



328110

585-01672-13

Proposed Committee Substitute by the Committee on Governmental
Oversight and Accountability

A bill to be entitled

An act relating to firefighter and police officer pension plans; amending s. 175.021, F.S.; revising the legislative declaration to require all plans to meet the requirements of ch. 175, F.S., in order to receive insurance premium tax revenues; amending s. 175.032, F.S.; revising definitions to conform to changes made by the act and adding new definitions; amending s. 175.071, F.S.; conforming a cross-reference; amending s. 175.091, F.S.; revising existing payment provisions and providing an additional mandatory payment by the municipality or special fire control district to the firefighters' pension trust fund; amending s. 175.351, F.S., relating to municipalities and special fire control districts that have their own pension plans and want to participate in the distribution of a tax fund; revising how income from the premium tax must be used; requiring plan sponsors to have a defined contribution plan in place by a certain date; amending s. 185.01, F.S.; revising the legislative declaration to require all plans to meet the requirements of ch. 185, F.S., in order to receive insurance premium tax revenues; amending s. 185.02, F.S.; revising definitions to conform to changes made by the act and adding new definitions; deleting a provision allowing a local law plan to limit the amount of overtime payments which can be used for retirement benefit



328110

585-01672-13

28 calculations; amending s. 185.06, F.S.; conforming a
29 cross-reference; amending s. 185.07, F.S.; revising
30 existing payment provisions and providing for an
31 additional mandatory payment by the municipality to
32 the police officers' retirement trust fund; amending
33 s. 185.35, F.S., relating to municipalities that have
34 their own pension plans for police officers and want
35 to participate in the distribution of a tax fund;
36 revising how income from the premium tax must be used;
37 requiring plan sponsors to have a defined contribution
38 plan in place by a certain date; providing a
39 declaration of important state interest; providing an
40 effective date.

41

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

43

44 Section 1. Subsection (2) of section 175.021, Florida
45 Statutes, is amended to read:

46 175.021 Legislative declaration.—

47 (2) This chapter hereby establishes, for all municipal and
48 special district pension plans existing ~~now or hereafter~~ under
49 this chapter, including chapter plans and local law plans, base
50 ~~minimum~~ benefits and minimum standards for the operation and
51 funding of such plans, hereinafter referred to as firefighters'
52 pension trust funds, which must be met as a condition precedent
53 to the plan or plan sponsor receiving a distribution of
54 insurance premium tax revenues under s. 175.121. The base
55 ~~minimum~~ benefits and minimum standards for each plan as set
56 forth in this chapter may not be diminished by local charter,



328110

585-01672-13

57 ordinance, or resolution or by special act of the Legislature,
58 ~~or nor may the minimum benefits or minimum standards~~ be reduced
59 or offset by any other local, state, or federal law that may
60 include firefighters in its operation, except as provided under
61 s. 112.65.

62 Section 2. Section 175.032, Florida Statutes, is amended to
63 read:

64 175.032 Definitions.—For any municipality, special fire
65 control district, chapter plan, local law municipality, local
66 law special fire control district, or local law plan under this
67 chapter, the ~~term following words and phrases have the following~~
68 ~~meanings:~~

69 (1) "Additional premium tax revenues" means revenues
70 received by a municipality or special fire control district
71 pursuant to s. 175.121 which exceed base premium tax revenues.

72 (2)(1)(a) "Average final compensation" for:

73 (a) A full-time firefighter means one-twelfth of the
74 average annual compensation of the 5 best years of the last 10
75 years of creditable service before ~~prior to~~ retirement,
76 termination, or death, or the career average as a full-time
77 firefighter since July 1, 1953, whichever is greater. A year is
78 ~~shall be~~ 12 consecutive months or such other consecutive period
79 of time as is used and consistently applied.

80 (b) "Average final compensation" for A volunteer
81 firefighter means the average salary of the 5 best years of the
82 last 10 best contributing years before a ~~prior to~~ change in
83 status to a permanent full-time firefighter or retirement as a
84 volunteer firefighter or the career average of a volunteer
85 firefighter, since July 1, 1953, whichever is greater.



328110

585-01672-13

86 (3) "Base benefits" means the level of benefits in
87 existence for firefighters on March 12, 1999.

88 (4) "Base premium tax revenues" means revenues received by
89 a municipality or special fire control district pursuant to s.
90 175.121 equal to the amount of such revenues received for
91 calendar year 1997.

92 (5)-(2) "Chapter plan" means a separate defined benefit
93 pension plan for firefighters which incorporates by reference
94 the provisions of this chapter and has been adopted by the
95 governing body of a municipality or special district. Except as
96 may be specifically authorized in this chapter, the provisions
97 of a chapter plan may not differ from the plan provisions set
98 forth in ss. 175.021-175.341 and 175.361-175.401. Actuarial
99 valuations of chapter plans shall be conducted by the division
100 as provided by s. 175.261(1).

101 (6)-(3) "Compensation" or "salary" means, for
102 noncollectively bargained service earned before July 1, 2011, or
103 for service earned under collective bargaining agreements in
104 place before July 1, 2011, the fixed monthly remuneration paid a
105 firefighter. If remuneration is based on actual services
106 rendered, as in the case of a volunteer firefighter, the term
107 means the total cash remuneration received yearly for such
108 services, prorated on a monthly basis. For noncollectively
109 bargained service earned on or after July 1, 2011, or for
110 service earned under collective bargaining agreements entered
111 into on or after July 1, 2011, the term has the same meaning
112 except that when calculating retirement benefits, up to 300
113 hours per year in overtime compensation may be included as
114 specified in the plan or collective bargaining agreement, but



328110

585-01672-13

115 payments for accrued unused sick or annual leave may not be
116 included.

117 (a) Any retirement trust fund or plan that meets the
118 requirements of this chapter does not, solely by virtue of this
119 subsection, reduce or diminish the monthly retirement income
120 otherwise payable to each firefighter covered by the retirement
121 trust fund or plan.

