

By the Committees on Appropriations; and Governmental Oversight and Accountability; and Senators Ring and Bradley

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1                                   A bill to be entitled  
2           An act relating to firefighter and police officer  
3           pension plans; amending s. 175.021, F.S.; revising the  
4           legislative declaration to require all plans to meet  
5           the requirements of ch. 175, F.S., in order to receive  
6           insurance premium tax revenues; amending s. 175.032,  
7           F.S.; revising definitions to conform to changes made  
8           by the act and adding new definitions; amending s.  
9           175.071, F.S.; conforming a cross-reference; amending  
10          s. 175.091, F.S.; revising existing payment provisions  
11          and providing for an additional mandatory payment by  
12          the municipality or special fire control district to  
13          the firefighters' pension trust fund; amending s.  
14          175.162, F.S.; deleting a limitation on state  
15          contributions funding additional benefits; amending s.  
16          175.351, F.S., relating to municipalities and special  
17          fire control districts that have their own pension  
18          plans and want to participate in the distribution of a  
19          tax fund; revising criteria governing the use of  
20          income from the premium tax; requiring plan sponsors  
21          to have a defined contribution plan in place by a  
22          certain date; authorizing a municipality to implement  
23          certain changes to a local law plan which are contrary  
24          to ch. 175, F.S., under certain time-limited  
25          circumstances; amending s. 185.01, F.S.; revising the  
26          legislative declaration to require all plans to meet  
27          the requirements of ch. 185, F.S., in order to receive  
28          insurance premium tax revenues; amending s. 185.02,  
29          F.S.; revising definitions to conform to changes made

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30 by the act and adding new definitions; deleting a  
31 provision allowing a local law plan to limit the  
32 amount of overtime payments which can be used for  
33 retirement benefit calculations; amending s. 185.06,  
34 F.S.; conforming a cross-reference; amending s.  
35 185.07, F.S.; revising existing payment provisions and  
36 providing for an additional mandatory payment by the  
37 municipality to the police officers' retirement trust  
38 fund; amending s. 185.16, F.S.; deleting a limitation  
39 on state contributions funding additional benefits;  
40 amending s. 185.35, F.S., relating to municipalities  
41 that have their own pension plans for police officers  
42 and want to participate in the distribution of a tax  
43 fund; revising criteria governing the use of income  
44 from the premium tax; requiring plan sponsors to have  
45 a defined contribution plan in place by a certain  
46 date; authorizing a municipality to implement certain  
47 changes to a local law plan which are contrary to ch.  
48 185, F.S., under certain time-limited circumstances;  
49 providing a declaration of important state interest;  
50 providing an effective date.

51  
52 Be It Enacted by the Legislature of the State of Florida:

53  
54 Section 1. Subsection (2) of section 175.021, Florida  
55 Statutes, is amended to read:

56 175.021 Legislative declaration.—

57 (2) This chapter hereby establishes, for all municipal and  
58 special district pension plans existing ~~now or hereafter~~ under

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59 this chapter, including chapter plans and local law plans,  
60 required minimum benefits and minimum standards for the  
61 operation and funding of such plans, hereinafter referred to as  
62 firefighters' pension trust funds, which must be met as a  
63 condition precedent to the plan or plan sponsor receiving a  
64 distribution of insurance premium tax revenues under s. 175.121.  
65 The required minimum benefits and minimum standards for each  
66 plan as set forth in this chapter may not be diminished by local  
67 charter, ordinance, or resolution or by special act of the  
68 Legislature, or nor may the minimum benefits or minimum  
69 standards be reduced or offset by any other local, state, or  
70 federal law that may include firefighters in its operation,  
71 except as provided under s. 112.65.

72 Section 2. Section 175.032, Florida Statutes, is amended to  
73 read:

74 175.032 Definitions.—For any municipality, special fire  
75 control district, chapter plan, local law municipality, local  
76 law special fire control district, or local law plan under this  
77 chapter, the term following words and phrases have the following  
78 meanings:

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

82 (2) ~~(1)(a)~~ "Average final compensation" for:

83 (a) A full-time firefighter means one-twelfth of the  
84 average annual compensation of the 5 best years of the last 10  
85 years of creditable service before ~~prior to~~ retirement,  
86 termination, or death, or the career average as a full-time  
87 firefighter since July 1, 1953, whichever is greater. A year is

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88 ~~shall be~~ 12 consecutive months or such other consecutive period  
89 of time as is used and consistently applied.

90 (b) ~~"Average final compensation"~~ for A volunteer  
91 firefighter means the average salary of the 5 best years of the  
92 last 10 best contributing years before a ~~prior to~~ change in  
93 status to a permanent full-time firefighter or retirement as a  
94 volunteer firefighter or the career average of a volunteer  
95 firefighter, since July 1, 1953, whichever is greater.

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

98 (4) "Base premium tax revenues" means revenues received by  
99 a municipality or special fire control district pursuant to s.  
100 175.121 equal to the amount of such revenues received for  
101 calendar year 1997.

102 (5) ~~(2)~~ "Chapter plan" means a separate defined benefit  
103 pension plan for firefighters which incorporates by reference  
104 the provisions of this chapter and has been adopted by the  
105 governing body of a municipality or special district. Except as  
106 may be specifically authorized in this chapter, the provisions  
107 of a chapter plan may not differ from the plan provisions set  
108 forth in ss. 175.021-175.341 and 175.361-175.401. Actuarial  
109 valuations of chapter plans shall be conducted by the division  
110 as provided by s. 175.261(1).

111 (6) ~~(3)~~ "Compensation" or "salary" means, for  
112 noncollectively bargained service earned before July 1, 2011, or  
113 for service earned under collective bargaining agreements in  
114 place before July 1, 2011, the fixed monthly remuneration paid a  
115 firefighter. If remuneration is based on actual services  
116 rendered, as in the case of a volunteer firefighter, the term

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117 means the total cash remuneration received yearly for such  
118 services, prorated on a monthly basis. For noncollectively  
119 bargained service earned on or after July 1, 2011, or for  
120 service earned under collective bargaining agreements entered  
121 into on or after July 1, 2011, the term has the same meaning  
122 except that when calculating retirement benefits, up to 300  
123 hours per year in overtime compensation may be included as  
124 specified in the plan or collective bargaining agreement, but  
125 payments for accrued unused sick or annual leave may not be  
126 included.

127 (a) Any retirement trust fund or plan that meets the  
128 requirements of this chapter does not, solely by virtue of this  
129 subsection, reduce or diminish the monthly retirement income  
130 otherwise payable to each firefighter covered by the retirement  
131 trust fund or plan.

