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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 base benefits of the
298 plan. For local law plans created after March 12, 1999, the
299 required benefits are the minimum benefits set forth in this
300 chapter.

301 (22)~~(14)~~ "Retiree" or "retired firefighter" means a
302 firefighter who has entered retirement status. For the purposes
303 of a plan that includes a Deferred Retirement Option Plan
304 (DROP), a firefighter who enters the DROP is ~~shall be~~ considered
305 a retiree for all purposes of the plan. However, a firefighter
306 who enters ~~the~~ DROP and who is otherwise eligible to participate
307 may shall not ~~thereby~~ be precluded from participating, or
308 continuing to participate, in a supplemental plan in existence
309 on, or created after, March 12, 1999 ~~the effective date of this~~
310 ~~act.~~

311 (23)~~(15)~~ "Retirement" means a firefighter's separation from
312 city or fire district employment as a firefighter with immediate
313 eligibility for ~~receipt of~~ benefits under the plan. For purposes
314 of a plan that includes a Deferred Retirement Option Plan
315 (DROP), "retirement" means the date a firefighter enters ~~the~~
316 DROP.

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

319 (25)~~(16)~~ "Special fire control district" means a special

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

330 (26)~~(17)~~ "Supplemental plan" means a plan to which deposits
331 are made to provide extra benefits for firefighters, or for
332 firefighters and police officers if both are ~~where~~ included
333 ~~under this chapter~~. Such a plan is an element of a local law
334 plan and exists in conjunction with a defined benefit component
335 ~~plan~~ that meets the required minimum ~~minimum~~ benefits and minimum
336 standards of this chapter. Any supplemental plan in existence on
337 March 1, 2013, shall be deemed to be a defined contribution plan
338 in compliance with s. 175.351(8).

339 (27)~~(18)~~ "Supplemental plan municipality" means a ~~any~~ local
340 law municipality in which ~~there existed~~ a supplemental plan
341 existed, of any type or nature, as of December 1, 2000.

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

344 175.071 General powers and duties of board of trustees.—For
345 any municipality, special fire control district, chapter plan,
346 local law municipality, local law special fire control district,
347 or local law plan under this chapter:

348 (7) To assist the board in meeting its responsibilities

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349 under this chapter, the board, if it so elects, may:

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

352
353 If the board chooses to use the municipality's or special
354 district's legal counsel or actuary, or chooses to use any of
355 the municipality's or special district's other professional,
356 technical, or other advisers, it must do so only under terms and
357 conditions acceptable to the board.

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

361 175.091 Creation and maintenance of fund.—For any
362 municipality, special fire control district, chapter plan, local
363 law municipality, local law special fire control district, or
364 local law plan under this chapter:

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

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

377 (e) For local law plans, and in addition to the mandatory

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

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

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

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

389

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

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

397 175.162 Requirements for retirement.—For any municipality,
398 special fire control district, chapter plan, local law
399 municipality, local law special fire control district, or local
400 law plan under this chapter, any firefighter who completes 10 or
401 more years of creditable service as a firefighter and attains
402 age 55, or completes 25 years of creditable service as a
403 firefighter and attains age 52, and who for such minimum period
404 has been a member of the firefighters' pension trust fund
405 operating under a chapter plan or local law plan, is eligible
406 for normal retirement benefits. Normal retirement under the plan

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

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

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

424 175.351 Municipalities and special fire control districts
425 that have ~~having~~ their own pension plans for firefighters. ~~For~~
426 ~~any municipality, special fire control district, local law~~
427 ~~municipality, local law special fire control district, or local~~
428 ~~law plan under this chapter,~~ In order for a municipality or
429 ~~municipalities and special fire control~~ district that has its
430 ~~districts with their own pension plan plans~~ for firefighters, or
431 for firefighters and police officers if both are included, to
432 participate in the distribution of the tax fund established
433 under ~~pursuant to~~ s. 175.101, a local law plan and its plan
434 sponsor plans must meet the required ~~minimum~~ benefits and
435 minimum standards set forth in this chapter.

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

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

447 (a) The base premium tax revenues must be used to fund
448 required benefits. To the extent the base premium tax revenues
449 exceed the annual actuarial cost of the plan's required
450 benefits, such revenues may be used to fund the plan's base
451 benefits, or a portion thereof, if the plan's base benefits are
452 greater than the plan's required benefits. Otherwise, such
453 excess revenues must be used as directed in paragraph (b).

