

HB 7181

2014

1 A bill to be entitled

2 An act relating to public retirement plans; amending
3 s. 121.021, F.S.; revising the definition of "vested"
4 or "vesting"; providing that a member initially
5 enrolled in the Florida Retirement System after a
6 certain date is vested in the pension plan after 10
7 years of creditable service; amending s. 121.051,
8 F.S.; providing for compulsory membership in the
9 Florida Retirement System Investment Plan for
10 employees in the Elected Officers' Class or the Senior
11 Management Service Class initially enrolled after a
12 specified date; amending s. 121.052, F.S.; prohibiting
13 members of the Elected Officers' Class from joining
14 the Senior Management Service Class after a specified
15 date; amending s. 121.053, F.S.; authorizing renewed
16 membership in the retirement system for retirees who
17 are reemployed in a position eligible for the Elected
18 Officers' Class under certain circumstances; amending
19 s. 121.055, F.S.; authorizing renewed membership in
20 the retirement system for retirees of the Senior
21 Management Service Optional Annuity Program who are
22 reemployed on or after a specified date; prohibiting
23 an elected official eligible for membership in the
24 Elected Officers' Class from enrolling in the Senior
25 Management Service Class or in the Senior Management
26 Service Optional Annuity Program; closing the Senior

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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27 Management Service Optional Annuity Program to new
28 members after a specified date; amending s. 121.091,
29 F.S.; increasing the service time required to qualify
30 for disability benefits to 10 years for members
31 enrolled in the pension plan on or after a specified
32 date; revising provisions to conform to changes made
33 by the act; amending s. 121.122, F.S.; requiring that
34 certain retirees who are employed on or after a
35 specified date be renewed members in the investment
36 plan; providing exceptions; providing that creditable
37 service does not accrue for a reemployed retiree
38 during a specified period; prohibiting certain funds
39 from being paid into a renewed member's investment
40 plan account for a specified period of employment;
41 requiring the renewed member to satisfy vesting
42 requirements; prohibiting a renewed member from
43 receiving disability benefits; specifying requirements
44 and limitations; requiring the employer and the
45 retiree to make applicable contributions to the
46 member's investment plan account; providing for the
47 administration of the employer and employee
48 contributions; prohibiting the purchase of past
49 service in the investment plan during certain dates;
50 authorizing a renewed member to receive additional
51 credit toward the health insurance subsidy under
52 certain circumstances; providing that a retiree

53 employed on or after a specified date in a regularly
54 established position eligible for the State University
55 System Optional Retirement Program is a renewed member
56 of that program; specifying requirements and
57 limitations; requiring the employer and the retiree to
58 make applicable contributions; prohibiting the
59 purchase of past service in the program during certain
60 dates; providing that a retiree employed on or after a
61 specified date in a regularly established position
62 eligible for the State Community College System
63 Optional Retirement Program is a renewed member of
64 that program; specifying requirements and limitations;
65 requiring the employer and the retiree to make
66 applicable contributions; prohibiting the purchase of
67 past service in the program during certain dates;
68 amending s. 121.4501, F.S.; requiring certain
69 employees initially enrolled in the Florida Retirement
70 System on or after a specified date to be compulsory
71 members of the investment plan; revising the
72 definition of "member" or "employee"; revising a
73 provision relating to acknowledgement of an employee's
74 election to participate in the investment plan;
75 enrolling certain employees in the pension plan from
76 their date of hire until they are automatically
77 enrolled in the investment plan or timely elect
78 enrollment in the pension plan; providing certain

79 members with a specified time to choose participation
80 in the pension plan or the investment plan; specifying
81 that a retiree who has returned to covered employment
82 before a specified date may continue membership in his
83 or her selected retirement plan; conforming a
84 provision to changes made by the act; providing for
85 the transfer of certain contributions; revising a
86 provision relating to acknowledgement of an employee's
87 election to participate in the investment plan;
88 revising the education component; conforming
89 provisions and cross-references to changes made by the
90 act; amending s. 121.591, F.S.; increasing the service
91 time required to qualify for disability benefits to 10
92 years for members enrolled in the investment plan on
93 or after a specified date; amending s. 175.021, F.S.;
94 revising the legislative declaration to require that
95 all firefighter pension plans meet the requirements of
96 chapter 175, F.S., in order to receive insurance
97 premium tax revenues; amending s. 175.032, F.S.;
98 revising definitions to conform to changes made by the
99 act and providing new definitions; amending s.
100 175.071, F.S.; conforming a cross-reference; amending
101 s. 175.091, F.S.; revising the method of creating and
102 maintaining a firefighters' pension trust fund;
103 amending s. 175.162, F.S.; deleting a provision basing
104 the availability of additional benefits in a

105 firefighter pension plan upon state funding; revising
106 the calculation of monthly retirement income for a
107 full-time firefighter; providing that certain
108 firefighter pension plans must maintain a certain
109 minimum percentage of average final compensation after
110 a specified date; amending s. 175.351, F.S., relating
111 to municipalities and special fire control districts
112 that have their own pension plans and want to
113 participate in the distribution of a tax fund;
114 revising criteria governing the use of revenues from
115 the premium tax; authorizing a pension plan to reduce
116 excess benefits if the plan continues to meet certain
117 minimum benefits and standards; providing that the use
118 of premium tax revenues may deviate from the
119 requirements of chapter 175, F.S., under certain
120 circumstances; requiring plan sponsors to have a
121 defined contribution plan in place by a certain date;
122 authorizing a municipality to implement certain
123 changes to a local law plan which are contrary to
124 chapter 175, F.S., for a limited time; amending s.
125 185.01, F.S.; revising the legislative declaration to
126 require that all police officer pension plans meet the
127 requirements of chapter 185, F.S., in order to receive
128 insurance premium tax revenues; amending s. 185.02,
129 F.S.; revising definitions to conform to changes made
130 by the act and adding new definitions; revising

131 applicability of the limitation on the amount of
132 overtime payments which may be used for retirement
133 benefit calculations; amending s. 185.06, F.S.;
134 conforming a cross-reference; amending s. 185.07,
135 F.S.; revising the method of creating and maintaining
136 a police officers' retirement trust fund; amending s.
137 185.16, F.S.; deleting a provision basing the
138 availability of additional benefits in a police
139 officer pension plan upon state funding; revising the
140 calculation of monthly retirement income for a police
141 officer; providing that certain police officer pension
142 plans must maintain a certain minimum percentage of
143 average final compensation after a specified date;
144 amending s. 185.35, F.S., relating to municipalities
145 that have their own pension plans for police officers
146 and want to participate in the distribution of a tax
147 fund; conforming a cross-reference; revising criteria
148 governing the use of revenues from the premium tax;
149 authorizing a plan to reduce excess benefits if the
150 plan continues to meet certain minimum benefits and
151 minimum standards; providing that the use of premium
152 tax revenues may deviate from the requirements of
153 chapter 185, F.S., under specified circumstances;
154 requiring plan sponsors to have a defined contribution
155 plan in place by a certain date; authorizing a
156 municipality to implement certain changes to a local

157 law plan which are contrary to chapter 185, F.S., for
 158 a limited time; amending ss. 238.072 and 413.051,
 159 F.S.; conforming cross-references; providing that the
 160 act fulfills an important state interest; providing an
 161 effective date.

162

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

164

165 Section 1. Subsection (45) of section 121.021, Florida
 166 Statutes, is amended to read:

167 121.021 Definitions.—The following words and phrases as
 168 used in this chapter have the respective meanings set forth
 169 unless a different meaning is plainly required by the context:

170 (45) "Vested" or "vesting" means the guarantee that a
 171 member is eligible to receive a future retirement benefit upon
 172 completion of the required years of creditable service for the
 173 employee's class of membership, even though the member may have
 174 terminated covered employment before reaching normal or early
 175 retirement date. Being vested does not entitle a member to a
 176 disability benefit. Provisions governing entitlement to
 177 disability benefits are set forth under s. 121.091(4).

178 (a) Effective July 1, 2001, through June 30, 2011, a 6-
 179 year vesting requirement shall be implemented for the Florida
 180 Retirement System Pension Plan:

181 1. Any member employed in a regularly established position
 182 on July 1, 2001, who completes or has completed a total of 6

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183 years of creditable service is considered vested.

184 2. Any member initially enrolled in the Florida Retirement
185 System before July 1, 2001, but not employed in a regularly
186 established position on July 1, 2001, shall be deemed vested
187 upon completion of 6 years of creditable service if such member
188 is employed in a covered position for at least 1 work year after
189 July 1, 2001. However, a member is not required to complete more
190 years of creditable service than would have been required for
191 that member to vest under retirement laws in effect before July
192 1, 2001.