132 (b) The member's compensation or salary contributed as  
133 employee-elective salary reductions or deferrals to any salary  
134 reduction, deferred compensation, or tax-sheltered annuity  
135 program authorized under the Internal Revenue Code shall be  
136 deemed to be the compensation or salary the member would receive  
137 if he or she were not participating in such program and ~~shall be~~  
138 treated as compensation for retirement purposes under this  
139 chapter.

140 (c) For any person who first becomes a member in any plan  
141 year beginning on or after January 1, 1996, compensation for  
142 that plan year may not include any amounts in excess of the  
143 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
144 the Omnibus Budget Reconciliation Act of 1993, which limitation  
145 of \$150,000 shall be adjusted as required by federal law for

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146 qualified government plans and ~~shall be~~ further adjusted for  
147 changes in the cost of living in the manner provided by Internal  
148 Revenue Code s. 401(a)(17)(B). For any person who first became a  
149 member before the first plan year beginning on or after January  
150 1, 1996, the limitation on compensation may not be less than the  
151 maximum compensation amount that was allowed to be taken into  
152 account under the plan in effect on July 1, 1993, which  
153 limitation shall be adjusted for changes in the cost of living  
154 since 1989 in the manner provided by Internal Revenue Code s.  
155 401(a)(17)(1991).

156 (7)~~(4)~~ "Creditable service" or "credited service" means the  
157 aggregate number of years of service, and fractional parts of  
158 years of service, of any firefighter, omitting intervening years  
159 and fractional parts of years when such firefighter may not have  
160 been employed by the municipality or special fire control  
161 district, subject to the following conditions:

162 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years  
163 or fractional parts of years of service if he or she has  
164 withdrawn his or her contributions to the fund for those years  
165 or fractional parts of years of service, unless the firefighter  
166 repays into the fund the amount he or she has withdrawn, plus  
167 interest determined by the board. The member shall have at least  
168 90 days after his or her reemployment to make repayment.

169 (b) A firefighter may voluntarily leave his or her  
170 contributions in the fund for ~~a period of~~ 5 years after leaving  
171 the employ of the fire department, pending the possibility of  
172 being rehired by the same department, without losing credit for  
173 the time he or she has participated actively as a firefighter.  
174 If the firefighter is not reemployed as a firefighter, with the

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175 same department, within 5 years, his or her contributions shall  
176 be returned without interest.

177 (c) Credited service under this chapter shall be provided  
178 only for service as a firefighter, ~~as defined in subsection (8),~~  
179 or for military service and does not include credit for any  
180 other type of service. A municipality ~~may,~~ by local ordinance,  
181 or a special fire control district ~~may,~~ by resolution, may  
182 provide for the purchase of credit for military service prior to  
183 employment as well as for prior service as a firefighter for  
184 some other employer as long as a firefighter is not entitled to  
185 receive a benefit for such prior service ~~as a firefighter~~. For  
186 purposes of determining credit for prior service as a  
187 firefighter, in addition to service as a firefighter in this  
188 state, credit may be given for federal, other state, or county  
189 service if the prior service is recognized by the Division of  
190 State Fire Marshal as provided under chapter 633, or the  
191 firefighter provides proof to the board of trustees that his or  
192 her service is equivalent to the service required to meet the  
193 definition of a firefighter under subsection (12) ~~(8)~~.

194 (8)(5) "Deferred Retirement Option Plan" or "DROP" means a  
195 local law plan retirement option in which a firefighter may  
196 elect to participate. A firefighter may retire for all purposes  
197 of the plan and defer receipt of retirement benefits into a DROP  
198 account while continuing employment with his or her employer.  
199 However, a firefighter who enters ~~the~~ DROP and who is otherwise  
200 eligible to participate may ~~shall not thereby~~ be precluded from  
201 participating, or continuing to participate, in a supplemental  
202 plan in existence on, or created after, March 12, 1999 ~~the~~  
203 ~~effective date of this act.~~

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204       (9) "Defined contribution plan" means the component of a  
205 local law plan to which deposits are made to provide benefits  
206 for firefighters, or for firefighters and police officers if  
207 both are included. Such component is an element of a local law  
208 plan and exists in conjunction with the defined benefit  
209 component that meets the required benefits and minimum standards  
210 of this chapter. The retirement benefits of the defined  
211 contribution plan shall be provided through individual member  
212 accounts, in accordance with the applicable provisions of the  
213 Internal Revenue Code and related regulations, and are limited  
214 to the contributions made into each member's account and the  
215 actual accumulated earnings, net of expenses, earned on the  
216 member's account.

217       (10)~~(6)~~ "Division" means the Division of Retirement of the  
218 Department of Management Services.

219       (11)~~(7)~~ "Enrolled actuary" means an actuary who is enrolled  
220 under Subtitle C of Title III of the Employee Retirement Income  
221 Security Act of 1974 and who is a member of the Society of  
222 Actuaries or the American Academy of Actuaries.

223       (12)~~(8)~~ (a) "Firefighter" means any person employed solely  
224 by a constituted fire department of any municipality or special  
225 fire control district who is certified as a firefighter as a  
226 condition of employment in accordance with s. 633.35 and whose  
227 duty it is to extinguish fires, to protect life, or to protect  
228 property. The term includes all certified, supervisory, and  
229 command personnel whose duties include, in whole or in part, the  
230 supervision, training, guidance, and management responsibilities  
231 of full-time firefighters, part-time firefighters, or auxiliary  
232 firefighters but does not include part-time firefighters or



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233 auxiliary firefighters. However, for purposes of this chapter  
234 only, the term also includes public safety officers who are  
235 responsible for performing both police and fire services, who  
236 are certified as police officers or firefighters, and who are  
237 certified by their employers to the Chief Financial Officer as  
238 participating in this chapter before October 1, 1979. Effective  
239 October 1, 1979, public safety officers who have not been  
240 certified as participating in this chapter are considered police  
241 officers for retirement purposes and are eligible to participate  
242 in chapter 185. Any plan may provide that the fire chief has an  
243 option to participate, ~~or not,~~ in that plan.

244 (b) "Volunteer firefighter" means any person whose name is  
245 carried on the active membership roll of a constituted volunteer  
246 fire department or a combination of a paid and volunteer fire  
247 department of any municipality or special fire control district  
248 and whose duty it is to extinguish fires, to protect life, and  
249 to protect property. Compensation for services rendered by a  
250 volunteer firefighter does ~~shall~~ not disqualify him or her as a  
251 volunteer. A person may ~~shall~~ not be disqualified as a volunteer  
252 firefighter solely because he or she has other gainful  
253 employment. Any person who volunteers assistance at a fire but  
254 is not an active member of a department described herein is not  
255 a volunteer firefighter within the meaning of this paragraph.

