions under the plan  
 747 are being permanently discontinued, the rights of all employees  
 748 to benefits accrued to the date of such termination or  
 749 discontinuance and the amounts credited to the employees'  
 750 accounts are nonforfeitable. The fund shall be distributed in  
 751 accordance with the following procedures:

752 (1) The board of trustees, subject to prior written  
 753 approval of the municipality, shall determine the date of  
 754 distribution and the asset value required to fund all the  
 755 nonforfeitable benefits, after taking into account the expenses

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756 of such distribution. The board shall inform the municipality if  
757 additional assets are required, in which event the municipality  
758 shall continue to financially support the plan until all  
759 nonforfeitable benefits have been funded.

760 (2) The board of trustees, subject to prior written  
761 approval of the municipality, shall determine the method of  
762 distribution of the asset value, whether distribution shall be  
763 by payment in cash, by the maintenance of another or substituted  
764 trust fund, by the purchase of insured annuities, or otherwise,  
765 for each police officer entitled to benefits under the plan, as  
766 specified in subsection (3).

767 (3) The board of trustees, subject to prior written  
768 approval of the municipality, shall distribute the asset value  
769 as of the date of termination in the manner set forth in this  
770 subsection, on the basis that the amount required to provide any  
771 given retirement income is the actuarially computed single-sum  
772 value of such retirement income, except that if the method of  
773 distribution determined under subsection (2) involves the  
774 purchase of an insured annuity, the amount required to provide  
775 the given retirement income is the single premium payable for  
776 such annuity. The actuarial single-sum value may not be less  
777 than the employee's accumulated contributions to the plan, with  
778 interest if provided by the plan, less the value of any plan  
779 benefits previously paid to the employee.

780 (4) If there is asset value remaining after the full  
781 distribution specified in subsection (3), and after payment of  
782 any expenses incurred with such distribution, such excess shall  
783 be returned to the municipality, less return to the state of the

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784 state's contributions, provided that, if the excess is less than  
785 the total contributions made by the municipality and the state  
786 to date of termination of the plan, such excess shall be divided  
787 proportionately to the total contributions made by the  
788 municipality and the state.

789 (5) The board of trustees, subject to prior written  
790 approval of the municipality, shall distribute, in accordance  
791 with the manner of distribution determined under subsection (2),  
792 the amounts determined under subsection (3).

793

794 If, after 24 months after the date the plan terminated or the  
795 date the board received written notice that the contributions  
796 thereunder were being permanently discontinued, the municipality  
797 or the board of trustees of the municipal police officers'  
798 retirement trust fund affected has not complied with all the  
799 provisions in this section, the Department of Management  
800 Services shall effect the termination of the fund in accordance  
801 with this section and in the manner having the least fiscal  
802 impact on the municipality.

803 Section 15. The Legislature finds that a proper and  
804 legitimate state purpose is served when employees and retirees  
805 of the state and its political subdivisions, and the dependents,  
806 survivors, and beneficiaries of such employees and retirees are  
807 extended the basic protections afforded by governmental  
808 retirement systems that provide fair and adequate benefits and  
809 that are managed, administered, and funded in an actuarially  
810 sound manner as required by s. 14, Art. X of the State  
811 Constitution and part VII of chapter 112, Florida Statutes.

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812 | Therefore, the Legislature determines and declares that this act  
813 | fulfills an important state interest.

814 |       Section 16. This act shall take effect July 1, 2012.