193 3. Any member initially enrolled in the Florida Retirement
194 System on July 1, 2001, through June 30, 2011, shall be deemed
195 vested upon completion of 6 years of creditable service.

196 (b) Any member initially enrolled in the Florida
197 Retirement System on ~~or after~~ July 1, 2011, through June 30,
198 2015, shall be vested in the pension plan upon completion of 8
199 years of creditable service.

200 (c) Any member initially enrolled in the Florida
201 Retirement System on or after July 1, 2015, shall be vested in
202 the pension plan upon completion of 10 years of creditable
203 service.

204 Section 2. Subsections (3) through (9) of section 121.051,
205 Florida Statutes, are renumbered as subsections (4) through
206 (10), respectively, and a new subsection (3) is added to that
207 section, to read:

208 121.051 Participation in the system.—

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209 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.—

210 (a) Employees initially enrolled on or after July 1, 2015,
211 in positions covered by the Elected Officers' Class or the
212 Senior Management Service Class are compulsory members of the
213 investment plan, except those who withdraw from the system under
214 s. 121.052(3)(d) or s. 121.055(1)(b)2., or those who participate
215 in an optional retirement program under paragraph (1)(a),
216 paragraph (2)(c), or s. 121.35. Investment plan membership
217 continues if there is subsequent employment in a position
218 covered by another membership class. Membership in the pension
219 plan is not permitted except as provided in s. 121.591(2).
220 Employees initially enrolled in the Florida Retirement System
221 prior to July 1, 2015, may retain their membership in the
222 pension plan or investment plan and are eligible to use the
223 election opportunity specified in s. 121.4501(4)(f). Employees
224 initially enrolled on or after July 1, 2015, in positions
225 covered by the Elected Officers' Class or the Senior Management
226 Service Class are not eligible to use the election opportunity
227 specified in s. 121.4501(4)(f).

228 (b) Employees eligible to withdraw from the system under
229 s. 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw
230 from the system or to participate in the investment plan as
231 provided in these sections. Employees eligible for optional
232 retirement programs under paragraph (2)(c) or s. 121.35 may
233 choose to participate in the optional retirement program or the
234 investment plan as provided in this paragraph or this section.

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235 Eligible employees required to participate pursuant to (1)(a) in
 236 the optional retirement program as provided under s. 121.35 must
 237 participate in the investment plan when employed in a position
 238 not eligible for the optional retirement program.

239 Section 3. Paragraph (c) of subsection (3) of section
 240 121.052, Florida Statutes, is amended to read:

241 121.052 Membership class of elected officers.—

242 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective
 243 July 1, 1990, participation in the Elected Officers' Class shall
 244 be compulsory for elected officers listed in paragraphs (2)(a)-
 245 (d) and (f) assuming office on or after said date, unless the
 246 elected officer elects membership in another class or withdraws
 247 from the Florida Retirement System as provided in paragraphs
 248 (3)(a)-(d):

249 (c) Before July 1, 2015, any elected officer may, within 6
 250 months after assuming office, or within 6 months after this act
 251 becomes a law for serving elected officers, elect membership in
 252 the Senior Management Service Class as provided in s. 121.055 in
 253 lieu of membership in the Elected Officers' Class. Any such
 254 election made by a county elected officer shall have no effect
 255 upon the statutory limit on the number of nonelective full-time
 256 positions that may be designated by a local agency employer for
 257 inclusion in the Senior Management Service Class under s.
 258 121.055(1)(b)1.

259 Section 4. Subsections (3) and (5) of section 121.053,
 260 Florida Statutes, are amended to read:

261 121.053 Participation in the Elected Officers' Class for
 262 retired members.—

263 (3) On or after July 1, 2010:

264 (a) A retiree of a state-administered retirement system
 265 who is initially reemployed in ~~elected or appointed for the~~
 266 ~~first time to~~ an elective office in a regularly established
 267 position with a covered employer may not reenroll in the Florida
 268 Retirement System, except as provided in s. 121.122.

269 (b) An elected officer who is elected or appointed to an
 270 elective office and is participating in the Deferred Retirement
 271 Option Program is subject to termination as defined in s.
 272 121.021 upon completion of his or her DROP participation period.
 273 An elected official may defer termination as provided in
 274 subsection (7).

275 (5) A ~~Any~~ renewed member, as described in s. 121.122(1),
 276 (3), (4), or (5) ~~subsection (1) or subsection (2),~~ who is not
 277 receiving the maximum health insurance subsidy provided in s.
 278 112.363 is entitled to earn additional credit toward the maximum
 279 health insurance subsidy. Any additional subsidy due because of
 280 such additional credit may be received only at the time of
 281 payment of the second career retirement benefit. The total
 282 health insurance subsidy received from initial and renewed
 283 membership may not exceed the maximum allowed in s. 112.363.

284 Section 5. Paragraph (f) of subsection (1) and paragraph
 285 (c) of subsection (6) of section 121.055, Florida Statutes, are
 286 amended to read:

287 121.055 Senior Management Service Class.—There is hereby
 288 established a separate class of membership within the Florida
 289 Retirement System to be known as the "Senior Management Service
 290 Class," which shall become effective February 1, 1987.

291 (1)

292 (f) Effective July 1, 1997, through June 30, 2015:

293 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
 294 4., an elected state officer eligible for membership in the
 295 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
 296 elects membership in the Senior Management Service Class under
 297 s. 121.052(3)(c) may, within 6 months after assuming office or
 298 within 6 months after this act becomes a law for serving elected
 299 state officers, elect to participate in the Senior Management
 300 Service Optional Annuity Program, as provided in subsection (6),
 301 in lieu of membership in the Senior Management Service Class.

302 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
 303 4., an elected officer of a local agency employer eligible for
 304 membership in the Elected Officers' Class under s. 121.052(2)(d)
 305 who elects membership in the Senior Management Service Class
 306 under s. 121.052(3)(c) may, within 6 months after assuming
 307 office, or within 6 months after this act becomes a law for
 308 serving elected officers of a local agency employer, elect to
 309 withdraw from the Florida Retirement System, as provided in
 310 subparagraph (b)2., in lieu of membership in the Senior
 311 Management Service Class.

312 3. A retiree of a state-administered retirement system who

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313 is initially reemployed in a regularly established position on
314 or after July 1, 2010, through December 31, 2014, as an elected
315 official eligible for the Elected Officers' Class may not be
316 enrolled in renewed membership in the Senior Management Service
317 Class or in the Senior Management Service Optional Annuity
318 Program as provided in subsection (6), and may not withdraw from
319 the Florida Retirement System as a renewed member as provided in
320 subparagraph (b)2., as applicable, in lieu of membership in the
321 Senior Management Service Class. Effective January 1, 2015, a
322 retiree of the Senior Management Service Optional Annuity
323 Program who retired before July 1, 2010, and is reemployed in a
324 regularly established position with a covered employer shall be
325 enrolled as a renewed member as provided in s. 121.122.

326 4. On or after July 1, 2015, an elected official eligible
327 for membership in the Elected Officers' Class may not enroll in
328 the Senior Management Service Class or in the Senior Management
329 Service Optional Annuity Program as provided in subsection (6).

330 (6)

331 (c) *Participation.*—

332 1. An eligible employee who is employed on or before
333 February 1, 1987, may elect to participate in the optional
334 annuity program in lieu of participating in the Senior
335 Management Service Class. Such election must be made in writing
336 and filed with the department and the personnel officer of the
337 employer on or before May 1, 1987. An eligible employee who is
338 employed on or before February 1, 1987, and who fails to make an

339 election to participate in the optional annuity program by May
340 1, 1987, shall be deemed to have elected membership in the
341 Senior Management Service Class.

342 2. Except as provided in subparagraph 6., an employee who
343 becomes eligible to participate in the optional annuity program
344 by reason of initial employment commencing after February 1,
345 1987, may, within 90 days after the date of commencing
346 employment, elect to participate in the optional annuity
347 program. Such election must be ~~made~~ in writing and filed with
348 the personnel officer of the employer. An eligible employee who
349 does not within 90 days after commencing employment elect to
350 participate in the optional annuity program shall be deemed to
351 have elected membership in the Senior Management Service Class.

352 3. A person who is appointed to a position in the Senior
353 Management Service Class and who is a member of an existing
354 retirement system or the Special Risk or Special Risk
355 Administrative Support Classes of the Florida Retirement System
356 may elect to remain in such system or class in lieu of
357 participating in the Senior Management Service Class or optional
358 annuity program. Such election must be ~~made~~ in writing and filed
359 with the department and the personnel officer of the employer
360 within 90 days after such appointment. An eligible employee who
361 fails to make an election to participate in the existing system,
362 the Special Risk Class of the Florida Retirement System, the
363 Special Risk Administrative Support Class of the Florida
364 Retirement System, or the optional annuity program shall be

365 deemed to have elected membership in the Senior Management
366 Service Class.