256 ~~(13)(9)~~ "Firefighters' Pension Trust Fund" means a trust  
257 fund, by whatever name known, as provided under s. 175.041, for  
258 the purpose of assisting municipalities and special fire control  
259 districts in establishing and maintaining a retirement plan for  
260 firefighters.

261 ~~(14)(10)~~ "Local law municipality" is any municipality in

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262 which ~~there exists~~ a local law plan exists.

263 (15)~~(11)~~ "Local law plan" means a retirement defined  
264 benefit pension plan, which includes both a defined benefit plan  
265 component and a defined contribution plan component, for  
266 firefighters, or for firefighters or police officers if both are  
267 where included, as described in s. 175.351, established by  
268 municipal ordinance, special district resolution, or special act  
269 of the Legislature, which enactment sets forth all plan  
270 provisions. Local law plan provisions may vary from the  
271 provisions of this chapter if the, provided that required  
272 minimum benefits and minimum standards of this chapter are met.  
273 However, any such variance must shall provide a greater benefit  
274 for firefighters. Actuarial valuations of local law plans shall  
275 be conducted by an enrolled actuary as provided in s.  
276 175.261(2).

277 (16)~~(12)~~ "Local law special fire control district" is any  
278 special fire control district in which ~~there exists~~ a local law  
279 plan exists.

280 (17) "Long-term funded ratio" or "funded ratio" means the  
281 ratio of the actuarial value of assets of the plan to the  
282 actuarial accrued liabilities of the plan, as reported in the  
283 most recent actuarial valuation of the plan, deemed to be in  
284 compliance with chapter 112 by the Department of Management  
285 Services.

286 (18) "Minimum benefits" means the benefits set forth in ss.  
287 175.021-175.341 and ss. 175.361-175.401.

288 (19) "Minimum standards" means the standards set forth in  
289 ss. 175.021-175.341 and ss. 175.361-175.401.

290 (20)~~(13)~~ "Property insurance" means property insurance as

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291 defined in s. 624.604 and covers real and personal property  
292 within the corporate limits of a ~~any~~ municipality, or within the  
293 boundaries of a ~~any~~ special fire control district, within the  
294 state. "Multiple peril" means a combination or package policy  
295 that includes both property and casualty coverage for a single  
296 premium.

297 (21) "Required benefits" means the lesser of the minimum  
298 benefits set forth in this chapter and the base benefits of the  
299 plan. For local law plans created after March 1, 2013, the  
300 required benefits are the minimum benefits set forth in this  
301 chapter.

302 (22)~~(14)~~ "Retiree" or "retired firefighter" means a  
303 firefighter who has entered retirement status. For the purposes  
304 of a plan that includes a Deferred Retirement Option Plan  
305 (DROP), a firefighter who enters the DROP is shall be considered  
306 a retiree for all purposes of the plan. However, a firefighter  
307 who enters ~~the~~ DROP and who is otherwise eligible to participate  
308 may shall not ~~thereby~~ be precluded from participating, or  
309 continuing to participate, in a supplemental plan in existence  
310 on, or created after, March 12, 1999 ~~the effective date of this~~  
311 ~~act.~~

312 (23)~~(15)~~ "Retirement" means a firefighter's separation from  
313 city or fire district employment as a firefighter with immediate  
314 eligibility for ~~receipt of~~ benefits under the plan. For purposes  
315 of a plan that includes a Deferred Retirement Option Plan  
316 (DROP), "retirement" means the date a firefighter enters ~~the~~  
317 DROP.

318 (24) "Special benefits" means benefits provided in a  
319 defined contribution plan for firefighters.

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320        (25)~~(16)~~ "Special fire control district" means a special  
321 district, as defined in s. 189.403~~(1)~~, established for the  
322 purposes of extinguishing fires, protecting life, and protecting  
323 property within the incorporated or unincorporated portions of a  
324 ~~any~~ county or combination of counties, or within any combination  
325 of incorporated and unincorporated portions of a ~~any~~ county or  
326 combination of counties. The term does not include any dependent  
327 or independent special district, as those terms are defined in  
328 s. 189.403~~(2) and (3)~~, ~~respectively~~, the employees of which are  
329 members of the Florida Retirement System pursuant to s.  
330 121.051(1) or (2).

331        (26)~~(17)~~ "Supplemental plan" means a plan to which deposits  
332 are made to provide extra benefits for firefighters, or for  
333 firefighters and police officers if both are ~~where~~ included  
334 ~~under this chapter~~. Such a plan is an element of a local law  
335 plan and exists in conjunction with a defined benefit component  
336 ~~plan~~ that meets the required ~~minimum~~ benefits and minimum  
337 standards of this chapter. Any supplemental plan in existence on  
338 March 1, 2013, shall be deemed to be a defined contribution plan  
339 in compliance with s. 175.351(8).

340        (27)~~(18)~~ "Supplemental plan municipality" means a any local  
341 law municipality in which ~~there existed~~ a supplemental plan  
342 existed, of any type or nature, as of December 1, 2000.

343        Section 3. Paragraph (b) of subsection (7) of section  
344 175.071, Florida Statutes, is amended to read:

345        175.071 General powers and duties of board of trustees.—For  
346 any municipality, special fire control district, chapter plan,  
347 local law municipality, local law special fire control district,  
348 or local law plan under this chapter:

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

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

353

354 If the board chooses to use the municipality's or special  
355 district's legal counsel or actuary, or chooses to use any of  
356 the municipality's or special district's other professional,  
357 technical, or other advisers, it must do so only under terms and  
358 conditions acceptable to the board.

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

362 175.091 Creation and maintenance of fund.—For any  
363 municipality, special fire control district, chapter plan, local  
364 law municipality, local law special fire control district, or  
365 local law plan under this chapter:

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

369 (d) By mandatory payment by the municipality or special  
370 fire control district of a sum equal to the normal cost of and  
371 the amount required to fund any actuarial deficiency shown by an  
372 actuarial valuation as provided in part VII of chapter 112 after  
373 taking into account the amounts described in paragraphs (b),  
374 (c), (f), (g), and (h) and the amounts of the tax proceeds  
375 described in paragraph (a) which must be used to fund defined  
376 benefit plan benefits, except as otherwise excluded from  
377 consideration in determining the mandatory payment.

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378       (e) For local law plans, and in addition to the mandatory  
379 payment specified in paragraph (d), by mandatory payment by the  
380 municipality or special fire control district of the amount  
381 specified in s. 175.351(3), if the long-term funded ratio of the  
382 plan is less than 80 percent.

383       ~~(f)~~ ~~(e)~~ By all gifts, bequests, and devises when donated to  
384 the fund.

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

387       ~~(h)~~ ~~(g)~~ By all other sources or income now or hereafter  
388 authorized by law for the augmentation of such firefighters'  
389 pension trust fund.