454 (b) Of the additional premium tax revenues received which
455 are in excess of the amount received for the 2012 calendar year
456 and any accumulations of additional tax revenues which have not
457 been applied to fund benefits in excess of the plan's base
458 benefits:

459 1. If the plan has a supplemental plan in effect as of
460 September 30, 2012, whereby all premium tax revenues received in
461 excess of the amount received for the 2012 calendar year are
462 scheduled to be used to fund defined contribution plan benefits
463 and:

464 a. If the plan has a long-term funded ratio of less than 70

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465 percent, 50 percent of the additional premium tax revenues
466 subject to this paragraph must be used as additional
467 contributions to pay the plan's actuarial deficiency and the
468 remainder must be used to fund special benefits; or
469 b. If the plan has a long-term funded ratio of 70 percent
470 or greater, the additional premium tax revenues subject to this
471 paragraph must be used to fund special benefits.
472 2. If subparagraph 1. is not applicable and the plan has a
473 long-term funded ratio of less than 80 percent:
474 a. Fifty percent of the additional premium tax revenues
475 subject to this paragraph must be used as additional
476 contributions to pay the plan's actuarial deficiency;
477 b. Twenty-five percent of the additional premium tax
478 revenues subject to this paragraph must be used to fund base
479 benefits; and
480 c. The remainder must be placed in a defined contribution
481 plan to fund special benefits.
482 3. If subparagraph 1. is not applicable and the plan has a
483 long-term funded ratio of 80 percent or greater:
484 a. Fifty percent of the additional premium tax revenues
485 subject to this paragraph must be used to fund base benefits;
486 and
487 b. The remainder must be placed in a defined contribution
488 plan to fund special benefits.
489
490 Any additional premium tax revenues used to fund the plan's
491 actuarial deficiency pursuant to this paragraph may not be
492 considered in determining the mandatory payment described in s.
493 175.091 (1) (d) .

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494 (c) Additional premium tax revenues not described in
495 paragraph (b) must be used to fund benefits that were not
496 included in the base benefits to pay extra benefits to the
497 firefighters included in that pension plan; or

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

502 (2) Insurance premium tax revenues may not be used to fund
503 benefits provided in a defined benefit plan which were not
504 provided by the plan as of March 1, 2013; however, for a local
505 law plan created after March 1, 2013, up to 50 percent of the
506 insurance premium tax revenues may be used to fund defined
507 benefit plan component benefits and the remainder must be used
508 to fund defined contribution plan component benefits.

509 (3) If a plan offers benefits in excess of its required
510 benefits, such benefits may be reduced if the plan continues to
511 meet the required benefits of the plan and the minimum standards
512 set forth in this chapter. The amount of insurance premium tax
513 revenues previously used to fund benefits in excess of the
514 plan's required benefits before the reduction must be used as
515 provided in subsection (1)(b). Twenty-five percent of the amount
516 of any mandatory contribution paid by the municipality or
517 special fire control district which was previously used to fund
518 benefits above the level of required benefits provided before
519 the reduction must be used as additional contributions as
520 specified in s. 175.091 to fund the plan's actuarial deficiency.

521 (4)~~(2)~~ The premium tax provided by this chapter shall in
522 all cases be used in its entirety to provide retirement extra

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523 benefits to firefighters, or to firefighters and police officers
524 if both are included. ~~However, local law plans in effect on~~
525 ~~October 1, 1998, must comply with the minimum benefit provisions~~
526 ~~of this chapter only to the extent that additional premium tax~~
527 ~~revenues become available to incrementally fund the cost of such~~
528 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
529 ~~compliance with such minimum benefit provisions, as subsequent~~
530 ~~additional premium tax revenues become available, they must be~~
531 ~~used to provide extra benefits. Local law plans created by~~
532 ~~special act before May 27, 1939, are deemed to comply with this~~
533 ~~chapter. For the purpose of this chapter, the term:~~

534 ~~(a) "Additional premium tax revenues" means revenues~~
535 ~~received by a municipality or special fire control district~~
536 ~~pursuant to s. 175.121 which exceed that amount received for~~
537 ~~calendar year 1997.~~

538 ~~(b) "Extra benefits" means benefits in addition to or~~
539 ~~greater than those provided to general employees of the~~
540 ~~municipality and in addition to those in existence for~~
541 ~~firefighters on March 12, 1999.~~

542 (5)~~(3)~~ A retirement plan or amendment to a retirement plan
543 may not be proposed for adoption unless the proposed plan or
544 amendment contains an actuarial estimate of the costs involved.
545 Such proposed plan or proposed plan change may not be adopted
546 without the approval of the municipality, special fire control
547 district, or, where permitted, the Legislature. Copies of the
548 proposed plan or proposed plan change and the actuarial impact
549 statement of the proposed plan or proposed plan change shall be
550 furnished to the division before the last public hearing
551 thereon. Such statement must also indicate whether the proposed

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552 plan or proposed plan change is in compliance with s. 14, Art. X
553 of the State Constitution and those provisions of part VII of
554 chapter 112 which are not expressly provided in this chapter.
555 Notwithstanding any other provision, only those local law plans
556 created by special act of legislation before May 27, 1939, are
557 deemed to meet the minimum benefits and minimum standards only
558 in this chapter.