367 4. Except as provided in subparagraph 5., an employee's
368 election to participate in the optional annuity program is
369 irrevocable if the employee continues to be employed in an
370 eligible position and continues to meet the eligibility
371 requirements set forth in this paragraph.

372 5. Effective from July 1, 2002, through September 30,
373 2002, an active employee in a regularly established position who
374 has elected to participate in the Senior Management Service
375 Optional Annuity Program has one opportunity to choose to move
376 from the Senior Management Service Optional Annuity Program to
377 the Florida Retirement System Pension Plan.

378 a. The election must be ~~made~~ in writing and must be filed
379 with the department and the personnel officer of the employer
380 before October 1, 2002, or, in the case of an active employee
381 who is on a leave of absence on July 1, 2002, within 90 days
382 after the conclusion of the leave of absence. This election is
383 irrevocable.

384 b. The employee shall receive service credit under the
385 pension plan equal to his or her years of service under the
386 Senior Management Service Optional Annuity Program. The cost for
387 such credit is the amount representing the present value of that
388 employee's accumulated benefit obligation for the affected
389 period of service.

390 c. The employee must transfer the total accumulated

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391 employer contributions and earnings on deposit in his or her
392 Senior Management Service Optional Annuity Program account. If
393 the transferred amount is not sufficient to pay the amount due,
394 the employee must pay a sum representing the remainder of the
395 amount due. The employee may not retain any employer
396 contributions or earnings from the Senior Management Service
397 Optional Annuity Program account.

398 6. A retiree of a state-administered retirement system who
399 is initially reemployed on ~~or after~~ July 1, 2010, through
400 December 31, 2014, may not renew membership in the Senior
401 Management Service Optional Annuity Program. Effective January
402 1, 2015, a retiree of the Senior Management Service Optional
403 Annuity Program who retired before July 1, 2010, and is
404 reemployed in a regularly established position with a covered
405 employer shall be enrolled as a renewed member as provided in s.
406 121.122.

407 7. Effective July 1, 2015, the Senior Management Service
408 Optional Annuity Program is closed to new members. Members
409 enrolled in the Senior Management Service Optional Annuity
410 Program before July 1, 2015, may retain their membership in the
411 annuity program.

412 Section 6. Paragraph (a) of subsection (4) of section
413 121.091, Florida Statutes, is amended to read:

414 121.091 Benefits payable under the system.—Benefits may
415 not be paid under this section unless the member has terminated
416 employment as provided in s. 121.021(39) (a) or begun

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417 participation in the Deferred Retirement Option Program as
418 provided in subsection (13), and a proper application has been
419 filed in the manner prescribed by the department. The department
420 may cancel an application for retirement benefits when the
421 member or beneficiary fails to timely provide the information
422 and documents required by this chapter and the department's
423 rules. The department shall adopt rules establishing procedures
424 for application for retirement benefits and for the cancellation
425 of such application when the required information or documents
426 are not received.

427 (4) DISABILITY RETIREMENT BENEFIT.—

428 (a) *Disability retirement; entitlement and effective*
429 *date.*—

430 1.a. A member who becomes totally and permanently
431 disabled, as defined in paragraph (b), after completing 5 years
432 of creditable service, or a member who becomes totally and
433 permanently disabled in the line of duty regardless of service,
434 is entitled to a monthly disability benefit, + except that any
435 member with less than 5 years of creditable service on July 1,
436 1980, or any person who becomes a member of the Florida
437 Retirement System on or after such date must have completed 10
438 years of creditable service before becoming totally and
439 permanently disabled in order to receive disability retirement
440 benefits for a ~~any~~ disability that ~~which~~ occurs other than in
441 the line of duty. However, if a member employed on July 1, 1980,
442 who has less than 5 years of creditable service as of that date

443 becomes totally and permanently disabled after completing 5
 444 years of creditable service and is found not to have attained
 445 fully insured status for benefits under the federal Social
 446 Security Act, such member is entitled to a monthly disability
 447 benefit.

448 b. Effective July 1, 2001, a member of the pension plan
 449 initially enrolled before July 1, 2015, who becomes totally and
 450 permanently disabled, as defined in paragraph (b), after
 451 completing 8 years of creditable service, or a member who
 452 becomes totally and permanently disabled in the line of duty
 453 regardless of service, is entitled to a monthly disability
 454 benefit.

455 c. Effective July 1, 2015, a member of the pension plan
 456 initially enrolled on or after July 1, 2015, who becomes totally
 457 and permanently disabled, as defined in paragraph (b), after
 458 completing 10 years of creditable service, or a member who
 459 becomes totally and permanently disabled in the line of duty
 460 regardless of service, is entitled to a monthly disability
 461 benefit.

462 2. If the division ~~has received from the employer~~ the
 463 required documentation of the member's termination of employment
 464 from the employer, the effective retirement date for a member
 465 who applies and is approved for disability retirement shall be
 466 as established by rule of the division.

467 3. For a member who is receiving Workers' Compensation
 468 payments, the effective disability retirement date may not

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469 precede the date the member reaches Maximum Medical Improvement
470 (MMI), unless the member terminates employment before reaching
471 MMI.

472 Section 7. Subsection (2) of section 121.122, Florida
473 Statutes, is amended, and subsections (3), (4), and (5) are
474 added to that section, to read:

475 121.122 Renewed membership in system.—

476 (2) Except as otherwise provided in subsections (3)-(5), a
477 retiree of a state-administered retirement system who is
478 initially reemployed in a regularly established position on or
479 after July 1, 2010, may not be enrolled as a renewed member.

480 (3) A retiree of the investment plan, the State University
481 System Optional Retirement Program, the Senior Management
482 Service Optional Annuity Program, or the State Community College
483 System Optional Retirement Program who retired before July 1,
484 2010, but did not complete 10 years of creditable service and is
485 employed in a regularly established position with a covered
486 employer on or after January 1, 2015, shall be a renewed member
487 of the Regular Class of the investment plan regardless of the
488 position held, unless employed in a position eligible for
489 participation in the State University System Optional Retirement
490 Program or the State Community College System Optional
491 Retirement Program as provided in subsections (4) and (5),
492 respectively. The renewed member must satisfy the vesting
493 requirements and other provisions of this chapter.

494 (a) Creditable service, including credit toward the

495 retiree health insurance subsidy provided in s. 112.363, does
496 not accrue for a retiree's employment in a regularly established
497 position with a covered employer from July 1, 2010, through
498 December 31, 2014.

499 (b) Employer and employee contributions, interest,
500 earnings, or any other funds may not be paid into a renewed
501 member's investment plan account for any employment in a
502 regularly established position with a covered employer from July
503 1, 2010, through December 31, 2014, by the renewed member or the
504 employer on behalf of the member.

505 (c) To be eligible to receive a retirement benefit, the
506 renewed member must satisfy the vesting requirements in s.
507 121.4501(6).

508 (d) The member is ineligible to receive disability
509 benefits as provided in s. 121.091(4) or s. 121.591(2).

510 (e) The member is subject to the reemployment after
511 retirement limitations provided in s. 121.091(9), as applicable.

512 (f) The member must satisfy the requirements for
513 termination from employment provided in s. 121.021(39).

514 (g) Upon the renewed membership or reemployment of a
515 retiree, the employer and the retiree shall pay the applicable
516 employer and employee contributions required under ss. 112.363,
517 121.71, 121.74, and 121.76. The contributions are payable only
518 for employment and salary earned in a regularly established
519 position with a covered employer on or after January 1, 2015.
520 The employer and employee contributions shall be transferred to

521 the investment plan and placed in a default fund as designated
522 by the state board. The retiree may move the contributions once
523 an account is activated in the investment plan.

524 (h) The member may not purchase any past service in the
525 investment plan, including employment in a regularly established
526 position with a covered employer from July 1, 2010, through
527 December 31, 2014.

528 (i) A renewed member who is a retiree of the investment
529 plan and who is not receiving the maximum health insurance
530 subsidy provided in s. 112.363 is entitled to earn additional
531 credit toward the subsidy. Such credit may be earned only for
532 employment in a regularly established position with a covered
533 employer on or after January 1, 2015. Any additional subsidy due
534 because of additional credit may be received only at the time of
535 paying the second career retirement benefit. The total health
536 insurance subsidy received by a retiree receiving benefits from
537 initial and renewed membership may not exceed the maximum
538 allowed under s. 112.363.