390

391       Nothing in this section shall be construed to require  
392 adjustment of member contribution rates in effect on the date  
393 this act becomes a law, including rates that exceed 5 percent of  
394 salary, provided that such rates are at least one-half of 1  
395 percent of salary.

396       Section 5. Paragraph (a) of subsection (2) of section  
397 175.162, Florida Statutes, is amended to read:

398       175.162 Requirements for retirement.—For any municipality,  
399 special fire control district, chapter plan, local law  
400 municipality, local law special fire control district, or local  
401 law plan under this chapter, any firefighter who completes 10 or  
402 more years of creditable service as a firefighter and attains  
403 age 55, or completes 25 years of creditable service as a  
404 firefighter and attains age 52, and who for such minimum period  
405 has been a member of the firefighters' pension trust fund  
406 operating under a chapter plan or local law plan, is eligible

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407 for normal retirement benefits. Normal retirement under the plan  
408 is retirement from the service of the municipality or special  
409 fire control district on or after the normal retirement date. In  
410 such event, payment of retirement income will be governed by the  
411 following provisions of this section:

412 (2) (a) The amount of monthly retirement income payable to a  
413 full-time firefighter who retires on or after his or her normal  
414 retirement date shall be an amount equal to the number of his or  
415 her years of credited service multiplied by 2 percent of his or  
416 her average final compensation as a full-time firefighter.  
417 ~~However, if current state contributions pursuant to this chapter~~  
418 ~~are not adequate to fund the additional benefits to meet the~~  
419 ~~minimum requirements in this chapter, only such incremental~~  
420 ~~increases shall be required as state moneys are adequate to~~  
421 ~~provide. Such increments shall be provided as state moneys~~  
422 ~~become available.~~

423 Section 6. Section 175.351, Florida Statutes, is amended to  
424 read:

425 175.351 Municipalities and special fire control districts  
426 that have having their own pension plans for firefighters. ~~For~~  
427 ~~any municipality, special fire control district, local law~~  
428 ~~municipality, local law special fire control district, or local~~  
429 ~~law plan under this chapter,~~ In order for a municipality or  
430 municipalities and special fire control district that has its  
431 districts with their own pension plan plans for firefighters, or  
432 for firefighters and police officers if both are included, to  
433 participate in the distribution of the tax fund established  
434 under pursuant to s. 175.101, a local law plan and its plan  
435 sponsor plans must meet the required minimum benefits and

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436 minimum standards set forth in this chapter.

437 (1) If a municipality has a pension plan for firefighters,  
438 or ~~a pension plan~~ for firefighters and police officers if both  
439 are included, which in the opinion of the division meets the  
440 required minimum benefits and minimum standards set forth in  
441 this chapter, the board of trustees of the pension plan, must as  
442 approved by a majority of firefighters of the municipality, may:

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

449 (a) The base premium tax revenues must be used to fund base  
450 benefits.

451 (b) Of the premium tax revenues received which are in  
452 excess of the amount received for the 2012 calendar year, and  
453 any accumulations of additional premium tax revenues that have  
454 not been applied to fund extra benefits:

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

457 a. Fifty percent must be used as additional contributions  
458 to pay the plan's actuarial deficiency and may not be considered  
459 in the determination of the mandatory payment described in s.  
460 175.091(1)(d);

461 b. Twenty-five percent must be used to fund base benefits;  
462 and

463 c. The remainder must be placed in a defined contribution  
464 plan to fund special benefits.



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

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

468 b. The remainder must be placed in a defined contribution  
469 plan to fund special benefits.

470 (c) Additional premium tax revenues not described in  
471 paragraph (b) must be used to fund benefits that were not  
472 included in the base benefits to pay extra benefits to the  
473 firefighters included in that pension plan; or

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

478 (2) Insurance premium tax revenues may not be used to fund  
479 benefits provided in a defined benefit plan which were not  
480 provided by the plan as of March 1, 2013; however, for a local  
481 law plan created after March 1, 2013, up to 50 percent of the  
482 insurance premium tax revenues may be used to fund defined  
483 benefit plan component benefits and the remainder must be used  
484 to fund defined contribution plan component benefits.

485 (3) If a plan offers benefits in excess of its required  
486 benefits, such benefits may be reduced if the plan continues to  
487 meet the required benefits of the plan and the minimum standards  
488 set forth in this chapter. The amount of insurance premium tax  
489 revenues previously used to fund benefits in excess of the  
490 plan's required benefits before the reduction must be used as  
491 provided in subsection (1)(b). Twenty-five percent of the amount  
492 of any mandatory contribution paid by the municipality or  
493 special fire control district which was previously used to fund

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494 benefits above the level of required benefits provided before  
495 the reduction must be used as additional contributions as  
496 specified in s. 175.091 to fund the plan's actuarial deficiency.

497 ~~(4)(2) The premium tax provided by this chapter shall in~~  
498 ~~all cases be used in its entirety to provide retirement extra~~  
499 ~~benefits to firefighters, or to firefighters and police officers~~  
500 ~~if both are included. However, local law plans in effect on~~  
501 ~~October 1, 1998, must comply with the minimum benefit provisions~~  
502 ~~of this chapter only to the extent that additional premium tax~~  
503 ~~revenues become available to incrementally fund the cost of such~~  
504 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~  
505 ~~compliance with such minimum benefit provisions, as subsequent~~  
506 ~~additional premium tax revenues become available, they must be~~  
507 ~~used to provide extra benefits. Local law plans created by~~  
508 ~~special act before May 27, 1939, are deemed to comply with this~~  
509 ~~chapter. For the purpose of this chapter, the term:~~

510 ~~(a) "Additional premium tax revenues" means revenues~~  
511 ~~received by a municipality or special fire control district~~  
512 ~~pursuant to s. 175.121 which exceed that amount received for~~  
513 ~~calendar year 1997.~~

514 ~~(b) "Extra benefits" means benefits in addition to or~~  
515 ~~greater than those provided to general employees of the~~  
516 ~~municipality and in addition to those in existence for~~  
517 ~~firefighters on March 12, 1999.~~

518 ~~(5)(3) A retirement plan or amendment to a retirement plan~~  
519 ~~may not be proposed for adoption unless the proposed plan or~~  
520 ~~amendment contains an actuarial estimate of the costs involved.~~  
521 ~~Such proposed plan or proposed plan change may not be adopted~~  
522 ~~without the approval of the municipality, special fire control~~

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523 district, or, where permitted, the Legislature. Copies of the  
524 proposed plan or proposed plan change and the actuarial impact  
525 statement of the proposed plan or proposed plan change shall be  
526 furnished to the division before the last public hearing  
527 thereon. Such statement must also indicate whether the proposed  
528 plan or proposed plan change is in compliance with s. 14, Art. X  
529 of the State Constitution and those provisions of part VII of  
530 chapter 112 which are not expressly provided in this chapter.  
531 Notwithstanding any other provision, only those local law plans  
532 created by special act of legislation before May 27, 1939, are  
533 deemed to meet the minimum benefits and minimum standards only  
534 in this chapter.