122 (b) The member's compensation or salary contributed as
123 employee-elective salary reductions or deferrals to any salary
124 reduction, deferred compensation, or tax-sheltered annuity
125 program authorized under the Internal Revenue Code shall be
126 deemed to be the compensation or salary the member would receive
127 if he or she were not participating in such program and ~~shall be~~
128 treated as compensation for retirement purposes under this
129 chapter.

130 (c) For any person who first becomes a member in any plan
131 year beginning on or after January 1, 1996, compensation for
132 that plan year may not include any amounts in excess of the
133 Internal Revenue Code s. 401(a)(17) limitation, as amended by
134 the Omnibus Budget Reconciliation Act of 1993, which limitation
135 of \$150,000 shall be adjusted as required by federal law for
136 qualified government plans and shall be further adjusted for
137 changes in the cost of living in the manner provided by Internal
138 Revenue Code s. 401(a)(17)(B). For any person who first became a
139 member before the first plan year beginning on or after January
140 1, 1996, the limitation on compensation may not be less than the
141 maximum compensation amount that was allowed to be taken into
142 account under the plan in effect on July 1, 1993, which
143 limitation shall be adjusted for changes in the cost of living



328110

585-01672-13

144 since 1989 in the manner provided by Internal Revenue Code s.
145 401(a)(17)(1991).

146 (7)~~(4)~~ "Creditable service" or "credited service" means the
147 aggregate number of years of service, and fractional parts of
148 years of service, of any firefighter, omitting intervening years
149 and fractional parts of years when such firefighter may not have
150 been employed by the municipality or special fire control
151 district, subject to the following conditions:

152 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
153 or fractional parts of years of service if he or she has
154 withdrawn his or her contributions to the fund for those years
155 or fractional parts of years of service, unless the firefighter
156 repays into the fund the amount he or she has withdrawn, plus
157 interest determined by the board. The member shall have at least
158 90 days after his or her reemployment to make repayment.

159 (b) A firefighter may voluntarily leave his or her
160 contributions in the fund for ~~a period of~~ 5 years after leaving
161 the employ of the fire department, pending the possibility of
162 being rehired by the same department, without losing credit for
163 the time he or she has participated actively as a firefighter.
164 If the firefighter is not reemployed as a firefighter, with the
165 same department, within 5 years, his or her contributions shall
166 be returned without interest.

167 (c) Credited service under this chapter shall be provided
168 only for service as a firefighter, ~~as defined in subsection (8),~~
169 or for military service and does not include credit for any
170 other type of service. A municipality ~~may~~, by local ordinance,
171 or a special fire control district ~~may~~, by resolution, may
172 provide for the purchase of credit for military service prior to



328110

585-01672-13

173 employment as well as for prior service as a firefighter for
174 some other employer as long as a firefighter is not entitled to
175 receive a benefit for such prior service ~~as a firefighter~~. For
176 purposes of determining credit for prior service as a
177 firefighter, in addition to service as a firefighter in this
178 state, credit may be given for federal, other state, or county
179 service if the prior service is recognized by the Division of
180 State Fire Marshal as provided under chapter 633, or the
181 firefighter provides proof to the board of trustees that his or
182 her service is equivalent to the service required to meet the
183 definition of a firefighter under subsection (12) ~~(8)~~.

184 (8) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
185 local law plan retirement option in which a firefighter may
186 elect to participate. A firefighter may retire for all purposes
187 of the plan and defer receipt of retirement benefits into a DROP
188 account while continuing employment with his or her employer.
189 However, a firefighter who enters ~~the~~ DROP and who is otherwise
190 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
191 participating, or continuing to participate, in a supplemental
192 plan in existence on, or created after, March 12, 1999 ~~the~~
193 ~~effective date of this act.~~

194 (9) "Defined contribution plan" means the component of a
195 local law plan to which deposits are made to provide benefits
196 for firefighters, or for firefighters and police officers if
197 both are included, under this chapter. Such component is an
198 element of a local law plan and exists in conjunction with the
199 defined benefit component that meets the base benefits and
200 minimum standards of this chapter. The retirement benefits of
201 the defined contribution plan shall be provided through



328110

585-01672-13

202 individual member accounts in accordance with the applicable
203 provisions of the Internal Revenue Code and related regulations
204 and are limited to the contributions made into each member's
205 account and the actual accumulated earnings, net of expenses,
206 earned on the member's account.

207 ~~(10)(6)~~ "Division" means the Division of Retirement of the
208 Department of Management Services.

209 ~~(11)(7)~~ "Enrolled actuary" means an actuary who is enrolled
210 under Subtitle C of Title III of the Employee Retirement Income
211 Security Act of 1974 and who is a member of the Society of
212 Actuaries or the American Academy of Actuaries.

213 ~~(12)(8)~~(a) "Firefighter" means any person employed solely
214 by a constituted fire department of any municipality or special
215 fire control district who is certified as a firefighter as a
216 condition of employment in accordance with s. 633.35 and whose
217 duty it is to extinguish fires, to protect life, or to protect
218 property. The term includes all certified, supervisory, and
219 command personnel whose duties include, in whole or in part, the
220 supervision, training, guidance, and management responsibilities
221 of full-time firefighters, part-time firefighters, or auxiliary
222 firefighters but does not include part-time firefighters or
223 auxiliary firefighters. However, for purposes of this chapter
224 only, the term also includes public safety officers who are
225 responsible for performing both police and fire services, who
226 are certified as police officers or firefighters, and who are
227 certified by their employers to the Chief Financial Officer as
228 participating in this chapter before October 1, 1979. Effective
229 October 1, 1979, public safety officers who have not been
230 certified as participating in this chapter are considered police



328110

585-01672-13

231 officers for retirement purposes and are eligible to participate
232 in chapter 185. Any plan may provide that the fire chief has an
233 option to participate, or not, in that plan.

234 (b) "Volunteer firefighter" means any person whose name is
235 carried on the active membership roll of a constituted volunteer
236 fire department or a combination of a paid and volunteer fire
237 department of any municipality or special fire control district
238 and whose duty it is to extinguish fires, to protect life, and
239 to protect property. Compensation for services rendered by a
240 volunteer firefighter shall not disqualify him or her as a
241 volunteer. A person shall not be disqualified as a volunteer
242 firefighter solely because he or she has other gainful
243 employment. Any person who volunteers assistance at a fire but
244 is not an active member of a department described herein is not
245 a volunteer firefighter within the meaning of this paragraph.