559 (6)~~(4)~~ Notwithstanding any other provision, with respect to
560 any supplemental plan municipality:

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

564 (b) Section 175.061(1)(b) does not apply, and a local law
565 plan and a supplemental plan shall continue to be administered
566 by a board or boards of trustees numbered, constituted, and
567 selected as the board or boards were numbered, constituted, and
568 selected on December 1, 2000.

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

571 (7)~~(5)~~ The retirement plan setting forth the benefits and
572 the trust agreement, if any, covering the duties and
573 responsibilities of the trustees and the regulations of the
574 investment of funds must be in writing, and copies made
575 available to the participants and to the general public.

576 (8) In addition to the defined benefit component of the
577 local law plan, each plan sponsor must have a defined
578 contribution plan component within the local law plan by October
579 1, 2013, or upon the creation date of a new participating plan.
580 However, the plan sponsor of any plan established by special act

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581 of the Legislature has until July 1, 2014, to create a defined
582 contribution component within the plan.

583 (9) Notwithstanding any other provision of this chapter, a
584 municipality or special fire control district that has
585 implemented or proposed changes to a local law plan based on the
586 municipality's or district's reliance on an interpretation of
587 this chapter by the department on or after August 14, 2012, and
588 before February 1, 2013, may continue the implemented changes or
589 continue to implement proposed changes. Such reliance must be
590 evidenced by a written collective bargaining proposal,
591 collective bargaining agreement, or formal correspondence
592 between the municipality or district and the department which
593 describes the specific changes to the local law plan, with the
594 initial proposal, agreement, or correspondence from the
595 municipality or district dated prior to February 1, 2013. The
596 changes to the local law plan that are otherwise contrary to the
597 provisions of this chapter may continue in effect until the
598 earlier of October 1, 2016, or the effective date of a
599 collective bargaining agreement that is contrary to the changes
600 to the local law plan.

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

603 185.01 Legislative declaration.—

604 (2) This chapter hereby establishes, for all municipal
605 pension plans ~~now or hereinafter~~ provided for under this
606 chapter, including chapter plans and local law plans, required
607 ~~minimum~~ benefits and minimum standards for the operation and
608 funding of such plans, hereinafter referred to as municipal
609 police officers' retirement trust funds, which must be met as a

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610 condition precedent to the plan or plan sponsor receiving a
611 distribution of insurance premium tax revenues under s. 185.10.
612 The required ~~minimum~~ benefits and minimum standards for each
613 plan as set forth in this chapter may not be diminished by local
614 ordinance or by special act of the Legislature, or ~~nor may the~~
615 ~~minimum benefits or minimum standards be~~ reduced or offset by
616 any other local, state, or federal plan that may include police
617 officers in its operation, except as provided under s. 112.65.

618 Section 8. Section 185.02, Florida Statutes, is amended to
619 read:

620 185.02 Definitions.—For any municipality, chapter plan,
621 local law municipality, or local law plan under this chapter,
622 the term ~~following words and phrases as used in this chapter~~
623 ~~shall have the following meanings, unless a different meaning is~~
624 ~~plainly required by the context:~~

625 (1) "Additional premium tax revenues" means revenues
626 received by a municipality pursuant to s. 185.10 which exceed
627 base premium tax revenues.

628 (2)~~(1)~~ "Average final compensation" means one-twelfth of
629 the average annual compensation of the 5 best years of the last
630 10 years of creditable service prior to retirement, termination,
631 or death.

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

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

637 (5)~~(2)~~ "Casualty insurance" means automobile public
638 liability and property damage insurance to be applied at the

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639 place of residence of the owner, or if the subject is a
640 commercial vehicle, to be applied at the place of business of
641 the owner; automobile collision insurance; fidelity bonds;
642 burglary and theft insurance; and plate glass insurance.
643 "Multiple peril" means a combination or package policy that
644 includes both property coverage and casualty coverage for a
645 single premium.

646 (6)~~(3)~~ "Chapter plan" means a separate defined benefit
647 pension plan for police officers which incorporates by reference
648 the provisions of this chapter and has been adopted by the
649 governing body of a municipality as provided in s. 185.08.
650 Except as may be specifically authorized in this chapter, the
651 provisions of a chapter plan may not differ from the plan
652 provisions set forth in ss. 185.01-185.341 and 185.37-185.39.
653 Actuarial valuations of chapter plans shall be conducted by the
654 division as provided by s. 185.221(1)(b).