539 (4) A retiree of the investment plan, the State University
540 System Optional Retirement Program, the Senior Management
541 Service Optional Annuity Program, or the State Community College
542 System Optional Retirement Program who retired before July 1,
543 2010, and is employed in a regularly established position
544 eligible for participation in the State University System
545 Optional Retirement Program on or after January 1, 2015, shall
546 become a renewed member of the optional retirement program. The

547 renewed member must satisfy the vesting requirements and other
548 provisions of this chapter. Once enrolled, a renewed member
549 remains enrolled in the optional retirement program while
550 employed in an eligible position for the optional retirement
551 program. If employment in a different covered position results
552 in the retiree's enrollment in the investment plan, the retiree
553 is no longer eligible to participate in the optional retirement
554 program unless employed in a mandatory position under s. 121.35.

555 (a) The member is subject to the reemployment after
556 retirement limitations provided in s. 121.091(9), as applicable.

557 (b) The member must satisfy the requirements for
558 termination of employment provided in s. 121.021(39).

559 (c) Upon renewed membership or reemployment of a retiree,
560 the employer and the retiree shall pay the applicable employer
561 and employee contributions required under s. 121.35.

562 (d) The member, or the employer on behalf of the member,
563 may not purchase any prior service in the optional retirement
564 program or employment from July 1, 2010, to December 31, 2014,
565 when renewed membership is not available.

566 (5) A retiree of the investment plan, the State University
567 System Optional Retirement Program, the Senior Management
568 Service Optional Annuity Program, or the State Community College
569 System Optional Retirement Program who retired before July 1,
570 2010, and is employed in a regularly established position
571 eligible for participation in the State Community College System
572 Optional Retirement Program as provided in s. 121.051(2)(c)4. on

573 or after January 1, 2015, shall become a renewed member of the
574 optional retirement program. The renewed member must satisfy the
575 eligibility requirements of this chapter and s. 1012.875 for the
576 optional retirement program. Once enrolled, a renewed member
577 remains enrolled in the optional retirement program while
578 employed in an eligible position for the optional retirement
579 program. If employment in a different covered position results
580 in the retiree's enrollment in the investment plan, the retiree
581 is no longer eligible to participate in the optional retirement
582 program.

583 (a) The member is subject to the reemployment after
584 retirement limitations provided in s. 121.091(9), as applicable.

585 (b) The member must satisfy the requirements for
586 termination of employment provided in s. 121.021(39).

587 (c) Upon renewed membership or reemployment of a retiree,
588 the employer and the retiree shall pay the applicable employer
589 and employee contributions required under ss. 121.051(2)(c) and
590 1012.875.

591 (d) The member, or the employer on behalf of the member,
592 may not purchase any past service in the optional retirement
593 program or employment accrued from July 1, 2010, to December 31,
594 2014.

595 Section 8. Subsection (1), paragraphs (e) and (i) of
596 subsection (2), paragraph (b) of subsection (3), subsection (4),
597 paragraph (c) of subsection (5), subsection (8), and paragraphs
598 (a), (b), (c), and (h) of subsection (10) of section 121.4501,

599 Florida Statutes, are amended to read:

600 121.4501 Florida Retirement System Investment Plan.—

601 (1) The Trustees of the State Board of Administration
 602 shall establish a defined contribution program called the
 603 "Florida Retirement System Investment Plan" or "investment plan"
 604 for members of the Florida Retirement System under which
 605 retirement benefits will be provided for eligible employees who
 606 elect to participate in the program and for employees initially
 607 enrolled on or after July 1, 2015, in positions covered by the
 608 Elected Officers' Class or the Senior Management Service Class
 609 and are compulsory members of the investment plan unless the
 610 member withdraws from the system under s. 121.052(3) (d) or s.
 611 121.055(1) (b)2., or participates in an optional retirement
 612 program under s. 121.051(1) (a), s. 121.051(2) (c), or s. 121.35.
 613 Investment plan membership continues if there is subsequent
 614 employment in a position covered by another membership class.

615 The retirement benefits shall be provided through member-
 616 directed investments, in accordance with s. 401(a) of the
 617 Internal Revenue Code and related regulations. The employer and
 618 employee shall make contributions, as provided in this section
 619 and ss. 121.571 and 121.71, to the Florida Retirement System
 620 Investment Plan Trust Fund toward the funding of benefits.

621 (2) DEFINITIONS.—As used in this part, the term:

622 (e) "Eligible employee" means an officer or employee, as
 623 defined in s. 121.021, who:

624 1. Is a member of, or is eligible for membership in, the

625 Florida Retirement System, including any renewed member of the
 626 Florida Retirement System initially enrolled before July 1,
 627 2010; ~~or~~

628 2. Participates in, or is eligible to participate in, the
 629 Senior Management Service Optional Annuity Program as
 630 established under s. 121.055(6), the State Community College
 631 System Optional Retirement Program as established under s.
 632 121.051(2)(c), or the State University System Optional
 633 Retirement Program established under s. 121.35; or

634 3. Is a retired member of the investment plan, the State
 635 University System Optional Retirement Program, the Senior
 636 Management Service Optional Annuity Program, or the State
 637 Community College System Optional Retirement Program who retired
 638 before July 1, 2010, and is employed in a regularly established
 639 position on or after January 1, 2015, as provided in s. 121.122.

640
 641 The term does not include any member participating in the
 642 Deferred Retirement Option Program established under s.
 643 121.091(13), a retiree of a state-administered retirement system
 644 who retired ~~initially reemployed in a regularly established~~
 645 ~~position~~ on or after July 1, 2010, or a mandatory participant of
 646 the State University System Optional Retirement Program
 647 established under s. 121.35.

648 (i) "Member" or "employee" means an eligible employee who
 649 enrolls in, or is defaulted into, the investment plan as
 650 provided in subsection (4), a terminated Deferred Retirement

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651 Option Program member as described in subsection (21), or a
652 beneficiary or alternate payee of a member or employee.

653 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

654 (b) Notwithstanding paragraph (a), an eligible employee
655 who elects to participate in, or is defaulted into, the
656 investment plan and establishes one or more individual member
657 accounts may elect to transfer to the investment plan a sum
658 representing the present value of the employee's accumulated
659 benefit obligation under the pension plan, except as provided in
660 paragraph (4) (b). Upon transfer, all service credit earned under
661 the pension plan is nullified for purposes of entitlement to a
662 future benefit under the pension plan. A member may not transfer
663 the accumulated benefit obligation balance from the pension plan
664 after the time period for enrolling in the investment plan has
665 expired.

666 1. For purposes of this subsection, the present value of
667 the member's accumulated benefit obligation is based upon the
668 member's estimated creditable service and estimated average
669 final compensation under the pension plan, subject to
670 recomputation under subparagraph 2. For state employees, initial
671 estimates shall be based upon creditable service and average
672 final compensation as of midnight on June 30, 2002; for district
673 school board employees, initial estimates shall be based upon
674 creditable service and average final compensation as of midnight
675 on September 30, 2002; and for local government employees,
676 initial estimates shall be based upon creditable service and

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677 average final compensation as of midnight on December 31, 2002.
678 The dates specified are the "estimate date" for these employees.
679 The actuarial present value of the employee's accumulated
680 benefit obligation shall be based on the following:

681 a. The discount rate and other relevant actuarial
682 assumptions used to value the Florida Retirement System Trust
683 Fund at the time the amount to be transferred is determined,
684 consistent with the factors provided in sub-subparagraphs b. and
685 c.

686 b. A benefit commencement age, based on the member's
687 estimated creditable service as of the estimate date.

688 c. Except as provided under sub-subparagraph d., for a
689 member initially enrolled:

690 (I) Before July 1, 2011, the benefit commencement age is
691 the younger of the following, but may not be younger than the
692 member's age as of the estimate date:

693 (A) Age 62; or

694 (B) The age the member would attain if the member
695 completed 30 years of service with an employer, assuming the
696 member worked continuously from the estimate date, and
697 disregarding any vesting requirement that would otherwise apply
698 under the pension plan.

699 (II) On or after July 1, 2011, the benefit commencement
700 age is the younger of the following, but may not be younger than
701 the member's age as of the estimate date:

702 (A) Age 65; or

703 (B) The age the member would attain if the member
 704 completed 33 years of service with an employer, assuming the
 705 member worked continuously from the estimate date, and
 706 disregarding any vesting requirement that would otherwise apply
 707 under the pension plan.

708 d. For members of the Special Risk Class and for members
 709 of the Special Risk Administrative Support Class entitled to
 710 retain the special risk normal retirement date:

711 (I) Initially enrolled before July 1, 2011, the benefit
 712 commencement age is the younger of the following, but may not be
 713 younger than the member's age as of the estimate date:

714 (A) Age 55; or

715 (B) The age the member would attain if the member
 716 completed 25 years of service with an employer, assuming the
 717 member worked continuously from the estimate date, and
 718 disregarding any vesting requirement that would otherwise apply
 719 under the pension plan.