535 (6)~~(4)~~ Notwithstanding any other provision, with respect to  
536 any supplemental plan municipality:

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

540 (b) Section 175.061(1)(b) does not apply, and a local law  
541 plan and a supplemental plan shall continue to be administered  
542 by a board or boards of trustees numbered, constituted, and  
543 selected as the board or boards were numbered, constituted, and  
544 selected on December 1, 2000.

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

547 (7)~~(5)~~ The retirement plan setting forth the benefits and  
548 the trust agreement, if any, covering the duties and  
549 responsibilities of the trustees and the regulations of the  
550 investment of funds must be in writing, and copies made  
551 available to the participants and to the general public.

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552       (8) In addition to the defined benefit component of the  
553 local law plan, each plan sponsor must have a defined  
554 contribution plan component within the local law plan by October  
555 1, 2013, or upon the creation date of a new participating plan.  
556 However, the plan sponsor of any plan established by special act  
557 of the Legislature has until July 1, 2014, to create a defined  
558 contribution component within the plan.

559       (9) Notwithstanding any other provision of this chapter, a  
560 municipality or special fire control district that has  
561 implemented or proposed changes to a local law plan based on the  
562 municipality's or district's reliance on an interpretation of  
563 this chapter by the department on or after August 14, 2012, and  
564 before February 1, 2013, may continue the implemented changes or  
565 continue to implement proposed changes. Such reliance must be  
566 evidenced by formal correspondence between the municipality or  
567 district and the department which describes the specific changes  
568 to the local law plan, with the initial correspondence from the  
569 municipality or district dated prior to February 1, 2013. The  
570 changes to the local law plan that are otherwise contrary to the  
571 provisions of this chapter may continue in effect until the  
572 earlier of October 1, 2016, or the effective date of a  
573 collective bargaining agreement that is contrary to the changes  
574 to the local law plan.

575       Section 7. Subsection (2) of section 185.01, Florida  
576 Statutes, is amended to read:

577       185.01 Legislative declaration.—

578       (2) This chapter hereby establishes, for all municipal  
579 pension plans ~~now or hereinafter~~ provided for under this  
580 chapter, including chapter plans and local law plans, required

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581 ~~minimum~~ benefits and minimum standards for the operation and  
582 funding of such plans, hereinafter referred to as municipal  
583 police officers' retirement trust funds, which must be met as a  
584 condition precedent to the plan or plan sponsor receiving a  
585 distribution of insurance premium tax revenues under s. 185.10.  
586 The required ~~minimum~~ benefits and minimum standards for each  
587 plan as set forth in this chapter may not be diminished by local  
588 ordinance or by special act of the Legislature, or ~~nor may the~~  
589 ~~minimum benefits or minimum standards be~~ reduced or offset by  
590 any other local, state, or federal plan that may include police  
591 officers in its operation, except as provided under s. 112.65.

592 Section 8. Section 185.02, Florida Statutes, is amended to  
593 read:

594 185.02 Definitions.—For any municipality, chapter plan,  
595 local law municipality, or local law plan under this chapter,  
596 the term ~~following words and phrases as used in this chapter~~  
597 ~~shall have the following meanings, unless a different meaning is~~  
598 ~~plainly required by the context:~~

599 (1) "Additional premium tax revenues" means revenues  
600 received by a municipality pursuant to s. 185.10 which exceed  
601 base premium tax revenues.

602 (2) ~~(1)~~ "Average final compensation" means one-twelfth of  
603 the average annual compensation of the 5 best years of the last  
604 10 years of creditable service prior to retirement, termination,  
605 or death.

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

608 (4) "Base premium tax revenues" means revenues received by  
609 a municipality pursuant to s. 185.10 equal to the amount of such

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610 revenues received for calendar year 1997.

611 (5)~~(2)~~ "Casualty insurance" means automobile public  
612 liability and property damage insurance to be applied at the  
613 place of residence of the owner, or if the subject is a  
614 commercial vehicle, to be applied at the place of business of  
615 the owner; automobile collision insurance; fidelity bonds;  
616 burglary and theft insurance; and plate glass insurance.  
617 "Multiple peril" means a combination or package policy that  
618 includes both property coverage and casualty coverage for a  
619 single premium.

620 (6)~~(3)~~ "Chapter plan" means a separate defined benefit  
621 pension plan for police officers which incorporates by reference  
622 the provisions of this chapter and has been adopted by the  
623 governing body of a municipality as provided in s. 185.08.  
624 Except as may be specifically authorized in this chapter, the  
625 provisions of a chapter plan may not differ from the plan  
626 provisions set forth in ss. 185.01-185.341 and 185.37-185.39.  
627 Actuarial valuations of chapter plans shall be conducted by the  
628 division as provided by s. 185.221(1)(b).

629 (7)~~(4)~~ "Compensation" or "salary" means, for  
630 noncollectively bargained service earned before July 1, 2011, or  
631 for service earned under collective bargaining agreements in  
632 place before July 1, 2011, the total cash remuneration including  
633 "overtime" paid by the primary employer to a police officer for  
634 services rendered, but not including any payments for extra duty  
635 or special detail work performed on behalf of a second party  
636 employer. ~~A local law plan may limit the amount of overtime~~  
637 ~~payments which can be used for retirement benefit calculation~~  
638 ~~purposes; however, such overtime limit may not be less than 300~~

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639 ~~hours per officer per calendar year.~~ For noncollectively  
640 bargained service earned on or after July 1, 2011, or for  
641 service earned under collective bargaining agreements entered  
642 into on or after July 1, 2011, the term has the same meaning  
643 except that when calculating retirement benefits, up to 300  
644 hours per year in overtime compensation may be included as  
645 specified in the plan or collective bargaining agreement, but  
646 payments for accrued unused sick or annual leave may not be  
647 included.

648 (a) Any retirement trust fund or plan that meets the  
649 requirements of this chapter does not, solely by virtue of this  
650 subsection, reduce or diminish the monthly retirement income  
651 otherwise payable to each police officer covered by the  
652 retirement trust fund or plan.

653 (b) The member's compensation or salary contributed as  
654 employee-elective salary reductions or deferrals to any salary  
655 reduction, deferred compensation, or tax-sheltered annuity  
656 program authorized under the Internal Revenue Code shall be  
657 deemed to be the compensation or salary the member would receive  
658 if he or she were not participating in such program and shall be  
659 treated as compensation for retirement purposes under this  
660 chapter.