655 (7)~~(4)~~ "Compensation" or "salary" means, for
656 noncollectively bargained service earned before July 1, 2011, or
657 for service earned under collective bargaining agreements in
658 place before July 1, 2011, the total cash remuneration including
659 "overtime" paid by the primary employer to a police officer for
660 services rendered, but not including any payments for extra duty
661 or special detail work performed on behalf of a second party
662 employer. ~~A local law plan may limit the amount of overtime~~
663 ~~payments which can be used for retirement benefit calculation~~
664 ~~purposes; however, such overtime limit may not be less than 300~~
665 ~~hours per officer per calendar year.~~ For noncollectively
666 bargained service earned on or after July 1, 2011, or for
667 service earned under collective bargaining agreements entered

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668 into on or after July 1, 2011, the term has the same meaning
669 except that when calculating retirement benefits, up to 300
670 hours per year in overtime compensation may be included as
671 specified in the plan or collective bargaining agreement, but
672 payments for accrued unused sick or annual leave may not be
673 included.

674 (a) Any retirement trust fund or plan that meets the
675 requirements of this chapter does not, solely by virtue of this
676 subsection, reduce or diminish the monthly retirement income
677 otherwise payable to each police officer covered by the
678 retirement trust fund or plan.

679 (b) The member's compensation or salary contributed as
680 employee-elective salary reductions or deferrals to any salary
681 reduction, deferred compensation, or tax-sheltered annuity
682 program authorized under the Internal Revenue Code shall be
683 deemed to be the compensation or salary the member would receive
684 if he or she were not participating in such program and shall be
685 treated as compensation for retirement purposes under this
686 chapter.

687 (c) For any person who first becomes a member in any plan
688 year beginning on or after January 1, 1996, compensation for
689 that plan year may not include any amounts in excess of the
690 Internal Revenue Code s. 401(a)(17) limitation, as amended by
691 the Omnibus Budget Reconciliation Act of 1993, which limitation
692 of \$150,000 shall be adjusted as required by federal law for
693 qualified government plans and ~~shall be~~ further adjusted for
694 changes in the cost of living in the manner provided by Internal
695 Revenue Code s. 401(a)(17)(B). For any person who first became a
696 member before the first plan year beginning on or after January

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697 1, 1996, the limitation on compensation may not be less than the
698 maximum compensation amount that was allowed to be taken into
699 account under the plan ~~as~~ in effect on July 1, 1993, which
700 limitation shall be adjusted for changes in the cost of living
701 since 1989 in the manner provided by Internal Revenue Code s.
702 401(a)(17)(1991).

703 (8)~~(5)~~ "Creditable service" or "credited service" means the
704 aggregate number of years of service and fractional parts of
705 years of service of any police officer, omitting intervening
706 years and fractional parts of years when such police officer may
707 not have been employed by the municipality subject to the
708 following conditions:

709 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
710 years or fractional parts of years of service if he or she has
711 withdrawn his or her contributions to the fund for those years
712 or fractional parts of years of service, unless the police
713 officer repays into the fund the amount he or she has withdrawn,
714 plus interest as determined by the board. The member has ~~shall~~
715 ~~have~~ at least 90 days after his or her reemployment to make
716 repayment.

717 (b) A police officer may voluntarily leave his or her
718 contributions in the fund for ~~a period of~~ 5 years after leaving
719 the employ of the police department, pending the possibility of
720 his or her being rehired by the same department, without losing
721 credit for the time he or she has participated actively as a
722 police officer. If he or she is not reemployed as a police
723 officer with the same department within 5 years, his or her
724 contributions shall be returned to him or her without interest.

725 (c) Credited service under this chapter shall be provided

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726 only for service as a police officer, ~~as defined in subsection~~
727 ~~(11)~~, or for military service and may not include credit for any
728 other type of service. A municipality ~~may~~, by local ordinance,
729 may provide for the purchase of credit for military service
730 occurring before employment as well as prior service as a police
731 officer for some other employer as long as the police officer is
732 not entitled to receive a benefit for such ~~other~~ prior service
733 ~~as a police officer~~. For purposes of determining credit for
734 prior service, in addition to service as a police officer in
735 this state, credit may be given for federal, other state, or
736 county service as long as such service is recognized by the
737 Criminal Justice Standards and Training Commission within the
738 Department of Law Enforcement as provided under chapter 943 or
739 the police officer provides proof to the board of trustees that
740 such service is equivalent to the service required to meet the
741 definition of a police officer under subsection (16) ~~(11)~~.