720 (II) Initially enrolled on or after July 1, 2011, the
 721 benefit commencement age is the younger of the following, but
 722 may not be younger than the member's age as of the estimate
 723 date:

724 (A) Age 60; or

725 (B) The age the member would attain if the member
 726 completed 30 years of service with an employer, assuming the
 727 member worked continuously from the estimate date, and
 728 disregarding any vesting requirement that would otherwise apply

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729 under the pension plan.

730 e. The calculation must disregard vesting requirements and
731 early retirement reduction factors that would otherwise apply
732 under the pension plan.

733 2. For each member who elects to transfer moneys from the
734 pension plan to his or her account in the investment plan, the
735 division shall recompute the amount transferred under
736 subparagraph 1. within 60 days after the actual transfer of
737 funds based upon the member's actual creditable service and
738 actual final average compensation as of the initial date of
739 participation in the investment plan. If the recomputed amount
740 differs from the amount transferred by \$10 or more, the division
741 shall:

742 a. Transfer, or cause to be transferred, from the Florida
743 Retirement System Trust Fund to the member's account the excess,
744 if any, of the recomputed amount over the previously transferred
745 amount together with interest from the initial date of transfer
746 to the date of transfer under this subparagraph, based upon the
747 effective annual interest equal to the assumed return on the
748 actuarial investment which was used in the most recent actuarial
749 valuation of the system, compounded annually.

750 b. Transfer, or cause to be transferred, from the member's
751 account to the Florida Retirement System Trust Fund the excess,
752 if any, of the previously transferred amount over the recomputed
753 amount, together with interest from the initial date of transfer
754 to the date of transfer under this subparagraph, based upon 6

755 percent effective annual interest, compounded annually, pro rata
756 based on the member's allocation plan.

757 3. If contribution adjustments are made as a result of
758 employer errors or corrections, including plan corrections,
759 following recomputation of the amount transferred under
760 subparagraph 1., the member is entitled to the additional
761 contributions or is responsible for returning any excess
762 contributions resulting from the correction. However, a ~~any~~
763 return of such erroneous excess pretax contribution by the plan
764 must be made within the period allowed by the Internal Revenue
765 Service. The present value of the member's accumulated benefit
766 obligation may ~~shall~~ not be recalculated.

767 4. As directed by the member, the state board shall
768 transfer or cause to be transferred the appropriate amounts to
769 the designated accounts within 30 days after the effective date
770 of the member's participation in the investment plan unless the
771 major financial markets for securities available for a transfer
772 are seriously disrupted by an unforeseen event that causes the
773 suspension of trading on a ~~any~~ national securities exchange in
774 the country where the securities were issued. In that event, the
775 30-day period may be extended by a resolution of the state
776 board. Transfers are not commissionable or subject to other fees
777 and may be in the form of securities or cash, as determined by
778 the state board. Such securities are valued as of the date of
779 receipt in the member's account.

780 5. If the state board or the division receives

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781 notification from the United States Internal Revenue Service
782 that this paragraph or any portion of this paragraph will cause
783 the retirement system, or a portion thereof, to be disqualified
784 for tax purposes under the Internal Revenue Code, the portion
785 that will cause the disqualification does not apply. Upon such
786 notice, the state board and the division shall notify the
787 presiding officers of the Legislature.

788 (4) PARTICIPATION; ENROLLMENT.—

789 (a)1. Effective June 1, 2002, through February 28, 2003, a
790 90-day election period was provided to each eligible employee
791 participating in the Florida Retirement System, preceded by a
792 90-day education period, permitting each eligible employee to
793 elect membership in the investment plan, and an employee who
794 failed to elect the investment plan during the election period
795 remained in the pension plan. An eligible employee who was
796 employed in a regularly established position during the election
797 period was granted the option to make one subsequent election,
798 as provided in paragraph (f). With respect to an eligible
799 employee who did not participate in the initial election period
800 or who is initially ~~employee who is~~ employed in a regularly
801 established position after the close of the initial election
802 period but before July 1, 2015, ~~on June 1, 2002, by a state~~
803 ~~employer:~~

804 ~~a. Any such employee may elect to participate in the~~
805 ~~investment plan in lieu of retaining his or her membership in~~
806 ~~the pension plan. The election must be made in writing or by~~

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807 ~~electronic means and must be filed with the third-party~~
808 ~~administrator by August 31, 2002, or, in the case of an active~~
809 ~~employee who is on a leave of absence on April 1, 2002, by the~~
810 ~~last business day of the 5th month following the month the leave~~
811 ~~of absence concludes. This election is irrevocable, except as~~
812 ~~provided in paragraph (g). Upon making such election, the~~
813 ~~employee shall be enrolled as a member of the investment plan,~~
814 ~~the employee's membership in the Florida Retirement System is~~
815 ~~governed by the provisions of this part, and the employee's~~
816 ~~membership in the pension plan terminates. The employee's~~
817 ~~enrollment in the investment plan is effective the first day of~~
818 ~~the month for which a full month's employer contribution is made~~
819 ~~to the investment plan.~~

820 ~~b. Any such employee who fails to elect to participate in~~
821 ~~the investment plan within the prescribed time period is deemed~~
822 ~~to have elected to retain membership in the pension plan, and~~
823 ~~the employee's option to elect to participate in the investment~~
824 ~~plan is forfeited.~~

825 ~~2. With respect to employees who become eligible to~~
826 ~~participate in the investment plan by reason of employment in a~~
827 ~~regularly established position with a state employer commencing~~
828 ~~after April 1, 2002:~~

829 ~~a. Any such employee shall, by default, be enrolled in the~~
830 ~~pension plan at the commencement of employment, and may, by the~~
831 ~~last business day of the 5th month following the employee's~~
832 ~~month of hire, elect to participate in the investment plan. The~~

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833 employee's election must be ~~made~~ in writing or by electronic
834 means and must be filed with the third-party administrator. The
835 election to participate in the investment plan is irrevocable,
836 except as provided in paragraph (f) ~~(g)~~.

837 ~~a.b.~~ If the employee files such election within the
838 prescribed time period, enrollment in the investment plan is
839 effective on the first day of employment. The retirement
840 contributions paid through the month of the employee plan change
841 shall be transferred to the investment program, and, effective
842 the first day of the next month, the employer and employee must
843 pay the applicable contributions based on the employee
844 membership class in the program.

845 ~~b.c.~~ An employee who fails to elect to participate in the
846 investment plan within the prescribed time period is deemed to
847 have elected to retain membership in the pension plan, and the
848 employee's option to elect to participate in the investment plan
849 is forfeited.

850 ~~2.3.~~ With respect to employees who become eligible to
851 participate in the investment plan pursuant to s.
852 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
853 participate in the investment plan in lieu of retaining his or
854 her membership in the State Community College System Optional
855 Retirement Program or the State University System Optional
856 Retirement Program. The election must be ~~made~~ in writing or by
857 electronic means and must be filed with the third-party
858 administrator. This election is irrevocable, except as provided

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859 in paragraph (f) ~~(g)~~. Upon making such election, the employee
860 shall be enrolled as a member in the investment plan, the
861 employee's membership in the Florida Retirement System is
862 governed by the provisions of this part, and the employee's
863 participation in the State Community College System Optional
864 Retirement Program or the State University System Optional
865 Retirement Program terminates. The employee's enrollment in the
866 investment plan is effective on the first day of the month for
867 which a full month's employer and employee contribution is made
868 to the investment plan.

869 (b)1. With respect to employees who become eligible to
870 participate in the investment plan, except as provided in
871 paragraph (g), by reason of employment in a regularly
872 established position commencing on or after July 1, 2015, any
873 such employee shall be enrolled in the pension plan at the
874 commencement of employment and may, by the last business day of
875 the 8th month following the employee's month of hire, elect to
876 participate in the pension plan or the investment plan. Eligible
877 employees may make a plan election only if they are earning
878 service credit in an employer-employee relationship consistent
879 with s. 121.021(17)(b), excluding leaves of absence without pay.

880 2. The employee's election must be made in writing or by
881 electronic means and must be filed with the third-party
882 administrator. The election to participate in the pension plan
883 or investment plan is irrevocable, except as provided in
884 paragraph (f).

885 3. If the employee fails to make an election of the
886 pension plan or investment plan within 8 months following the
887 month of hire, the employee is deemed to have elected the
888 investment plan and will be defaulted into the investment plan
889 retroactively to the employee's date of employment. The
890 employee's option to participate in the pension plan is
891 forfeited, except as provided in paragraph (f).