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

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668 changes in the cost of living in the manner provided by Internal  
669 Revenue Code s. 401(a)(17)(B). For any person who first became a  
670 member before the first plan year beginning on or after January  
671 1, 1996, the limitation on compensation may not be less than the  
672 maximum compensation amount that was allowed to be taken into  
673 account under the plan ~~as~~ in effect on July 1, 1993, which  
674 limitation shall be adjusted for changes in the cost of living  
675 since 1989 in the manner provided by Internal Revenue Code s.  
676 401(a)(17)(1991).

677 (8)~~(5)~~ "Creditable service" or "credited service" means the  
678 aggregate number of years of service and fractional parts of  
679 years of service of any police officer, omitting intervening  
680 years and fractional parts of years when such police officer may  
681 not have been employed by the municipality subject to the  
682 following conditions:

683 (a) A ~~No~~ police officer may not ~~will~~ receive credit for  
684 years or fractional parts of years of service if he or she has  
685 withdrawn his or her contributions to the fund for those years  
686 or fractional parts of years of service, unless the police  
687 officer repays into the fund the amount he or she has withdrawn,  
688 plus interest as determined by the board. The member has ~~shall~~  
689 ~~have~~ at least 90 days after his or her reemployment to make  
690 repayment.

691 (b) A police officer may voluntarily leave his or her  
692 contributions in the fund for ~~a period of~~ 5 years after leaving  
693 the employ of the police department, pending the possibility of  
694 his or her being rehired by the same department, without losing  
695 credit for the time he or she has participated actively as a  
696 police officer. If he or she is not reemployed as a police



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697 officer with the same department within 5 years, his or her  
698 contributions shall be returned to him or her without interest.

699 (c) Credited service under this chapter shall be provided  
700 only for service as a police officer, ~~as defined in subsection~~  
701 ~~(11)~~, or for military service and may not include credit for any  
702 other type of service. A municipality ~~may~~, by local ordinance,  
703 may provide for the purchase of credit for military service  
704 occurring before employment as well as prior service as a police  
705 officer for some other employer as long as the police officer is  
706 not entitled to receive a benefit for such ~~other~~ prior service  
707 ~~as a police officer~~. For purposes of determining credit for  
708 prior service, in addition to service as a police officer in  
709 this state, credit may be given for federal, other state, or  
710 county service as long as such service is recognized by the  
711 Criminal Justice Standards and Training Commission within the  
712 Department of Law Enforcement as provided under chapter 943 or  
713 the police officer provides proof to the board of trustees that  
714 such service is equivalent to the service required to meet the  
715 definition of a police officer under subsection (16) ~~(11)~~.

716 (d) In determining the creditable service of a any police  
717 officer, credit for up to 5 years of the time spent in the  
718 military service of the Armed Forces of the United States shall  
719 be added to the years of actual service, if:

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

724 2. The police officer is entitled to reemployment under ~~the~~  
725 ~~provisions of~~ the Uniformed Services Employment and Reemployment

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726 Rights Act.

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

730 (9) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a  
731 local law plan retirement option in which a police officer may  
732 elect to participate. A police officer may retire for all  
733 purposes of the plan and defer receipt of retirement benefits  
734 into a DROP account while continuing employment with his or her  
735 employer. However, a police officer who enters the DROP and who  
736 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be  
737 precluded from participating, or continuing to participate, in a  
738 supplemental plan in existence on, or created after, March 12,  
739 1999 ~~the effective date of this act.~~

740 (10) "Defined contribution plan" means the component of a  
741 local law plan to which deposits are made to provide benefits  
742 for police officers, or for police officers and firefighters if  
743 both are included. Such component is an element of a local law  
744 plan and exists in conjunction with the defined benefit  
745 component that meets the required benefits and minimum standards  
746 of this chapter. The retirement benefits of the defined  
747 contribution plan shall be provided through individual member  
748 accounts, in accordance with the applicable provisions of the  
749 Internal Revenue Code and related regulations, and are limited  
750 to the contributions made into each member's account and the  
751 actual accumulated earnings, net of expenses, earned on the  
752 member's account.

753 (11) ~~(7)~~ "Division" means the Division of Retirement of the  
754 Department of Management Services.

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755        (12)~~(8)~~ "Enrolled actuary" means an actuary who is enrolled  
756 under Subtitle C of Title III of the Employee Retirement Income  
757 Security Act of 1974 and who is a member of the Society of  
758 Actuaries or the American Academy of Actuaries.

759        (13)~~(9)~~ "Local law municipality" is any municipality in  
760 which ~~there exists~~ a local law plan exists.

761        (14)~~(10)~~ "Local law plan" means a retirement defined  
762 benefit pension plan, which includes both a defined benefit plan  
763 component and a defined contribution plan component, for police  
764 officers, or for police officers and firefighters if both are~~7~~  
765 ~~where~~ included, as described in s. 185.35, established by  
766 municipal ordinance or special act of the Legislature, which  
767 ~~enactment~~ sets forth all plan provisions. Local law plan  
768 provisions may vary from the provisions of this chapter if the~~7~~  
769 ~~provided that~~ required minimum benefits and minimum standards of  
770 this chapter are met. However, any such variance must ~~shall~~  
771 provide a greater benefit for police officers. Actuarial  
772 valuations of local law plans shall be conducted by an enrolled  
773 actuary as provided in s. 185.221(2)(b).

774        (15) "Long-term funded ratio" or "funded ratio" means the  
775 ratio of the actuarial value of assets of the plan to the  
776 actuarial accrued liabilities of the plan, as reported in the  
777 most recent actuarial valuation of the plan, deemed to be in  
778 compliance with chapter 112 by the Department of Management  
779 Services.

780        (16) "Minimum benefits" means the benefits set forth in ss.  
781 185.01-185.341 and ss. 185.37-185.50.

782        (17) "Minimum standards" means the standards set forth in  
783 ss. 185.01-185.341 and ss. 185.37-185.50.

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784        (18)~~(11)~~ "Police officer" means any person who is elected,  
785 appointed, or employed full time by a any municipality, who is  
786 certified or required to be certified as a law enforcement  
787 officer in compliance with s. 943.1395, who is vested with  
788 authority to bear arms and make arrests, and whose primary  
789 responsibility is the prevention and detection of crime or the  
790 enforcement of the penal, criminal, traffic, or highway laws of  
791 the state. The term ~~This definition~~ includes all certified  
792 supervisory and command personnel whose duties include, in whole  
793 or in part, the supervision, training, guidance, and management  
794 responsibilities of full-time law enforcement officers, part-  
795 time law enforcement officers, or auxiliary law enforcement  
796 officers, but does not include part-time law enforcement  
797 officers or auxiliary law enforcement officers as those terms  
798 ~~the same~~ are defined in s. 943.10~~(6)~~ and ~~(8)~~, ~~respectively~~. For  
799 the purposes of this chapter only, the term also includes  
800 ~~"police officer" also shall include~~ a public safety officer who  
801 is responsible for performing both police and fire services. Any  
802 plan may provide that the police chief shall have an option to  
803 participate~~, or not,~~ in that plan.