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

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

750 2. The police officer is entitled to reemployment under ~~the~~
751 ~~provisions of~~ the Uniformed Services Employment and Reemployment
752 Rights Act.

753 3. The police officer returns to his or her employment as a
754 police officer of the municipality within 1 year after ~~from~~ the

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755 date of his or her release from such active service.

756 (9)~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
757 local law plan retirement option in which a police officer may
758 elect to participate. A police officer may retire for all
759 purposes of the plan and defer receipt of retirement benefits
760 into a DROP account while continuing employment with his or her
761 employer. However, a police officer who enters the DROP and who
762 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
763 precluded from participating, or continuing to participate, in a
764 supplemental plan in existence on, or created after, March 12,
765 1999 ~~the effective date of this act.~~

766 (10) "Defined contribution plan" means the component of a
767 local law plan to which deposits are made to provide benefits
768 for police officers, or for police officers and firefighters if
769 both are included. Such component is an element of a local law
770 plan and exists in conjunction with the defined benefit
771 component that meets the required benefits and minimum standards
772 of this chapter. The retirement benefits of the defined
773 contribution plan shall be provided through individual member
774 accounts, in accordance with the applicable provisions of the
775 Internal Revenue Code and related regulations, and are limited
776 to the contributions made into each member's account and the
777 actual accumulated earnings, net of expenses, earned on the
778 member's account.

779 (11)~~(7)~~ "Division" means the Division of Retirement of the
780 Department of Management Services.

781 (12)~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
782 under Subtitle C of Title III of the Employee Retirement Income
783 Security Act of 1974 and who is a member of the Society of

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784 Actuaries or the American Academy of Actuaries.

785 (13)~~(9)~~ "Local law municipality" is any municipality in
786 which ~~there exists~~ a local law plan exists.

787 (14)~~(10)~~ "Local law plan" means a retirement defined
788 benefit pension plan, which includes both a defined benefit plan
789 component and a defined contribution plan component, for police
790 officers, or for police officers and firefighters if both are~~r~~
791 ~~where~~ included, as described in s. 185.35, established by
792 municipal ordinance or special act of the Legislature, which
793 ~~enactment~~ sets forth all plan provisions. Local law plan
794 provisions may vary from the provisions of this chapter if the~~r~~
795 ~~provided that~~ required minimum benefits and minimum standards of
796 this chapter are met. However, any such variance must ~~shall~~
797 provide a greater benefit for police officers. Actuarial
798 valuations of local law plans shall be conducted by an enrolled
799 actuary as provided in s. 185.221(2)(b).

800 (15) "Long-term funded ratio" or "funded ratio" means the
801 ratio of the actuarial value of assets of the plan to the
802 actuarial accrued liabilities of the plan, as reported in the
803 most recent actuarial valuation of the plan, deemed to be in
804 compliance with chapter 112 by the Department of Management
805 Services.

806 (16) "Minimum benefits" means the benefits set forth in ss.
807 185.01-185.341 and ss. 185.37-185.50.

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

810 (18)~~(11)~~ "Police officer" means any person who is elected,
811 appointed, or employed full time by a ~~any~~ municipality, who is
812 certified or required to be certified as a law enforcement

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813 officer in compliance with s. 943.1395, who is vested with
814 authority to bear arms and make arrests, and whose primary
815 responsibility is the prevention and detection of crime or the
816 enforcement of the penal, criminal, traffic, or highway laws of
817 the state. The term ~~This definition~~ includes all certified
818 supervisory and command personnel whose duties include, in whole
819 or in part, the supervision, training, guidance, and management
820 responsibilities of full-time law enforcement officers, part-
821 time law enforcement officers, or auxiliary law enforcement
822 officers, but does not include part-time law enforcement
823 officers or auxiliary law enforcement officers as those terms
824 ~~the same~~ are defined in s. 943.10-(6) and (8), respectively. For
825 the purposes of this chapter only, the term also includes
826 ~~"police officer"~~ also shall include a public safety officer who
827 is responsible for performing both police and fire services. Any
828 plan may provide that the police chief shall have an option to
829 participate, ~~or not,~~ in that plan.

830 (19) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
831 trust fund, by whatever name known, as provided under s. 185.03
832 for the purpose of assisting municipalities in establishing and
833 maintaining a retirement plan for police officers.

834 (20) "Required benefits" means the base benefits of the
835 plan. For local law plans created after March 12, 1999, the
836 required benefits are the minimum benefits set forth in this
837 chapter.