892 4. The amount of the employee and employer contributions
893 paid before the default to the investment plan shall be
894 transferred to the investment plan and shall be placed in a
895 default fund as designated by the State Board of Administration.
896 The employee may move the contributions once an account is
897 activated in the investment plan.

898 5. Effective the first day of the month after an eligible
899 employee makes a plan election of the pension plan or investment
900 plan, or after the month of default to the investment plan, the
901 employee and employer shall pay the applicable contributions
902 based on the employee membership class in the program.

903 ~~4. For purposes of this paragraph, "state employer" means~~
904 ~~any agency, board, branch, commission, community college,~~
905 ~~department, institution, institution of higher education, or~~
906 ~~water management district of the state, which participates in~~
907 ~~the Florida Retirement System for the benefit of certain~~
908 ~~employees.~~

909 ~~(b)1. With respect to an eligible employee who is employed~~
910 ~~in a regularly established position on September 1, 2002, by a~~

911 ~~district school board employer:~~

912 ~~a. Any such employee may elect to participate in the~~
913 ~~investment plan in lieu of retaining his or her membership in~~
914 ~~the pension plan. The election must be made in writing or by~~
915 ~~electronic means and must be filed with the third party~~
916 ~~administrator by November 30, or, in the case of an active~~
917 ~~employee who is on a leave of absence on July 1, 2002, by the~~
918 ~~last business day of the 5th month following the month the leave~~
919 ~~of absence concludes. This election is irrevocable, except as~~
920 ~~provided in paragraph (g). Upon making such election, the~~
921 ~~employee shall be enrolled as a member of the investment plan,~~
922 ~~the employee's membership in the Florida Retirement System is~~
923 ~~governed by the provisions of this part, and the employee's~~
924 ~~membership in the pension plan terminates. The employee's~~
925 ~~enrollment in the investment plan is effective the first day of~~
926 ~~the month for which a full month's employer contribution is made~~
927 ~~to the investment program.~~

928 ~~b. Any such employee who fails to elect to participate in~~
929 ~~the investment plan within the prescribed time period is deemed~~
930 ~~to have elected to retain membership in the pension plan, and~~
931 ~~the employee's option to elect to participate in the investment~~
932 ~~plan is forfeited.~~

933 ~~2. With respect to employees who become eligible to~~
934 ~~participate in the investment plan by reason of employment in a~~
935 ~~regularly established position with a district school board~~
936 ~~employer commencing after July 1, 2002:~~

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937 ~~a. Any such employee shall, by default, be enrolled in the~~
938 ~~pension plan at the commencement of employment, and may, by the~~
939 ~~last business day of the 5th month following the employee's~~
940 ~~month of hire, elect to participate in the investment plan. The~~
941 ~~employee's election must be made in writing or by electronic~~
942 ~~means and must be filed with the third-party administrator. The~~
943 ~~election to participate in the investment plan is irrevocable,~~
944 ~~except as provided in paragraph (g).~~

945 ~~b. If the employee files such election within the~~
946 ~~prescribed time period, enrollment in the investment plan is~~
947 ~~effective on the first day of employment. The employer~~
948 ~~retirement contributions paid through the month of the employee~~
949 ~~plan change shall be transferred to the investment plan, and,~~
950 ~~effective the first day of the next month, the employer shall~~
951 ~~pay the applicable contributions based on the employee~~
952 ~~membership class in the investment plan.~~

953 ~~e. Any such employee who fails to elect to participate in~~
954 ~~the investment plan within the prescribed time period is deemed~~
955 ~~to have elected to retain membership in the pension plan, and~~
956 ~~the employee's option to elect to participate in the investment~~
957 ~~plan is forfeited.~~

958 ~~3. For purposes of this paragraph, "district school board~~
959 ~~employer" means any district school board that participates in~~
960 ~~the Florida Retirement System for the benefit of certain~~
961 ~~employees, or a charter school or charter technical career~~
962 ~~center that participates in the Florida Retirement System as~~

963 ~~provided in s. 121.051(2) (d).~~

964 ~~(c)1. With respect to an eligible employee who is employed~~
965 ~~in a regularly established position on December 1, 2002, by a~~
966 ~~local employer:~~

967 ~~a. Any such employee may elect to participate in the~~
968 ~~investment plan in lieu of retaining his or her membership in~~
969 ~~the pension plan. The election must be made in writing or by~~
970 ~~electronic means and must be filed with the third-party~~
971 ~~administrator by February 28, 2003, or, in the case of an active~~
972 ~~employee who is on a leave of absence on October 1, 2002, by the~~
973 ~~last business day of the 5th month following the month the leave~~
974 ~~of absence concludes. This election is irrevocable, except as~~
975 ~~provided in paragraph (g). Upon making such election, the~~
976 ~~employee shall be enrolled as a participant of the investment~~
977 ~~plan, the employee's membership in the Florida Retirement System~~
978 ~~is governed by the provisions of this part, and the employee's~~
979 ~~membership in the pension plan terminates. The employee's~~
980 ~~enrollment in the investment plan is effective the first day of~~
981 ~~the month for which a full month's employer contribution is made~~
982 ~~to the investment plan.~~

983 ~~b. Any such employee who fails to elect to participate in~~
984 ~~the investment plan within the prescribed time period is deemed~~
985 ~~to have elected to retain membership in the pension plan, and~~
986 ~~the employee's option to elect to participate in the investment~~
987 ~~plan is forfeited.~~

988 ~~2. With respect to employees who become eligible to~~

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989 ~~participate in the investment plan by reason of employment in a~~
990 ~~regularly established position with a local employer commencing~~
991 ~~after October 1, 2002:~~

992 ~~a. Any such employee shall, by default, be enrolled in the~~
993 ~~pension plan at the commencement of employment, and may, by the~~
994 ~~last business day of the 5th month following the employee's~~
995 ~~month of hire, elect to participate in the investment plan. The~~
996 ~~employee's election must be made in writing or by electronic~~
997 ~~means and must be filed with the third-party administrator. The~~
998 ~~election to participate in the investment plan is irrevocable,~~
999 ~~except as provided in paragraph (g).~~

1000 ~~b. If the employee files such election within the~~
1001 ~~prescribed time period, enrollment in the investment plan is~~
1002 ~~effective on the first day of employment. The employer~~
1003 ~~retirement contributions paid through the month of the employee~~
1004 ~~plan change shall be transferred to the investment plan, and,~~
1005 ~~effective the first day of the next month, the employer shall~~
1006 ~~pay the applicable contributions based on the employee~~
1007 ~~membership class in the investment plan.~~

1008 ~~e. Any such employee who fails to elect to participate in~~
1009 ~~the investment plan within the prescribed time period is deemed~~
1010 ~~to have elected to retain membership in the pension plan, and~~
1011 ~~the employee's option to elect to participate in the investment~~
1012 ~~plan is forfeited.~~

1013 ~~3. For purposes of this paragraph, "local employer" means~~
1014 ~~any employer not included in paragraph (a) or paragraph (b).~~

1015 ~~(c)(d)~~ Contributions available for self-direction by a
1016 member who has not selected one or more specific investment
1017 products shall be allocated as prescribed by the state board.
1018 The third-party administrator shall notify the member at least
1019 quarterly that the member should take an affirmative action to
1020 make an asset allocation among the investment products.

1021 ~~(d)(e)~~ On or after July 1, 2011, a member of the pension
1022 plan who obtains a refund of employee contributions retains his
1023 or her prior plan choice upon return to employment in a
1024 regularly established position with a participating employer.

1025 ~~(e)(f)~~ A member of the investment plan who takes a
1026 distribution of any contributions from his or her investment
1027 plan account is considered a retiree. A member retiree who
1028 retires ~~is initially reemployed in a regularly established~~
1029 ~~position~~ on or after July 1, 2010, is not eligible to be
1030 enrolled in renewed membership. A member who retired before July
1031 1, 2010, and is employed on or after January 1, 2015, in a
1032 regularly established position shall be a renewed member as
1033 provided in s. 121.122, except that a retiree who has returned
1034 to covered employment before July 1, 2010, may continue
1035 membership in the plan he or she chooses.

1036 ~~(f)(g)~~ After the period during which an eligible employee
1037 had the choice to elect the pension plan or the investment plan,
1038 or the month following the receipt of the eligible employee's
1039 plan election, if sooner, the employee shall have one
1040 opportunity, at the employee's discretion, to choose to move

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1041 from the pension plan to the investment plan or from the
1042 investment plan to the pension plan. Eligible employees may
1043 elect to move between plans only if they are earning service
1044 credit in an employer-employee relationship consistent with s.
1045 121.021(17)(b), excluding leaves of absence without pay.
1046 Effective July 1, 2005, such elections are effective on the
1047 first day of the month following the receipt of the election by
1048 the third-party administrator and are not subject to the
1049 requirements regarding an employer-employee relationship or
1050 receipt of contributions for the eligible employee in the
1051 effective month, except when the election is received by the
1052 third-party administrator. This paragraph is contingent upon
1053 approval by the Internal Revenue Service. This paragraph does
1054 not apply to compulsory investment plan members under paragraph
1055 (g).

