

By the Committee on Banking and Insurance; and Senators Hays and Bennett

597-02860-12

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1 A bill to be entitled

2 An act relating to public retirement plans; amending
3 s. 175.351, F.S.; revising provisions relating to
4 benefits paid from the premium tax by a municipality
5 or special fire control district that has its own
6 pension plan; providing for retroactive application;
7 amending s. 185.02, F.S.; revising the definition of
8 the term "compensation" or "salary" for purposes of
9 police officers' pensions; amending s. 185.35, F.S.;
10 revising provisions relating to benefits paid by a
11 municipality that has its own pension plan; providing
12 for retroactive application; providing a declaration
13 of important state interest; providing an effective
14 date.

15
16 Be It Enacted by the Legislature of the State of Florida:

17
18 Section 1. Subsection (6) is added to section 175.351,
19 Florida Statutes, to read:

20 175.351 Municipalities and special fire control districts
21 having their own pension plans for firefighters.—For any
22 municipality, special fire control district, local law
23 municipality, local law special fire control district, or local
24 law plan under this chapter, in order for municipalities and
25 special fire control districts with their own pension plans for
26 firefighters, or for firefighters and police officers if
27 included, to participate in the distribution of the tax fund
28 established pursuant to s. 175.101, local law plans must meet
29 the minimum benefits and minimum standards set forth in this

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30 chapter.

31 (6) Notwithstanding any other provision, with respect to
32 any plan established under this chapter, if the municipality or
33 special fire control district and the plan members' collective
34 bargaining representative or, if none, a majority of the plan
35 members, mutually consent to the retirement benefits provided in
36 the plan or to the use of income for retirement benefits from
37 the premium tax provided pursuant to this chapter, the
38 provisions of the agreement shall be deemed to comply with this
39 chapter for all purposes. This subsection is retroactive in
40 application to any agreement entered into or effective on or
41 after October 1, 2010.

42 Section 2. Subsection (4) of section 185.02, Florida
43 Statutes, is amended to read:

44 185.02 Definitions.—For any municipality, chapter plan,
45 local law municipality, or local law plan under this chapter,
46 the following words and phrases as used in this chapter shall
47 have the following meanings, unless a different meaning is
48 plainly required by the context:

49 (4) The term "compensation" or "salary" means, for
50 noncollectively bargained service earned before July 1, 2011, or
51 for service earned under collective bargaining agreements in
52 place before July 1, 2011, the total cash remuneration including
53 "overtime" paid by the primary employer to a police officer for
54 services rendered, but not including any payments for extra duty
55 or special detail work performed on behalf of a second party
56 employer. A local law plan may limit the amount of overtime
57 payments which can be used for retirement benefit calculation
58 purposes; however, such overtime limit may not be less than 300

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59 ~~hours per officer per calendar year.~~ For noncollectively
60 bargained service earned on or after July 1, 2011, or for
61 service earned under collective bargaining agreements entered
62 into on or after July 1, 2011, the term has the same meaning
63 except that when calculating retirement benefits, up to 300
64 hours per year in overtime compensation may be included as
65 specified in the plan or collective bargaining agreement, but
66 payments for accrued unused sick or annual leave may not be
67 included.

68 (a) Any retirement trust fund or plan that meets the
69 requirements of this chapter does not, solely by virtue of this
70 subsection, reduce or diminish the monthly retirement income
71 otherwise payable to each police officer covered by the
72 retirement trust fund or plan.

73 (b) The member's compensation or salary contributed as
74 employee-elective salary reductions or deferrals to any salary
75 reduction, deferred compensation, or tax-sheltered annuity
76 program authorized under the Internal Revenue Code shall be
77 deemed to be the compensation or salary the member would receive
78 if he or she were not participating in such program and shall be
79 treated as compensation for retirement purposes under this
80 chapter.

81 (c) For any person who first becomes a member in any plan
82 year beginning on or after January 1, 1996, compensation for
83 that plan year may not include any amounts in excess of the
84 Internal Revenue Code s. 401(a)(17) limitation, as amended by
85 the Omnibus Budget Reconciliation Act of 1993, which limitation
86 of \$150,000 shall be adjusted as required by federal law for
87 qualified government plans and shall be further adjusted for

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88 changes in the cost of living in the manner provided by Internal
89 Revenue Code s. 401(a)(17)(B). For any person who first became a
90 member before the first plan year beginning on or after January
91 1, 1996, the limitation on compensation may not be less than the
92 maximum compensation amount that was allowed to be taken into
93 account under the plan as in effect on July 1, 1993, which
94 limitation shall be adjusted for changes in the cost of living
95 since 1989 in the manner provided by Internal Revenue Code s.
96 401(a)(17)(1991).

97 Section 3. Subsection (6) is added to section 185.35,
98 Florida Statutes, to read:

99 185.35 Municipalities having their own pension plans for
100 police officers.—For any municipality, chapter plan, local law
101 municipality, or local law plan under this chapter, in order for
102 municipalities with their own pension plans for police officers,
103 or for police officers and firefighters if included, to
104 participate in the distribution of the tax fund established
105 pursuant to s. 185.08, local law plans must meet the minimum
106 benefits and minimum standards set forth in this chapter:

107 (6) Notwithstanding any other provision, with respect to
108 any plan established under this chapter, if the municipality and
109 the plan members' collective bargaining representative or, if
110 none, a majority of plan members, mutually consent to the
111 retirement benefits provided in the plan or to the use of income
112 for retirement benefits from the premium tax provided pursuant
113 to this chapter, the provisions of the agreement shall be deemed
114 to comply with this chapter for all purposes. This subsection is
115 retroactive in application to any agreement entered into or
116 effective on or after October 1, 2010.

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117 Section 4. The Legislature finds that a proper and
118 legitimate state purpose is served when employees and retirees
119 of the state and its political subdivisions, and the dependents,
120 survivors, and beneficiaries of such employees and retirees are
121 extended the basic protections afforded by governmental
122 retirement systems that provide fair and adequate benefits and
123 that are managed, administered, and funded in an actuarially
124 sound manner as required by s. 14, Art. X of the State
125 Constitution and part VII of chapter 112, Florida Statutes.
126 Therefore, the Legislature determines and declares that this act
127 fulfills an important state interest.

128 Section 5. This act shall take effect upon becoming a law.