804        (19)~~(12)~~ "Police Officers' Retirement Trust Fund" means a  
805 trust fund, by whatever name known, as provided under s. 185.03  
806 for the purpose of assisting municipalities in establishing and  
807 maintaining a retirement plan for police officers.

808        (20) "Required benefits" means the lesser of the minimum  
809 benefits set forth in this chapter and the base benefits of the  
810 plan. For local law plans created after March 1, 2013, the  
811 required benefits are the minimum benefits set forth in this  
812 chapter.

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813        (21)~~(13)~~ "Retiree" or "retired police officer" means a  
814 police officer who has entered retirement status. For the  
815 purposes of a plan that includes a Deferred Retirement Option  
816 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~  
817 considered a retiree for all purposes of the plan. However, a  
818 police officer who enters ~~the~~ DROP and who is otherwise eligible  
819 to participate may ~~shall~~ not ~~thereby~~ be precluded from  
820 participating, or continuing to participate, in a supplemental  
821 plan in existence on, or created after, March 12, 1999 ~~the~~  
822 ~~effective date of this act.~~

823        (22)~~(14)~~ "Retirement" means a police officer's separation  
824 from city employment as a police officer with immediate  
825 eligibility for ~~receipt of~~ benefits under the plan. For purposes  
826 of a plan that includes a Deferred Retirement Option Plan  
827 (DROP), "retirement" means the date a police officer enters ~~the~~  
828 DROP.

829        (23) "Special benefits" means benefits provided in a  
830 defined contribution plan for police officers.

831        (24)~~(15)~~ "Supplemental plan" means a plan to which deposits  
832 of the premium tax moneys as provided in s. 185.08 are made to  
833 provide extra benefits to police officers, or police officers  
834 and firefighters if both are ~~where~~ included, ~~under this chapter.~~  
835 Such a plan is an element of a local law plan and exists in  
836 conjunction with a defined benefit component ~~plan~~ that meets the  
837 required ~~minimum~~ benefits and minimum standards of this chapter.  
838 Any supplemental plan in existence on March 1, 2013, shall be  
839 deemed to be defined contribution plan in compliance with s.  
840 185.35(8).

841        (25)~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local

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842 law municipality in which ~~there existed~~ a supplemental plan  
843 existed as of December 1, 2000.

844 Section 9. Paragraph (b) of subsection (6) of section  
845 185.06, Florida Statutes, is amended to read:

846 185.06 General powers and duties of board of trustees.—For  
847 any municipality, chapter plan, local law municipality, or local  
848 law plan under this chapter:

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

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

853  
854 If the board chooses to use the municipality's or special  
855 district's legal counsel or actuary, or chooses to use any of  
856 the municipality's other professional, technical, or other  
857 advisers, it must do so only under terms and conditions  
858 acceptable to the board.

859 Section 10. Paragraphs (d) through (g) of subsection (1) of  
860 section 185.07, Florida Statutes, are amended, and a new  
861 paragraph (e) is added to that subsection, to read:

862 185.07 Creation and maintenance of fund.—For any  
863 municipality, chapter plan, local law municipality, or local law  
864 plan under this chapter:

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

868 (d) By payment by the municipality or other sources of a  
869 sum equal to the normal cost and the amount required to fund any  
870 actuarial deficiency shown by an actuarial valuation as provided

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871 in part VII of chapter 112 after taking into account the amounts  
872 described in paragraphs (b), (c), (f), (g), and (h) and the  
873 amounts of the tax proceeds described in paragraph (a) which  
874 must be used to fund defined benefit plan benefits, except as  
875 otherwise excluded from consideration in determining the  
876 mandatory payment.

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

881 (f) ~~(e)~~ By all gifts, bequests and devises when donated to  
882 the fund.

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

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

888

889 Nothing in this section shall be construed to require  
890 adjustment of member contribution rates in effect on the date  
891 this act becomes a law, including rates that exceed 5 percent of  
892 salary, provided that such rates are at least one-half of 1  
893 percent of salary.

894 Section 11. Subsection (2) of section 185.16, Florida  
895 Statutes, is amended to read:

896 185.16 Requirements for retirement.—For any municipality,  
897 chapter plan, local law municipality, or local law plan under  
898 this chapter, any police officer who completes 10 or more years  
899 of creditable service as a police officer and attains age 55, or

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900 completes 25 years of creditable service as a police officer and  
901 attains age 52, and for such period has been a member of the  
902 retirement fund is eligible for normal retirement benefits.  
903 Normal retirement under the plan is retirement from the service  
904 of the city on or after the normal retirement date. In such  
905 event, for chapter plans and local law plans, payment of  
906 retirement income will be governed by the following provisions  
907 of this section:

908 (2) The amount of the monthly retirement income payable to  
909 a police officer who retires on or after his or her normal  
910 retirement date shall be an amount equal to the number of the  
911 police officer's years of credited service multiplied by 2  
912 percent of his or her average final compensation. ~~However, if~~  
913 ~~current state contributions pursuant to this chapter are not~~  
914 ~~adequate to fund the additional benefits to meet the minimum~~  
915 ~~requirements in this chapter, only increment increases shall be~~  
916 ~~required as state moneys are adequate to provide. Such~~  
917 ~~increments shall be provided as state moneys become available.~~

918 Section 12. Section 185.35, Florida Statutes, is amended to  
919 read:

920 185.35 Municipalities that have ~~having~~ their own retirement  
921 pension plans for police officers. ~~For any municipality, chapter~~  
922 ~~plan, local law municipality, or local law plan under this~~  
923 ~~chapter,~~ In order for a municipality that has ~~municipalities~~  
924 with its ~~their~~ own retirement plan ~~pension plans~~ for police  
925 officers, or for police officers and firefighters if both are  
926 included, to participate in the distribution of the tax fund  
927 established under ~~pursuant to~~ s. 185.08, a local law plan and  
928 its plan sponsor ~~plans~~ must meet the required ~~minimum~~ benefits



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929 and minimum standards set forth in this chapter:

930 (1) If a municipality has a retirement ~~pension~~ plan for  
931 police officers, or for police officers and firefighters if both  
932 are included, which, in the opinion of the division, meets the  
933 required minimum benefits and minimum standards set forth in  
934 this chapter, the board of trustees of the pension plan must,~~as~~  
935 ~~approved by a majority of police officers of the municipality,~~  
936 ~~may:~~

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

942 (a) The base premium tax revenues must be used to fund base  
943 benefits.