1056 1. If the employee chooses to move to the investment plan,
1057 the provisions of subsection (3) govern the transfer.

1058 2. If the employee chooses to move to the pension plan,
1059 the employee must transfer from his or her investment plan
1060 account, and from other employee moneys as necessary, a sum
1061 representing the present value of that employee's accumulated
1062 benefit obligation immediately following the time of such
1063 movement, determined assuming that attained service equals the
1064 sum of service in the pension plan and service in the investment
1065 plan. Benefit commencement occurs on the first date the employee
1066 is eligible for unreduced benefits, using the discount rate and

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1067 other relevant actuarial assumptions that were used to value the
1068 pension plan liabilities in the most recent actuarial valuation.
1069 For any employee who, at the time of the second election,
1070 already maintains an accrued benefit amount in the pension plan,
1071 the then-present value of the accrued benefit is deemed part of
1072 the required transfer amount. The division must ensure that the
1073 transfer sum is prepared using a formula and methodology
1074 certified by an enrolled actuary. A refund of any employee
1075 contributions or additional member payments made which exceed
1076 the employee contributions that would have accrued had the
1077 member remained in the pension plan and not transferred to the
1078 investment plan is not permitted.

1079 3. Notwithstanding subparagraph 2., an employee who
1080 chooses to move to the pension plan and who became eligible to
1081 participate in the investment plan by reason of employment in a
1082 regularly established position with a state employer after June
1083 1, 2002; a district school board employer after September 1,
1084 2002; or a local employer after December 1, 2002, must transfer
1085 from his or her investment plan account, and from other employee
1086 moneys as necessary, a sum representing the employee's actuarial
1087 accrued liability. A refund of any employee contributions or
1088 additional member ~~participant~~ payments made which exceed the
1089 employee contributions that would have accrued had the member
1090 remained in the pension plan and not transferred to the
1091 investment plan is not permitted.

1092 4. An employee's ability to transfer from the pension plan

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1093 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~
1094 ~~(d)~~, and the ability of a current employee to have an option to
1095 later transfer back into the pension plan under subparagraph 2.,
1096 shall be deemed a significant system amendment. Pursuant to s.
1097 121.031(4), any resulting unfunded liability arising from actual
1098 original transfers from the pension plan to the investment plan
1099 must be amortized within 30 plan years as a separate unfunded
1100 actuarial base independent of the reserve stabilization
1101 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
1102 direct amortization payment may not be calculated for this base.
1103 During this 25-year period, the separate base shall be used to
1104 offset the impact of employees exercising their second program
1105 election under this paragraph. The actuarial funded status of
1106 the pension plan will not be affected by such second program
1107 elections in any significant manner, after due recognition of
1108 the separate unfunded actuarial base. Following the initial 25-
1109 year period, any remaining balance of the original separate base
1110 shall be amortized over the remaining 5 years of the required
1111 30-year amortization period.

1112 5. If the employee chooses to transfer from the investment
1113 plan to the pension plan and retains an excess account balance
1114 in the investment plan after satisfying the buy-in requirements
1115 under this paragraph, the excess may not be distributed until
1116 the member retires from the pension plan. The excess account
1117 balance may be rolled over to the pension plan and used to
1118 purchase service credit or upgrade creditable service in the

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1119 pension plan.

1120 (g)1. All employees initially enrolled on or after July 1,
1121 2015, in positions covered by the Elected Officers' Class or the
1122 Senior Management Service Class are compulsory members of the
1123 investment plan, except those who withdraw from the system under
1124 s. 121.052(3)(d) or s. 121.055(1)(b)2., or those who participate
1125 in an optional retirement program under s. 121.051(1)(a), s.
1126 121.051(2)(c), or s. 121.35. Employees eligible to withdraw from
1127 the system under s. 121.052(3)(d) or s. 121.055(1)(b)2. may
1128 choose to withdraw from the system or to participate in the
1129 investment plan as provided in those sections. Employees
1130 eligible for optional retirement programs under s. 121.051(2)(c)
1131 or s. 121.35, except as provided in s. 121.051(1)(a), may choose
1132 to participate in the optional retirement program or the
1133 investment plan as provided in those sections. Investment plan
1134 membership continues if there is subsequent employment in a
1135 position covered by another membership class. Membership in the
1136 pension plan is not permitted except as provided in s.
1137 121.591(2). Employees initially enrolled in the Florida
1138 Retirement System prior to July 1, 2015, may retain their
1139 membership in the pension plan or investment plan and are
1140 eligible to use the election opportunity specified in s.
1141 121.4501(4)(f).

1142 2. Employees initially enrolled on or after July 1, 2015,
1143 in a position covered by the Elected Officers' Class or the
1144 Senior Management Service Class are not permitted to use the

1145 election opportunity specified in paragraph (f).

1146 3. The amount of retirement contributions paid by the
 1147 employee and employer, as required under s. 121.72, shall be
 1148 placed in a default fund as designated by the state board, until
 1149 an account is activated in the investment plan, at which time
 1150 the member may move the contributions from the default fund to
 1151 other funds provided in the investment plan.

1152 (5) CONTRIBUTIONS.—

1153 (c) The state board, acting as plan fiduciary, must ensure
 1154 that all plan assets are held in a trust, pursuant to s. 401 of
 1155 the Internal Revenue Code. The fiduciary must ensure that such
 1156 contributions are allocated as follows:

1157 1. The employer and employee contribution portion
 1158 earmarked for member accounts shall be used to purchase
 1159 interests in the appropriate investment vehicles as specified by
 1160 the member, or in accordance with paragraph (4)(c) ~~(4)(d)~~.

1161 2. The employer contribution portion earmarked for
 1162 administrative and educational expenses shall be transferred to
 1163 the Florida Retirement System Investment Plan Trust Fund.

1164 3. The employer contribution portion earmarked for
 1165 disability benefits shall be transferred to the Florida
 1166 Retirement System Trust Fund.

1167 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
 1168 shall be administered by the state board and affected employers.
 1169 The state board may require oaths, by affidavit or otherwise,
 1170 and acknowledgments from persons in connection with the

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1171 administration of its statutory duties and responsibilities for
1172 the investment plan. An oath, by affidavit or otherwise, may not
1173 be required of a member at the time of enrollment.

1174 Acknowledgment of an employee's election to participate in the
1175 program shall be no greater than necessary to confirm the
1176 employee's election except for members initially enrolled on or
1177 after July 1, 2015, as provided in paragraph (4)(g). The state
1178 board shall adopt rules to carry out its statutory duties with
1179 respect to administering the investment plan, including
1180 establishing the roles and responsibilities of affected state,
1181 local government, and education-related employers, the state
1182 board, the department, and third-party contractors. The
1183 department shall adopt rules necessary to administer the
1184 investment plan in coordination with the pension plan and the
1185 disability benefits available under the investment plan.

1186 (a)1. The state board shall select and contract with a
1187 third-party administrator to provide administrative services if
1188 those services cannot be competitively and contractually
1189 provided by the division. With the approval of the state board,
1190 the third-party administrator may subcontract to provide
1191 components of the administrative services. As a cost of
1192 administration, the state board may compensate any such
1193 contractor for its services, in accordance with the terms of the
1194 contract, as is deemed necessary or proper by the board. The
1195 third-party administrator may not be an approved provider or be
1196 affiliated with an approved provider.

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1197 2. These administrative services may include, but are not
1198 limited to, enrollment of eligible employees, collection of
1199 employer and employee contributions, disbursement of
1200 contributions to approved providers in accordance with the
1201 allocation directions of members; services relating to
1202 consolidated billing; individual and collective recordkeeping
1203 and accounting; asset purchase, control, and safekeeping; and
1204 direct disbursement of funds to and from the third-party
1205 administrator, the division, the state board, employers,
1206 members, approved providers, and beneficiaries. This section
1207 does not prevent or prohibit a bundled provider from providing
1208 any administrative or customer service, including accounting and
1209 administration of individual member benefits and contributions;
1210 individual member recordkeeping; asset purchase, control, and
1211 safekeeping; direct execution of the member's instructions as to
1212 asset and contribution allocation; calculation of daily net
1213 asset values; direct access to member account information; or
1214 periodic reporting to members, at least quarterly, on account
1215 balances and transactions, if these services are authorized by
1216 the state board as part of the contract.