246 ~~(13)(9)~~ "Firefighters' Pension Trust Fund" means a trust
247 fund, by whatever name known, as provided under s. 175.041, for
248 the purpose of assisting municipalities and special fire control
249 districts in establishing and maintaining a retirement plan for
250 firefighters.

251 ~~(14)(10)~~ "Local law municipality" is any municipality in
252 which ~~there exists~~ a local law plan exists.

253 ~~(15)(11)~~ "Local law plan" means a retirement defined
254 benefit pension plan, which includes both a defined benefit plan
255 component and a defined contribution plan component, for
256 firefighters, or for firefighters or police officers if both are
257 where included, as described in s. 175.351, established by
258 municipal ordinance, special district resolution, or special act
259 of the Legislature, which enactment sets forth all plan



328110

585-01672-13

260 provisions. Local law plan provisions may vary from the
261 provisions of this chapter if the base, ~~provided that required~~
262 ~~minimum~~ benefits and minimum standards of this chapter are met.
263 However, any such variance must ~~shall~~ provide a greater benefit
264 for firefighters. Actuarial valuations of local law plans shall
265 be conducted by an enrolled actuary as provided in s.
266 175.261(2).

267 ~~(16)-(12)~~ "Local law special fire control district" is any
268 special fire control district in which ~~there exists~~ a local law
269 plan exists.

270 ~~(17)~~ "Long-term funded ratio" or "funded ratio" means the
271 ratio of the actuarial assets of the plan to the actuarial
272 liabilities of the plan as reported in the most recent actuarial
273 valuation of the plan and deemed to be in compliance with
274 chapter 112 by the Department of Management Services.

275 ~~(18)-(13)~~ "Property insurance" means property insurance as
276 defined in s. 624.604 and covers real and personal property
277 within the corporate limits of a any municipality, or within the
278 boundaries of a any special fire control district, within the
279 state. "Multiple peril" means a combination or package policy
280 that includes both property and casualty coverage for a single
281 premium.

282 ~~(19)-(14)~~ "Retiree" or "retired firefighter" means a
283 firefighter who has entered retirement status. For the purposes
284 of a plan that includes a Deferred Retirement Option Plan
285 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
286 a retiree for all purposes of the plan. However, a firefighter
287 who enters ~~the~~ DROP and who is otherwise eligible to participate
288 may ~~shall~~ not ~~thereby~~ be precluded from participating, or



328110

585-01672-13

289 continuing to participate, in a supplemental plan in existence
290 on, or created after, March 12, 1999 ~~the effective date of this~~
291 ~~act.~~

292 (20) ~~(15)~~ "Retirement" means a firefighter's separation from
293 city or fire district employment as a firefighter with immediate
294 eligibility for ~~receipt of~~ benefits under the plan. For purposes
295 of a plan that includes a Deferred Retirement Option Plan
296 (DROP), "retirement" means the date a firefighter enters ~~the~~
297 DROP.

298 (21) "Special benefits" means benefits provided in a
299 defined contribution plan for firefighters.

300 (22) ~~(16)~~ "Special fire control district" means a special
301 district, as defined in s. 189.403~~(1)~~, established for the
302 purposes of extinguishing fires, protecting life, and protecting
303 property within the incorporated or unincorporated portions of a
304 ~~any~~ county or combination of counties, or within any combination
305 of incorporated and unincorporated portions of a ~~any~~ county or
306 combination of counties. The term does not include any dependent
307 or independent special district, as those terms are defined in
308 s. 189.403~~(2) and (3)~~, ~~respectively~~, the employees of which are
309 members of the Florida Retirement System pursuant to s.
310 121.051(1) or (2).

311 (23) ~~(17)~~ "Supplemental plan" means a plan to which deposits
312 are made to provide extra benefits for firefighters, or for
313 firefighters and police officers if both are ~~where~~ included,
314 under this chapter. Such a plan is an element of a local law
315 plan and exists in conjunction with a defined benefit component
316 ~~plan~~ that meets the base ~~minimum~~ benefits and minimum standards
317 of this chapter.



328110

585-01672-13

318 ~~(24)(18)~~ "Supplemental plan municipality" means a any local
319 law municipality in which ~~there existed~~ a supplemental plan
320 existed, of any type or nature, as of December 1, 2000.

321 Section 3. Paragraph (b) of subsection (7) of section
322 175.071, Florida Statutes, is amended to read:

323 175.071 General powers and duties of board of trustees.—For
324 any municipality, special fire control district, chapter plan,
325 local law municipality, local law special fire control district,
326 or local law plan under this chapter:

327 (7) To assist the board in meeting its responsibilities
328 under this chapter, the board, if it so elects, may:

329 (b) Employ an independent enrolled actuary, as defined in
330 s. 175.032~~(7)~~, at the pension fund's expense.

331
332 If the board chooses to use the municipality's or special
333 district's legal counsel or actuary, or chooses to use any of
334 the municipality's or special district's other professional,
335 technical, or other advisers, it must do so only under terms and
336 conditions acceptable to the board.

337 Section 4. Paragraphs (d) through (g) of subsection (1) of
338 section 175.091, Florida Statutes, are amended, and a new
339 paragraph (e) is added to that subsection, to read:

340 175.091 Creation and maintenance of fund.—For any
341 municipality, special fire control district, chapter plan, local
342 law municipality, local law special fire control district, or
343 local law plan under this chapter:

344 (1) The firefighters' pension trust fund in each
345 municipality and in each special fire control district shall be
346 created and maintained in the following manner:



328110

585-01672-13

347 (d) By mandatory payment by the municipality or special
348 fire control district of a sum equal to the normal cost of and
349 the amount required to fund any actuarial deficiency shown by an
350 actuarial valuation as provided in part VII of chapter 112 after
351 taking into account the amounts described in paragraphs (b),
352 (c), (f), (g), and (h) and the amounts of the tax proceeds
353 described in paragraph (a) that must be used to fund the normal
354 costs of base benefits and other pension benefits.