838 (21) ~~(13)~~ "Retiree" or "retired police officer" means a
839 police officer who has entered retirement status. For the
840 purposes of a plan that includes a Deferred Retirement Option
841 Plan (DROP), a police officer who enters ~~the DROP is shall be~~ the DROP

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842 considered a retiree for all purposes of the plan. However, a
843 police officer who enters ~~the~~ DROP and who is otherwise eligible
844 to participate may ~~shall~~ not ~~thereby~~ be precluded from
845 participating, or continuing to participate, in a supplemental
846 plan in existence on, or created after, March 12, 1999 ~~the~~
847 ~~effective date of this act.~~

848 (22) ~~(14)~~ "Retirement" means a police officer's separation
849 from city employment as a police officer with immediate
850 eligibility for ~~receipt of~~ benefits under the plan. For purposes
851 of a plan that includes a Deferred Retirement Option Plan
852 (DROP), "retirement" means the date a police officer enters ~~the~~
853 DROP.

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

856 (24) ~~(15)~~ "Supplemental plan" means a plan to which deposits
857 of the premium tax moneys as provided in s. 185.08 are made to
858 provide extra benefits to police officers, or police officers
859 and firefighters if both are ~~where~~ included, ~~under this chapter.~~
860 Such a plan is an element of a local law plan and exists in
861 conjunction with a defined benefit component ~~plan~~ that meets the
862 required minimum ~~minimum~~ benefits and minimum standards of this chapter.
863 Any supplemental plan in existence on March 1, 2013, shall be
864 deemed to be defined contribution plan in compliance with s.
865 185.35(8).

866 (25) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
867 law municipality in which ~~there existed~~ a supplemental plan
868 existed as of December 1, 2000.

869 Section 9. Paragraph (b) of subsection (6) of section
870 185.06, Florida Statutes, is amended to read:

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871 185.06 General powers and duties of board of trustees.—For
872 any municipality, chapter plan, local law municipality, or local
873 law plan under this chapter:

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

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

878

879 If the board chooses to use the municipality's or special
880 district's legal counsel or actuary, or chooses to use any of
881 the municipality's other professional, technical, or other
882 advisers, it must do so only under terms and conditions
883 acceptable to the board.

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

887 185.07 Creation and maintenance of fund.—For any
888 municipality, chapter plan, local law municipality, or local law
889 plan under this chapter:

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

893 (d) By payment by the municipality or other sources of a
894 sum equal to the normal cost and the amount required to fund any
895 actuarial deficiency shown by an actuarial valuation as provided
896 in part VII of chapter 112 after taking into account the amounts
897 described in paragraphs (b), (c), (f), (g), and (h) and the
898 amounts of the tax proceeds described in paragraph (a) which
899 must be used to fund defined benefit plan benefits, except as

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900 otherwise excluded from consideration in determining the
901 mandatory payment.

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

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

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

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

913

914 Nothing in this section shall be construed to require adjustment
915 of member contribution rates in effect on the date this act
916 becomes a law, including rates that exceed 5 percent of salary,
917 provided that such rates are at least one-half of 1 percent of
918 salary.

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

921 185.16 Requirements for retirement.—For any municipality,
922 chapter plan, local law municipality, or local law plan under
923 this chapter, any police officer who completes 10 or more years
924 of creditable service as a police officer and attains age 55, or
925 completes 25 years of creditable service as a police officer and
926 attains age 52, and for such period has been a member of the
927 retirement fund is eligible for normal retirement benefits.
928 Normal retirement under the plan is retirement from the service

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929 of the city on or after the normal retirement date. In such
930 event, for chapter plans and local law plans, payment of
931 retirement income will be governed by the following provisions
932 of this section:

933 (2) The amount of the monthly retirement income payable to
934 a police officer who retires on or after his or her normal
935 retirement date shall be an amount equal to the number of the
936 police officer's years of credited service multiplied by 2
937 percent of his or her average final compensation. ~~However, if~~
938 ~~current state contributions pursuant to this chapter are not~~
939 ~~adequate to fund the additional benefits to meet the minimum~~
940 ~~requirements in this chapter, only increment increases shall be~~
941 ~~required as state moneys are adequate to provide. Such~~
942 ~~increments shall be provided as state moneys become available.~~

943 Section 12. Section 185.35, Florida Statutes, is amended to
944 read:

945 185.35 Municipalities that have ~~having~~ their own retirement
946 pension plans for police officers. ~~For any municipality, chapter~~
947 ~~plan, local law municipality, or local law plan under this~~
948 ~~chapter,~~ In order for a municipality that has municipalities
949 with its ~~their~~ own retirement plan ~~pension plans~~ for police
950 officers, or for police officers and firefighters if both are
951 included, to participate in the distribution of the tax fund
952 established under ~~pursuant to~~ s. 185.08, a local law plan and
953 its plan sponsor ~~plans~~ must meet the required ~~minimum~~ benefits
954 and minimum standards set forth in this chapter:

955 (1) If a municipality has a retirement ~~pension~~ plan for
956 police officers, or for police officers and firefighters if both
957 are included, which, in the opinion of the division, meets the

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958 required ~~minimum~~ benefits and minimum standards set forth in
959 this chapter, the board of trustees of the pension plan must, ~~as~~
960 ~~approved by a majority of police officers of the municipality,~~
961 ~~may:~~

962 ~~(a)~~ place the income from the premium tax in s. 185.08 in
963 such ~~pension~~ plan for the sole and exclusive use of its police
964 officers, or its police officers and firefighters if both are
965 included, where it shall become an integral part of that ~~pension~~
966 plan and ~~shall~~ be used to fund benefits as follows:

967 (a) The base premium tax revenues must be used to fund
968 required benefits. To the extent the base premium tax revenues
969 exceed the annual actuarial cost of the plan's required
970 benefits, such revenues may be used to fund the plan's base
971 benefits, or a portion thereof, if the plan's base benefits are
972 greater than the plan's required benefits. Otherwise, such
973 excess revenues must be used as directed in paragraph (b).

974 (b) Of the additional premium tax revenues received which
975 are in excess of the amount received for the 2012 calendar year
976 and any accumulations of additional premium tax revenues which
977 have not been applied to fund benefits in excess of the plan's
978 base benefits:

979 1. If the plan has a supplemental plan in effect as of
980 September 30, 2012, whereby all premium tax revenues received in
981 excess of the amount received for the 2012 calendar year are
982 scheduled to be used to fund defined contribution plan benefits
983 and:

984 a. If the plan has a long-term funded ratio of less than 70
985 percent, 50 percent of the additional premium tax revenues
986 subject to this paragraph must be used as additional

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987 contributions to pay the plan's actuarial deficiency and the
988 remainder must be used to fund special benefits; or

989 b. If the plan has a long-term funded ratio of 70 percent
990 or greater, the additional premium tax revenues subject to this
991 paragraph must be used to fund special benefits.

992 2. If subparagraph 1. is not applicable and the plan has a
993 long-term funded ratio of less than 80 percent:

994 a. Fifty percent of the additional premium tax revenues
995 subject to this paragraph must be used as additional
996 contributions to pay the plan's actuarial deficiency;

997 b. Twenty-five percent of the additional premium tax
998 revenues subject to this paragraph must be used to fund base
999 benefits; and

1000 c. The remainder must be placed in a defined contribution
1001 plan to fund special benefits.

1002 3. If subparagraph 1. is not applicable and the plan has a
1003 long-term funded ratio of 80 percent or greater:

1004 a. Fifty percent of the additional premium tax revenues
1005 subject to this paragraph must be used to fund base benefits;
1006 and

1007 b. The remainder must be placed in a defined contribution
1008 plan to fund special benefits.

1009
1010 Any additional premium tax revenues used to fund the plan's
1011 actuarial deficiency pursuant to this paragraph may not be
1012 considered in determining the mandatory payment described in s.
1013 175.091(1)(d).

1014 (c) Additional premium tax revenues not described in
1015 paragraph (b) must be used to fund benefits that were not

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1016 ~~included in the base benefits pay extra benefits to the police~~
1017 ~~officers included in that pension plan; or~~

1018 ~~(b) May place the income from the premium tax in s. 185.08~~
1019 ~~in a separate supplemental plan to pay extra benefits to the~~
1020 ~~police officers, or police officers and firefighters if~~
1021 ~~included, participating in such separate supplemental plan.~~

1022 (2) Insurance premium tax revenues may not be used to fund
1023 benefits provided in a defined benefit plan which were not
1024 provided by the plan as of March 1, 2013; however, for a local
1025 law plan created after March 1, 2013, up to 50 percent of the
1026 insurance premium tax revenues may be used to fund defined
1027 benefit plan component benefits and the remainder must be used
1028 to fund defined contribution plan component benefits.

1029 (3) If a plan offers benefits in excess of its required
1030 benefits, such benefits may be reduced if the plan continues to
1031 meet the required benefits of the plan and the minimum standards
1032 set forth in this chapter. The amount of insurance premium tax
1033 revenues previously used to fund benefits in excess of the
1034 plan's required benefits before the reduction must be used as
1035 provided in subsection (1)(b). Twenty-five percent of the amount
1036 of any mandatory contribution paid by the municipality or
1037 special fire control district which was previously used to fund
1038 benefits above the level of required benefits provided before
1039 the reduction must be used as additional contributions as
1040 specified in s. 185.07 to fund the plan's actuarial deficiency.