944 (b) Of the premium tax revenues received which are in  
945 excess of the amount received for the 2012 calendar year, and  
946 any accumulations of additional premium tax revenues which have  
947 not been applied to fund extra benefits:

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

950 a. Fifty percent must be used as additional contributions  
951 to pay the plan's actuarial deficiency and may not be considered  
952 in the determination of the mandatory payment described in s.  
953 185.07(1)(d);

954 b. Twenty-five percent must be used to fund base benefits;  
955 and

956 c. The remainder must be placed in a defined contribution  
957 plan to fund special benefits.

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

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

961 b. The remainder must be placed in a defined contribution  
962 plan to fund special benefits.

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

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

971 (2) Insurance premium tax revenues may not be used to fund  
972 benefits provided in a defined benefit plan which were not  
973 provided by the plan as of March 1, 2013; however, for a local  
974 law plan created after March 1, 2013, up to 50 percent of the  
975 insurance premium tax revenues may be used to fund defined  
976 benefit plan component benefits and the remainder must be used  
977 to fund defined contribution plan component benefits.

978 (3) If a plan offers benefits in excess of its required  
979 benefits, such benefits may be reduced if the plan continues to  
980 meet the required benefits of the plan and the minimum standards  
981 set forth in this chapter. The amount of insurance premium tax  
982 revenues previously used to fund benefits in excess of the  
983 plan's required benefits before the reduction must be used as  
984 provided in subsection (1)(b). Twenty-five percent of the amount  
985 of any mandatory contribution paid by the municipality or  
986 special fire control district which was previously used to fund

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987 benefits above the level of required benefits provided before  
988 the reduction must be used as additional contributions as  
989 specified in s. 185.07 to fund the plan's actuarial deficiency.

990 (4)-(2) The premium tax provided by this chapter shall ~~in~~  
991 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~  
992 benefits to police officers, or to police officers and  
993 firefighters if both are included. ~~However, local law plans in~~  
994 ~~effect on October 1, 1998, must comply with the minimum benefit~~  
995 ~~provisions of this chapter only to the extent that additional~~  
996 ~~premium tax revenues become available to incrementally fund the~~  
997 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~  
998 ~~is in compliance with such minimum benefit provisions, as~~  
999 ~~subsequent additional tax revenues become available, they shall~~  
1000 ~~be used to provide extra benefits.~~ Local law plans created by  
1001 special act before May 27, 1939, shall be deemed to comply with  
1002 this chapter. ~~For the purpose of this chapter, the term:~~

1003 ~~(a) "Additional premium tax revenues" means revenues~~  
1004 ~~received by a municipality pursuant to s. 185.10 which exceed~~  
1005 ~~the amount received for calendar year 1997.~~

1006 ~~(b) "Extra benefits" means benefits in addition to or~~  
1007 ~~greater than those provided to general employees of the~~  
1008 ~~municipality and in addition to those in existence for police~~  
1009 ~~officers on March 12, 1999.~~

1010 (5)-(3) A retirement plan or amendment to a retirement plan  
1011 may not be proposed for adoption unless the proposed plan or  
1012 amendment contains an actuarial estimate of the costs involved.  
1013 Such proposed plan or proposed plan change may not be adopted  
1014 without the approval of the municipality or, where permitted,  
1015 the Legislature. Copies of the proposed plan or proposed plan

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1016 change and the actuarial impact statement of the proposed plan  
1017 or proposed plan change shall be furnished to the division  
1018 before the last public hearing thereon. Such statement must also  
1019 indicate whether the proposed plan or proposed plan change is in  
1020 compliance with s. 14, Art. X of the State Constitution and  
1021 those provisions of part VII of chapter 112 which are not  
1022 expressly provided in this chapter. Notwithstanding any other  
1023 provision, only those local law plans created by special act of  
1024 legislation before May 27, 1939, are deemed to meet the minimum  
1025 benefits and minimum standards only in this chapter.

1026 (6)~~(4)~~ Notwithstanding any other provision, with respect to  
1027 any supplemental plan municipality:

1028 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and a  
1029 local law plan and a supplemental plan may continue to use their  
1030 definition of compensation or salary in existence on March 12,  
1031 1999.

1032 (b) A local law plan and a supplemental plan must continue  
1033 to be administered by a board or boards of trustees numbered,  
1034 constituted, and selected as the board or boards were numbered,  
1035 constituted, and selected on December 1, 2000.

1036 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~  
1037 ~~have been made.~~

1038 (7)~~(5)~~ The retirement plan setting forth the benefits and  
1039 the trust agreement, if any, covering the duties and  
1040 responsibilities of the trustees and the regulations of the  
1041 investment of funds must be in writing and copies made available  
1042 to the participants and to the general public.

1043 (8) In addition to the defined benefit component of the  
1044 local law plan, each plan sponsor must have a defined

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1045 contribution plan component within the local law plan by October  
1046 1, 2013, or upon the creation date of a new participating plan.  
1047 However, the plan sponsor of any plan established by special act  
1048 of the Legislature has until July 1, 2014, to create a defined  
1049 contribution component within the plan.

1050 (9) Notwithstanding any other provision of this chapter, a  
1051 municipality that has implemented or proposed changes to a local  
1052 law plan based on the municipality's reliance on an  
1053 interpretation of this chapter by the department on or after  
1054 August 14, 2012 and before February 1, 2013, may continue the  
1055 implemented changes or continue to implement proposed changes.  
1056 Such reliance must be evidenced by formal correspondence between  
1057 the municipality and the department which describes the specific  
1058 changes to the local law plan, with the initial correspondence  
1059 from the municipality dated prior to February 1, 2013. The  
1060 changes to the local law plan which are otherwise contrary to  
1061 the provisions of this chapter may continue in effect until the  
1062 earlier of October 1, 2016, or the effective date of a  
1063 collective bargaining agreement that is contrary to the changes  
1064 to the local law plan.

1065 Section 13. The Legislature finds that a proper and  
1066 legitimate state purpose is served when employees and retirees  
1067 of the state and its political subdivisions, and the dependents,  
1068 survivors, and beneficiaries of such employees and retirees, are  
1069 extended the basic protections afforded by governmental  
1070 retirement systems that provide fair and adequate benefits and  
1071 that are managed, administered, and funded in an actuarially  
1072 sound manner as required by s. 14, Article X of the State  
1073 Constitution and part VII of chapter 112, Florida Statutes.

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1074 Therefore, the Legislature determines and declares that this act  
1075 fulfills an important state interest.

1076 Section 14. This act shall take effect July 1, 2013.