355 (e) For local law plans, and in addition to the mandatory
356 payment described in paragraph (d), by mandatory payment by the
357 municipality or special fire control district of the amount
358 specified in s. 175.351(3) if the long-term funded ratio of the
359 plan is less than 80 percent.

360 ~~(f)~~ By all gifts, bequests, and devises when donated to
361 the fund.

362 ~~(g)~~ By all accretions to the fund by way of interest or
363 dividends on bank deposits, or otherwise.

364 ~~(h)~~ By all other sources or income now or hereafter
365 authorized by law for the augmentation of such firefighters'
366 pension trust fund.

367
368 Nothing in this section shall be construed to require adjustment
369 of member contribution rates in effect on the date this act
370 becomes a law, including rates that exceed 5 percent of salary,
371 provided that such rates are at least one-half of 1 percent of
372 salary.

373 Section 5. Section 175.351, Florida Statutes, is amended to
374 read:

375 175.351 Municipalities and special fire control districts



328110

585-01672-13

376 having their own pension plans for firefighters. ~~For any~~
377 ~~municipality, special fire control district, local law~~
378 ~~municipality, local law special fire control district, or local~~
379 ~~law plan under this chapter,~~ In order for a municipality or
380 ~~municipalities and special fire control district that has its~~
381 ~~districts with their own pension plan plans~~ for firefighters, or
382 for firefighters and police officers if both are included, to
383 participate in the distribution of the tax fund established
384 under pursuant to s. 175.101, a local law plan and its plan
385 sponsor plans must meet the base minimum benefits and minimum
386 standards set forth in this chapter.

387 (1) If a municipality has a pension plan for firefighters,
388 or a pension plan for firefighters and police officers if both
389 are included, which in the opinion of the division meets the
390 base minimum benefits and minimum standards set forth in this
391 chapter, the board of trustees of the pension plan, as approved
392 by a majority of firefighters of the municipality, must ~~may:~~

393 ~~(a)~~ place the income from the premium tax in s. 175.101 in
394 such ~~pension~~ plan for the sole and exclusive use of its
395 firefighters, or for firefighters and police officers if both
396 are included, where it shall become an integral part of that
397 ~~pension~~ plan and ~~shall~~ be used to fund benefits for firefighters
398 as follows:

399 (a) The base premium tax revenues must be used to fund base
400 benefits.

401 (b) Of the premium tax revenues received that are in excess
402 of the amount received for the 2012 calendar year, and any
403 accumulations of additional premium tax revenues that have not
404 been applied to fund extra benefits:



328110

585-01672-13

405 1. If the plan has a long-term funded ratio of less than 80
406 percent:

407 a. Fifty percent must be used as additional contributions
408 to pay the plan's actuarial deficiency and may not be considered
409 in the determination of the mandatory payment described in s.
410 175.091(1)(d);

411 b. Twenty-five percent must be used to fund base benefits;
412 and

413 c. Twenty-five percent must be placed in a defined
414 contribution plan to fund special benefits.

415 2. If the plan has a long-term funded ratio of 80 percent
416 or greater:

417 a. Fifty percent must be used to fund base benefits; and

418 b. Fifty percent must be placed in a defined contribution
419 plan to fund special benefits.

420 (c) Additional premium tax revenues not described in
421 paragraph (b) must be used to fund benefits that were not
422 included in the base benefits to pay extra benefits to the
423 firefighters included in that pension plan; or

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

428 (2) Insurance premium tax revenues may not be used to fund
429 benefits provided in a defined benefit plan which were not
430 provided by the plan as of March 1, 2013.

431 (3) If a plan offers benefits in excess of its base
432 benefits, such benefits may be reduced if the plan continues to
433 meet the base benefits of the plan and the minimum standards set



328110

585-01672-13

434 forth in this chapter. The amount of insurance premium tax
435 revenues previously used to fund benefits in excess of the
436 plan's base benefits before the reduction must be used as
437 provided in subsection (1) (b). Twenty-five percent of the amount
438 of any mandatory contribution paid by the municipality or
439 special fire control district which was previously used to fund
440 extra benefits before the reduction must be used as additional
441 contributions as specified in s. 175.091 to fund the plan's
442 actuarial deficiency.

443 ~~(4)(2) The premium tax provided by this chapter shall in~~
444 ~~all cases be used in its entirety to provide retirement extra~~
445 ~~benefits to firefighters, or to firefighters and police officers~~
446 ~~if both are included. However, local law plans in effect on~~
447 ~~October 1, 1998, must comply with the minimum benefit provisions~~
448 ~~of this chapter only to the extent that additional premium tax~~
449 ~~revenues become available to incrementally fund the cost of such~~
450 ~~compliance as provided in s. 175.162(2) (a). If a plan is in~~
451 ~~compliance with such minimum benefit provisions, as subsequent~~
452 ~~additional premium tax revenues become available, they must be~~
453 ~~used to provide extra benefits. Local law plans created by~~
454 ~~special act before May 27, 1939, are deemed to comply with this~~
455 ~~chapter. For the purpose of this chapter, the term:~~

456 ~~(a) "Additional premium tax revenues" means revenues~~
457 ~~received by a municipality or special fire control district~~
458 ~~pursuant to s. 175.121 which exceed that amount received for~~
459 ~~calendar year 1997.~~

460 ~~(b) "Extra benefits" means benefits in addition to or~~
461 ~~greater than those provided to general employees of the~~
462 ~~municipality and in addition to those in existence for~~



328110

585-01672-13

463 ~~firefighters on March 12, 1999.~~

464 (5)~~(3)~~ A retirement plan or amendment to a retirement plan
465 may not be proposed for adoption unless the proposed plan or
466 amendment contains an actuarial estimate of the costs involved.
467 Such proposed plan or proposed plan change may not be adopted
468 without the approval of the municipality, special fire control
469 district, or, where permitted, the Legislature. Copies of the
470 proposed plan or proposed plan change and the actuarial impact
471 statement of the proposed plan or proposed plan change shall be
472 furnished to the division before the last public hearing
473 thereon. Such statement must also indicate whether the proposed
474 plan or proposed plan change is in compliance with s. 14, Art. X
475 of the State Constitution and those provisions of part VII of
476 chapter 112 which are not expressly provided in this chapter.
477 Notwithstanding any other provision, only those local law plans
478 created by special act of legislation before May 27, 1939, are
479 deemed to meet the base ~~minimum~~ benefits and minimum standards
480 only in this chapter.