1041 (4)~~(2)~~ The premium tax provided by this chapter shall in
1042 all cases be used in its entirety to provide retirement ~~extra~~
1043 benefits to police officers, or to police officers and
1044 firefighters if both are included. However, local law plans in

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1045 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1046 ~~provisions of this chapter only to the extent that additional~~
1047 ~~premium tax revenues become available to incrementally fund the~~
1048 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
1049 ~~is in compliance with such minimum benefit provisions, as~~
1050 ~~subsequent additional tax revenues become available, they shall~~
1051 ~~be used to provide extra benefits. Local law plans created by~~
1052 ~~special act before May 27, 1939, shall be deemed to comply with~~
1053 ~~this chapter. For the purpose of this chapter, the term:~~

1054 ~~(a) "Additional premium tax revenues" means revenues~~
1055 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1056 ~~the amount received for calendar year 1997.~~

1057 ~~(b) "Extra benefits" means benefits in addition to or~~
1058 ~~greater than those provided to general employees of the~~
1059 ~~municipality and in addition to those in existence for police~~
1060 ~~officers on March 12, 1999.~~

1061 ~~(5)-(3)~~ A retirement plan or amendment to a retirement plan
1062 may not be proposed for adoption unless the proposed plan or
1063 amendment contains an actuarial estimate of the costs involved.
1064 Such proposed plan or proposed plan change may not be adopted
1065 without the approval of the municipality or, where permitted,
1066 the Legislature. Copies of the proposed plan or proposed plan
1067 change and the actuarial impact statement of the proposed plan
1068 or proposed plan change shall be furnished to the division
1069 before the last public hearing thereon. Such statement must also
1070 indicate whether the proposed plan or proposed plan change is in
1071 compliance with s. 14, Art. X of the State Constitution and
1072 those provisions of part VII of chapter 112 which are not
1073 expressly provided in this chapter. Notwithstanding any other

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1074 provision, only those local law plans created by special act of
1075 legislation before May 27, 1939, are deemed to meet the minimum
1076 benefits and minimum standards only in this chapter.

1077 ~~(6)-(4)~~ Notwithstanding any other provision, with respect to
1078 any supplemental plan municipality:

1079 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and a
1080 local law plan and a supplemental plan may continue to use their
1081 definition of compensation or salary in existence on March 12,
1082 1999.

1083 (b) A local law plan and a supplemental plan must continue
1084 to be administered by a board or boards of trustees numbered,
1085 constituted, and selected as the board or boards were numbered,
1086 constituted, and selected on December 1, 2000.

1087 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
1088 ~~have been made.~~

1089 ~~(7)-(5)~~ The retirement plan setting forth the benefits and
1090 the trust agreement, if any, covering the duties and
1091 responsibilities of the trustees and the regulations of the
1092 investment of funds must be in writing and copies made available
1093 to the participants and to the general public.

1094 (8) In addition to the defined benefit component of the
1095 local law plan, each plan sponsor must have a defined
1096 contribution plan component within the local law plan by October
1097 1, 2013, or upon the creation date of a new participating plan.
1098 However, the plan sponsor of any plan established by special act
1099 of the Legislature has until July 1, 2014, to create a defined
1100 contribution component within the plan.

1101 (9) Notwithstanding any other provision of this chapter, a
1102 municipality that has implemented or proposed changes to a local

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1103 law plan based on the municipality's reliance on an
1104 interpretation of this chapter by the department on or after
1105 August 14, 2012 and before February 1, 2013, may continue the
1106 implemented changes or continue to implement proposed changes.
1107 Such reliance must be evidenced by a written collective
1108 bargaining proposal, collective bargaining agreement, or formal
1109 correspondence between the municipality and the department which
1110 describes the specific changes to the local law plan, with the
1111 initial proposal, agreement, or correspondence from the
1112 municipality dated prior to February 1, 2013. The changes to the
1113 local law plan which are otherwise contrary to the provisions of
1114 this chapter may continue in effect until the earlier of October
1115 1, 2016, or the effective date of a collective bargaining
1116 agreement that is contrary to the changes to the local law plan.

1117 Section 13. The Legislature finds that a proper and
1118 legitimate state purpose is served when employees and retirees
1119 of the state and its political subdivisions, and the dependents,
1120 survivors, and beneficiaries of such employees and retirees, are
1121 extended the basic protections afforded by governmental
1122 retirement systems that provide fair and adequate benefits and
1123 that are managed, administered, and funded in an actuarially
1124 sound manner as required by s. 14, Article X of the State
1125 Constitution and part VII of chapter 112, Florida Statutes.
1126 Therefore, the Legislature determines and declares that this act
1127 fulfills an important state interest.

1128 Section 14. This act shall take effect July 1, 2013.