481 (6)~~(4)~~ Notwithstanding any other provision, with respect to
482 any supplemental plan municipality:

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

486 (b) Section 175.061(1)(b) does not apply, and a local law
487 plan and a supplemental plan shall continue to be administered
488 by a board or boards of trustees numbered, constituted, and
489 selected as the board or boards were numbered, constituted, and
490 selected on December 1, 2000.

491 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~



328110

585-01672-13

492 ~~have been made.~~

493 (7)(5) The retirement plan setting forth the benefits and
494 the trust agreement, if any, covering the duties and
495 responsibilities of the trustees and the regulations of the
496 investment of funds must be in writing, and copies made
497 available to the participants and to the general public.

498 (8) In addition to the defined benefit component of the
499 local law plan, each plan sponsor must have a defined
500 contribution plan component within the local law plan by October
501 1, 2013, or upon the creation date of a new participating plan.
502 However, the plan sponsor of any plan established by special act
503 of the Legislature has until July 1, 2014, to create a defined
504 contribution component within the plan.

505 Section 6. Subsection (2) of section 185.01, Florida
506 Statutes, is amended to read:

507 185.01 Legislative declaration.—

508 (2) This chapter hereby establishes, for all municipal
509 pension plans ~~now or hereinafter~~ provided for under this
510 chapter, including chapter plans and local law plans, base
511 ~~minimum~~ benefits and minimum standards for the operation and
512 funding of such plans, which must be met as a condition
513 precedent to the plan or plan sponsor receiving a distribution
514 of insurance premium tax revenues under s. 185.10 hereinafter
515 ~~referred to as municipal police officers' retirement trust~~
516 ~~funds~~. The base minimum benefits and minimum standards for each
517 plan as set forth in this chapter may not be diminished by local
518 ordinance or by special act of the Legislature, or ~~nor may the~~
519 ~~minimum benefits or minimum standards be~~ reduced or offset by
520 any other local, state, or federal plan that may include police



328110

585-01672-13

521 officers in its operation, except as provided under s. 112.65.

522 Section 7. Section 185.02, Florida Statutes, is amended to
523 read:

524 185.02 Definitions.—For any municipality, chapter plan,
525 local law municipality, or local law plan under this chapter,
526 the term following words and phrases as used in this chapter
527 shall have the following meanings, unless a different meaning is
528 plainly required by the context:

529 (1) "Additional premium tax revenues" means revenues
530 received by a municipality pursuant to s. 185.10 which exceed
531 base premium tax revenues.

532 (2)~~(1)~~ "Average final compensation" means one-twelfth of
533 the average annual compensation of the 5 best years of the last
534 10 years of creditable service prior to retirement, termination,
535 or death.

536 (3) "Base benefits" means the level of benefits in
537 existence for police officers on March 12, 1999.

538 (4) "Base premium tax revenues" means revenues received by
539 a municipality pursuant to s. 185.10 equal to the amount of such
540 revenues received for calendar year 1997.

541 (5)~~(2)~~ "Casualty insurance" means automobile public
542 liability and property damage insurance to be applied at the
543 place of residence of the owner, or if the subject is a
544 commercial vehicle, to be applied at the place of business of
545 the owner; automobile collision insurance; fidelity bonds;
546 burglary and theft insurance; and plate glass insurance.

547 "Multiple peril" means a combination or package policy that
548 includes both property coverage and casualty coverage for a
549 single premium.



328110

585-01672-13

550 (6)~~(3)~~ "Chapter plan" means a separate defined benefit
551 pension plan for police officers which incorporates by reference
552 the provisions of this chapter and has been adopted by the
553 governing body of a municipality as provided in s. 185.08.
554 Except as may be specifically authorized in this chapter, the
555 provisions of a chapter plan may not differ from the plan
556 provisions set forth in ss. 185.01-185.341 and 185.37-185.39.
557 Actuarial valuations of chapter plans shall be conducted by the
558 division as provided by s. 185.221(1)(b).

559 (7)~~(4)~~ "Compensation" or "salary" means, for
560 noncollectively bargained service earned before July 1, 2011, or
561 for service earned under collective bargaining agreements in
562 place before July 1, 2011, the total cash remuneration including
563 "overtime" paid by the primary employer to a police officer for
564 services rendered, but not including any payments for extra duty
565 or special detail work performed on behalf of a second party
566 employer. ~~A local law plan may limit the amount of overtime~~
567 ~~payments which can be used for retirement benefit calculation~~
568 ~~purposes; however, such overtime limit may not be less than 300~~
569 ~~hours per officer per calendar year.~~ For noncollectively
570 bargained service earned on or after July 1, 2011, or for
571 service earned under collective bargaining agreements entered
572 into on or after July 1, 2011, the term has the same meaning
573 except that when calculating retirement benefits, up to 300
574 hours per year in overtime compensation may be included as
575 specified in the plan or collective bargaining agreement, but
576 payments for accrued unused sick or annual leave may not be
577 included.

578 (a) Any retirement trust fund or plan that meets the



328110

585-01672-13

579 requirements of this chapter does not, solely by virtue of this
580 subsection, reduce or diminish the monthly retirement income
581 otherwise payable to each police officer covered by the
582 retirement trust fund or plan.

583 (b) The member's compensation or salary contributed as
584 employee-elective salary reductions or deferrals to any salary
585 reduction, deferred compensation, or tax-sheltered annuity
586 program authorized under the Internal Revenue Code shall be
587 deemed to be the compensation or salary the member would receive
588 if he or she were not participating in such program and ~~shall be~~
589 treated as compensation for retirement purposes under this
590 chapter.

591 (c) For any person who first becomes a member in any plan
592 year beginning on or after January 1, 1996, compensation for
593 that plan year may not include any amounts in excess of the
594 Internal Revenue Code s. 401(a)(17) limitation, as amended by
595 the Omnibus Budget Reconciliation Act of 1993, which limitation
596 of \$150,000 shall be adjusted as required by federal law for
597 qualified government plans and ~~shall be~~ further adjusted for
598 changes in the cost of living in the manner provided by Internal
599 Revenue Code s. 401(a)(17)(B). For any person who first became a
600 member before the first plan year beginning on or after January
601 1, 1996, the limitation on compensation may not be less than the
602 maximum compensation amount that was allowed to be taken into
603 account under the plan ~~as~~ in effect on July 1, 1993, which
604 limitation shall be adjusted for changes in the cost of living
605 since 1989 in the manner provided by Internal Revenue Code s.
606 401(a)(17)(1991).

607 (8)~~(5)~~ "Creditable service" or "credited service" means the



328110

585-01672-13

608 aggregate number of years of service and fractional parts of
609 years of service of any police officer, omitting intervening
610 years and fractional parts of years when such police officer may
611 not have been employed by the municipality subject to the
612 following conditions:

613 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
614 years or fractional parts of years of service if he or she has
615 withdrawn his or her contributions to the fund for those years
616 or fractional parts of years of service, unless the police
617 officer repays into the fund the amount he or she has withdrawn,
618 plus interest as determined by the board. The member shall have
619 at least 90 days after his or her reemployment to make
620 repayment.

621 (b) A police officer may voluntarily leave his or her
622 contributions in the fund for ~~a period of~~ 5 years after leaving
623 the employ of the police department, pending the possibility of
624 his or her being rehired by the same department, without losing
625 credit for the time he or she has participated actively as a
626 police officer. If he or she is not reemployed as a police
627 officer with the same department within 5 years, his or her
628 contributions shall be returned to him or her without interest.

629 (c) Credited service under this chapter shall be provided
630 only for service as a police officer, ~~as defined in subsection~~
631 ~~(11)~~, or for military service and may not include credit for any
632 other type of service. A municipality ~~may~~, by local ordinance,
633 may provide for the purchase of credit for military service
634 occurring before employment as well as prior service as a police
635 officer for some other employer as long as the police officer is
636 not entitled to receive a benefit for such ~~other~~ prior service



328110

585-01672-13

637 ~~as a police officer~~. For purposes of determining credit for
638 prior service, in addition to service as a police officer in
639 this state, credit may be given for federal, other state, or
640 county service as long as such service is recognized by the
641 Criminal Justice Standards and Training Commission within the
642 Department of Law Enforcement as provided under chapter 943 or
643 the police officer provides proof to the board of trustees that
644 such service is equivalent to the service required to meet the
645 definition of a police officer under subsection (16) ~~(11)~~.

646 (d) In determining the creditable service of a ~~any~~ police
647 officer, credit for up to 5 years of the time spent in the
648 military service of the Armed Forces of the United States shall
649 be added to the years of actual service, if:

650 1. The police officer is in the active employ of the
651 municipality before ~~prior to~~ such service and leaves a position,
652 other than a temporary position, for the purpose of voluntary or
653 involuntary service in the Armed Forces of the United States.

654 2. The police officer is entitled to reemployment under ~~the~~
655 ~~provisions of~~ the Uniformed Services Employment and Reemployment
656 Rights Act.

657 3. The police officer returns to his or her employment as a
658 police officer of the municipality within 1 year after ~~from~~ the
659 date of his or her release from such active service.

660 (9) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
661 local law plan retirement option in which a police officer may
662 elect to participate. A police officer may retire for all
663 purposes of the plan and defer receipt of retirement benefits
664 into a DROP account while continuing employment with his or her
665 employer. However, a police officer who enters the DROP and who



328110

585-01672-13

666 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
667 precluded from participating, or continuing to participate, in a
668 supplemental plan in existence on, or created after, March 12,
669 1999 ~~the effective date of this act.~~

670 (10) "Defined contribution plan" means the component of a
671 local law plan to which deposits are made to provide benefits
672 for police officers, or for police officers and firefighters if
673 both are included. Such component is an element of a local law
674 plan and exists in conjunction with the defined benefit
675 component that meets the base benefits and minimum standards of
676 this chapter. The retirement benefits of the defined
677 contribution plan shall be provided through individual member
678 accounts, in accordance with the applicable provisions of the
679 Internal Revenue Code and related regulations, and are limited
680 to the contributions made into each member's account and the
681 actual accumulated earnings, net of expenses, earned on the
682 member's account.

683 (11) ~~(7)~~ "Division" means the Division of Retirement of the
684 Department of Management Services.

685 (12) ~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
686 under Subtitle C of Title III of the Employee Retirement Income
687 Security Act of 1974 and who is a member of the Society of
688 Actuaries or the American Academy of Actuaries.

689 (13) ~~(9)~~ "Local law municipality" is any municipality in
690 which ~~there exists~~ a local law plan exists.

691 (14) ~~(10)~~ "Local law plan" means a retirement defined
692 benefit pension plan, which includes both a defined benefit plan
693 component and a defined contribution plan component, for police
694 officers, or for police officers and firefighters if both are,



328110

585-01672-13

695 ~~where~~ included, as described in s. 185.35, established by
696 municipal ordinance or special act of the Legislature, which
697 ~~enactment~~ sets forth all plan provisions. Local law plan
698 provisions may vary from the provisions of this chapter if the
699 base, provided that required minimum benefits and minimum
700 standards of this chapter are met. However, any such variance
701 must shall provide a greater benefit for police officers.
702 Actuarial valuations of local law plans shall be conducted by an
703 enrolled actuary as provided in s. 185.221(2) (b).

704 (15) "Long-term funded ratio" or "funded ratio" means the
705 ratio of the actuarial assets of the plan to the actuarial
706 liabilities of the plan as reported in the most recent actuarial
707 valuation of the plan and deemed to be in compliance with
708 chapter 112 by the Department of Management Services.

709 (16)~~(11)~~ "Police officer" means any person who is elected,
710 appointed, or employed full time by a ~~any~~ municipality, who is
711 certified or required to be certified as a law enforcement
712 officer in compliance with s. 943.1395, who is vested with
713 authority to bear arms and make arrests, and whose primary
714 responsibility is the prevention and detection of crime or the
715 enforcement of the penal, criminal, traffic, or highway laws of
716 the state. The term ~~This definition~~ includes all certified
717 supervisory and command personnel whose duties include, in whole
718 or in part, the supervision, training, guidance, and management
719 responsibilities of full-time law enforcement officers, part-
720 time law enforcement officers, or auxiliary law enforcement
721 officers, but does not include part-time law enforcement
722 officers or auxiliary law enforcement officers as those terms
723 ~~the same~~ are defined in s. 943.10~~(6)~~ and ~~(8)~~, ~~respectively~~. For



328110

585-01672-13

724 the purposes of this chapter only, the term also includes
725 ~~"police officer" also shall include~~ a public safety officer who
726 is responsible for performing both police and fire services. Any
727 plan may provide that the police chief shall have the ~~an~~ option
728 to participate, or not, in that plan.

729 (17) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
730 trust fund, by whatever name known, as provided under s. 185.03
731 for the purpose of assisting municipalities in establishing and
732 maintaining a retirement plan for police officers.

733 (18) ~~(13)~~ "Retiree" or "retired police officer" means a
734 police officer who has entered retirement status. For the
735 purposes of a plan that includes a Deferred Retirement Option
736 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
737 considered a retiree for all purposes of the plan. However, a
738 police officer who enters the DROP and who is otherwise eligible
739 to participate may ~~shall~~ not ~~thereby~~ be precluded from
740 participating, or continuing to participate, in a supplemental
741 plan in existence on, or created after, March 12, 1999 ~~the~~
742 ~~effective date of this act.~~

743 (19) ~~(14)~~ "Retirement" means a police officer's separation
744 from city employment as a police officer with immediate
745 eligibility for ~~receipt of~~ benefits under the plan. For purposes
746 of a plan that includes a Deferred Retirement Option Plan
747 (DROP), "retirement" means the date a police officer enters the
748 DROP.

749 (20) "Special benefits" means benefits provided in a
750 defined contribution plan for police officers.

751 (21) ~~(15)~~ "Supplemental plan" means a plan to which deposits
752 of the premium tax moneys as provided in s. 185.08 are made to



328110

585-01672-13

753 provide extra benefits to police officers, or police officers
754 and firefighters if both are ~~where~~ included, under this chapter.
755 Such a plan is an element of a local law plan and exists in
756 conjunction with a defined benefit component ~~plan~~ that meets the
757 base ~~minimum~~ benefits and minimum standards of this chapter.

758 ~~(22)~~ ~~(16)~~ "Supplemental plan municipality" means any local
759 law municipality in which ~~there existed~~ a supplemental plan
760 existed as of December 1, 2000.

761 Section 8. Paragraph (b) of subsection (6) of section
762 185.06, Florida Statutes, is amended to read:

763 185.06 General powers and duties of board of trustees.—For
764 any municipality, chapter plan, local law municipality, or local
765 law plan under this chapter:

766 (6) To assist the board in meeting its responsibilities
767 under this chapter, the board, if it so elects, may:

768 (b) Employ an independent enrolled actuary, as defined in
769 s. 185.02~~(8)~~, at the pension fund's expense.

770
771 If the board chooses to use the municipality's or special
772 district's legal counsel or actuary, or chooses to use any of
773 the municipality's other professional, technical, or other
774 advisers, it must do so only under terms and conditions
775 acceptable to the board.

776 Section 9. Paragraphs (d) through (g) of subsection (1) of
777 section 185.07, Florida Statutes, are amended, and a new
778 paragraph (e) is added to that subsection, to read:

779 185.07 Creation and maintenance of fund.—For any
780 municipality, chapter plan, local law municipality, or local law
781 plan under this chapter:



328110

585-01672-13

782 (1) The municipal police officers' retirement trust fund in
783 each municipality described in s. 185.03 shall be created and
784 maintained in the following manner:

785 (d) By payment by the municipality or other sources of a
786 sum equal to the normal cost and the amount required to fund any
787 actuarial deficiency shown by an actuarial valuation as provided
788 in part VII of chapter 112, after taking into account the
789 amounts described in paragraphs (b), (c), (f), (g), and (h) and
790 the amounts of the tax proceeds described in paragraph (a) that
791 must be used to fund the normal costs of base benefits and other
792 pension benefits.

793 (e) For local law plans, and in addition to the mandatory
794 payment described in paragraph (d), by mandatory payment by the
795 municipality of the amount specified in s. 185.35(3) if the
796 long-term funded ratio of the plan is less than 80 percent.

797 ~~(f)~~ By all gifts, bequests and devises when donated to
798 the fund.

799 ~~(g)~~ By all accretions to the fund by way of interest or
800 dividends on bank deposits or otherwise.

801 ~~(h)~~ By all other sources of income now or hereafter
802 authorized by law for the augmentation of such municipal police
803 officers' retirement trust fund.

804
805 Nothing in this section shall be construed to require adjustment
806 of member contribution rates in effect on the date this act
807 becomes a law, including rates that exceed 5 percent of salary,
808 provided that such rates are at least one-half of 1 percent of
809 salary.

810 Section 10. Section 185.35, Florida Statutes, is amended to



328110

585-01672-13

811 read:

812 185.35 Municipalities having their own pension plans for
813 police officers. ~~For any municipality, chapter plan, local law~~
814 ~~municipality, or local law plan under this chapter,~~ In order for
815 a municipality municipalities with its their own retirement plan
816 ~~pension plans~~ for police officers, or for police officers and
817 firefighters if both are included, to participate in the
818 distribution of the tax fund established under ~~pursuant to~~ s.
819 185.08, a local law plan and its plan sponsor plans must meet
820 the base minimum benefits and minimum standards set forth in
821 this chapter:

822 (1) If a municipality has a retirement pension plan for
823 police officers, or for police officers and firefighters if both
824 are included, which, in the opinion of the division, meets the
825 base minimum benefits and minimum standards set forth in this
826 chapter, the board of trustees of the pension plan, as approved
827 by a majority of police officers of the municipality, must may:

828 ~~(a)~~ place the income from the premium tax in s. 185.08 in
829 such ~~pension~~ plan for the sole and exclusive use of its police
830 officers, or its police officers and firefighters if included,
831 where it shall become an integral part of that ~~pension~~ plan and
832 ~~shall~~ be used to fund benefits for police officers as follows:

833 (a) The base premium tax revenues must be used to fund base
834 benefits.

835 (b) Of the premium tax revenues received that are in excess
836 of the amount received for the 2012 calendar year, and any
837 accumulations of additional premium tax revenues that have not
838 been applied to fund extra benefits:

839 1. If the plan has a long-term funded ratio of less than 80



328110

585-01672-13

840 percent:

841 a. Fifty percent must be used as additional contributions
842 to pay the plan's actuarial deficiency and may not be considered
843 in the determination of the mandatory payment described in s.
844 185.07(1)(d);

845 b. Twenty-five percent must be used to fund base benefits;
846 and

847 c. Twenty-five percent must be placed in a defined
848 contribution plan to fund special benefits.

849 2. If the plan has a long-term funded ratio of 80 percent
850 or greater:

851 a. Fifty percent must be used to fund base benefits; and

852 b. Fifty percent must be placed in a defined contribution
853 plan to fund special benefits.

854 (c) Additional premium tax revenues not described in
855 paragraph (b) must be used to fund benefits that were not
856 included in the base benefits ~~pay extra benefits to the police~~
857 ~~officers included in that pension plan; or~~

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

862 (2) Insurance premium tax revenues may not be used to fund
863 benefits provided in a defined benefit plan which were not
864 provided by the plan as of March 1, 2013.

865 (3) If a plan offers benefits in excess of its base
866 benefits, such benefits may be reduced if the plan continues to
867 meet the base benefits of the plan and the minimum standards set
868 forth in this chapter. The amount of insurance premium tax



328110

585-01672-13

869 revenues previously used to fund benefits in excess of the
870 plan's base benefits before the reduction must be used as
871 provided in subsection (1)(b). Twenty-five percent of the amount
872 of any mandatory contribution paid by the municipality or
873 special fire control district which was previously used to fund
874 extra benefits before the reduction must be used as additional
875 contributions as specified in s. 185.07 to fund the plan's
876 actuarial deficiency.

877 ~~(4)(2)~~ The premium tax provided by this chapter shall in
878 all cases be used in its entirety to provide retirement ~~extra~~
879 benefits to police officers, or to police officers and
880 firefighters if both are included. ~~However, local law plans in~~
881 ~~effect on October 1, 1998, must comply with the minimum benefit~~
882 ~~provisions of this chapter only to the extent that additional~~
883 ~~premium tax revenues become available to incrementally fund the~~
884 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
885 ~~is in compliance with such minimum benefit provisions, as~~
886 ~~subsequent additional tax revenues become available, they shall~~
887 ~~be used to provide extra benefits.~~ Local law plans created by
888 special act before May 27, 1939, shall be deemed to comply with
889 this chapter. ~~For the purpose of this chapter, the term:~~

890 ~~(a) "Additional premium tax revenues" means revenues~~
891 ~~received by a municipality pursuant to s. 185.10 which exceed~~
892 ~~the amount received for calendar year 1997.~~

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

897 ~~(5)(3)~~ A retirement plan or amendment to a retirement plan



328110

585-01672-13

898 may not be proposed for adoption unless the proposed plan or
899 amendment contains an actuarial estimate of the costs involved.
900 Such proposed plan or proposed plan change may not be adopted
901 without the approval of the municipality or, where permitted,
902 the Legislature. Copies of the proposed plan or proposed plan
903 change and the actuarial impact statement of the proposed plan
904 or proposed plan change shall be furnished to the division
905 before the last public hearing thereon. Such statement must also
906 indicate whether the proposed plan or proposed plan change is in
907 compliance with s. 14, Art. X of the State Constitution and
908 those provisions of part VII of chapter 112 which are not
909 expressly provided in this chapter. Notwithstanding any other
910 provision, only those local law plans created by special act of
911 legislation before May 27, 1939, are deemed to meet the base
912 ~~minimum~~ benefits and minimum standards only in this chapter.

913 (6)~~(4)~~ Notwithstanding any other provision, with respect to
914 any supplemental plan municipality:

915 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and a
916 local law plan and a supplemental plan may continue to use their
917 definition of compensation or salary in existence on March 12,
918 1999.

919 (b) A local law plan and a supplemental plan must continue
920 to be administered by a board or boards of trustees numbered,
921 constituted, and selected as the board or boards were numbered,
922 constituted, and selected on December 1, 2000.

923 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
924 ~~have been made.~~

925 (7)~~(5)~~ The retirement plan setting forth the benefits and
926 the trust agreement, if any, covering the duties and



328110

585-01672-13

927 responsibilities of the trustees and the regulations of the
928 investment of funds must be in writing and copies made available
929 to the participants and to the general public.

930 (8) In addition to the defined benefit component of the
931 local law plan, each plan sponsor must have a defined
932 contribution plan component within the local law plan by October
933 1, 2013, or upon the creation date of a new participating plan.
934 However, the plan sponsor of any plan established by special act
935 of the Legislature has until July 1, 2014, to create a defined
936 contribution component within the plan.

937 Section 11. The Legislature finds that a proper and
938 legitimate state purpose is served when employees and retirees
939 of the state and its political subdivisions, and the dependents,
940 survivors, and beneficiaries of such employees and retirees, are
941 extended the basic protections afforded by governmental
942 retirement systems that provide fair and adequate benefits and
943 that are managed, administered, and funded in an actuarially
944 sound manner as required by s. 14, Article X of the State
945 Constitution and part VII of chapter 112, Florida Statutes.
946 Therefore, the Legislature determines and declares that this act
947 fulfills an important state interest.

948 Section 12. This act shall take effect July 1, 2013.