1217 (b)1. The state board shall select and contract with one
1218 or more organizations to provide educational services. With
1219 approval of the state board, the organizations may subcontract
1220 to provide components of the educational services. As a cost of
1221 administration, the state board may compensate any such
1222 contractor for its services in accordance with the terms of the

1223 contract, as is deemed necessary or proper by the board. The
 1224 education organization may not be an approved provider or be
 1225 affiliated with an approved provider.

1226 2. Educational services shall be designed by the state
 1227 board and department to assist employers, eligible employees,
 1228 members, and beneficiaries in order to maintain compliance with
 1229 United States Department of Labor regulations under s. 404(c) of
 1230 the Employee Retirement Income Security Act of 1974 and to
 1231 assist employees in their choice of pension plan or investment
 1232 plan retirement alternatives. Educational services include, but
 1233 are not limited to, disseminating educational materials;
 1234 providing retirement planning education; explaining the pension
 1235 plan and the investment plan; and offering financial planning
 1236 guidance on matters such as investment diversification,
 1237 investment risks, investment costs, and asset allocation. An
 1238 approved provider may also provide educational information,
 1239 including retirement planning and investment allocation
 1240 information concerning its products and services.

1241 (c)1. In evaluating and selecting a third-party
 1242 administrator, the state board shall establish criteria for
 1243 evaluating the relative capabilities and qualifications of each
 1244 proposed administrator. In developing such criteria, the state
 1245 board shall consider:

1246 a. The administrator's demonstrated experience in
 1247 providing administrative services to public or private sector
 1248 retirement systems.

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1249 b. The administrator's demonstrated experience in
1250 providing daily valued recordkeeping to defined contribution
1251 programs.

1252 c. The administrator's ability and willingness to
1253 coordinate its activities with employers, the state board, and
1254 the division, and to supply to such employers, the board, and
1255 the division the information and data they require, including,
1256 but not limited to, monthly management reports, quarterly member
1257 reports, and ad hoc reports requested by the department or state
1258 board.

1259 d. The cost-effectiveness and levels of the administrative
1260 services provided.

1261 e. The administrator's ability to interact with the
1262 members, the employers, the state board, the division, and the
1263 providers; the means by which members may access account
1264 information, direct investment of contributions, make changes to
1265 their accounts, transfer moneys between available investment
1266 vehicles, and transfer moneys between investment products; and
1267 any fees that apply to such activities.

1268 f. Any other factor deemed necessary by the state board.

1269 2. In evaluating and selecting an educational provider,
1270 the state board shall establish criteria under which it shall
1271 consider the relative capabilities and qualifications of each
1272 proposed educational provider. In developing such criteria, the
1273 state board shall consider:

1274 a. Demonstrated experience in providing educational

1275 services to public or private sector retirement systems.

1276 b. Ability and willingness to coordinate its activities
 1277 with the employers, the state board, and the division, and to
 1278 supply to such employers, the board, and the division the
 1279 information and data they require, including, but not limited
 1280 to, reports on educational contacts.

1281 c. The cost-effectiveness and levels of the educational
 1282 services provided.

1283 d. Ability to provide educational services via different
 1284 media, including, but not limited to, the Internet, personal
 1285 contact, seminars, brochures, and newsletters.

1286 e. Any other factor deemed necessary by the state board.

1287 3. The establishment of the criteria shall be solely
 1288 within the discretion of the state board.

1289 (d) The state board shall develop the form and content of
 1290 any contracts to be offered under the investment plan. In
 1291 developing the contracts, the board shall consider:

1292 1. The nature and extent of the rights and benefits to be
 1293 afforded in relation to the contributions required under the
 1294 plan.

1295 2. The suitability of the rights and benefits provided and
 1296 the interests of employers in the recruitment and retention of
 1297 eligible employees.

1298 (e)1. The state board may contract for professional
 1299 services, including legal, consulting, accounting, and actuarial
 1300 services, deemed necessary to implement and administer the

1301 investment plan. The state board may enter into a contract with
 1302 one or more vendors to provide low-cost investment advice to
 1303 members, supplemental to education provided by the third-party
 1304 administrator. All fees under any such contract shall be paid by
 1305 those members who choose to use the services of the vendor.

1306 2. The department may contract for professional services,
 1307 including legal, consulting, accounting, and actuarial services,
 1308 deemed necessary to implement and administer the investment plan
 1309 in coordination with the pension plan. The department, in
 1310 coordination with the state board, may enter into a contract
 1311 with the third-party administrator in order to coordinate
 1312 services common to the various programs within the Florida
 1313 Retirement System.

1314 (f) The third-party administrator may not receive direct
 1315 or indirect compensation from an approved provider, except as
 1316 specifically provided for in the contract with the state board.

1317 (g) The state board shall receive and resolve member
 1318 complaints against the program, the third-party administrator,
 1319 or any program vendor or provider; shall resolve any conflict
 1320 between the third-party administrator and an approved provider
 1321 if such conflict threatens the implementation or administration
 1322 of the program or the quality of services to employees; and may
 1323 resolve any other conflicts. The third-party administrator shall
 1324 retain all member records for at least 5 years for use in
 1325 resolving any member conflicts. The state board, the third-party
 1326 administrator, or a provider is not required to produce

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1327 documentation or an audio recording to justify action taken with
1328 regard to a member if the action occurred 5 or more years before
1329 the complaint is submitted to the state board. It is presumed
1330 that all action taken 5 or more years before the complaint is
1331 submitted was taken at the request of the member and with the
1332 member's full knowledge and consent. To overcome this
1333 presumption, the member must present documentary evidence or an
1334 audio recording demonstrating otherwise.

1335 (10) EDUCATION COMPONENT.—

1336 (a) The state board, in coordination with the department,
1337 shall provide for an education component for eligible employees
1338 ~~system members~~ in a manner consistent with the provisions of
1339 this subsection ~~section~~. ~~The education component must be~~
1340 ~~available to eligible employees at least 90 days prior to the~~
1341 ~~beginning date of the election period for the employees of the~~
1342 ~~respective types of employers.~~

1343 (b) The education component must provide system members
1344 with impartial and balanced information about plan choices
1345 except for members initially enrolled on or after July 1, 2015,
1346 as provided in paragraph (4) (g). The education component must
1347 involve multimedia formats. Program comparisons must, to the
1348 greatest extent possible, be based upon the retirement income
1349 that different retirement programs may provide to the member.
1350 The state board shall monitor the performance of the contract to
1351 ensure that the program is conducted in accordance with the
1352 contract, applicable law, and the rules of the state board.

1353 (c) The state board, in coordination with the department,
 1354 shall provide for an initial and ongoing transfer education
 1355 component to provide system members except for those members
 1356 initially enrolled on or after July 1, 2015, as provided in
 1357 paragraph (4) (g), with information necessary to make informed
 1358 plan choice decisions. The transfer education component must
 1359 include, but is not limited to, information on:

1360 1. The amount of money available to a member to transfer
 1361 to the defined contribution program.

1362 2. The features of and differences between the pension
 1363 plan and the defined contribution program, both generally and
 1364 specifically, as those differences may affect the member.

1365 3. The expected benefit available if the member were to
 1366 retire under each of the retirement programs, based on
 1367 appropriate alternative sets of assumptions.

1368 4. The rate of return from investments in the defined
 1369 contribution program and the period of time over which such rate
 1370 of return must be achieved to equal or exceed the expected
 1371 monthly benefit payable to the member under the pension plan.

1372 5. The historical rates of return for the investment
 1373 alternatives available in the defined contribution programs.

1374 6. The benefits and historical rates of return on
 1375 investments available in a typical deferred compensation plan or
 1376 a typical plan under s. 403(b) of the Internal Revenue Code for
 1377 which the employee may be eligible.

1378 7. The program choices available to employees of the State

1379 University System and the comparative benefits of each available
 1380 program, if applicable.

1381 8. Payout options available in each of the retirement
 1382 programs.

1383 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
 1384 ~~System employers have an obligation to regularly communicate the~~
 1385 ~~existence of the two Florida Retirement System plans and the~~
 1386 ~~plan choice in the natural course of administering their~~
 1387 ~~personnel functions, using the educational materials supplied by~~
 1388 ~~the state board and the Department of Management Services.~~

1389 Section 9. Paragraph (b) of subsection (2) of section
 1390 121.591, Florida Statutes, is amended to read:

1391 121.591 Payment of benefits.—Benefits may not be paid
 1392 under the Florida Retirement System Investment Plan unless the
 1393 member has terminated employment as provided in s.
 1394 121.021(39) (a) or is deceased and a proper application has been
 1395 filed as prescribed by the state board or the department.
 1396 Benefits, including employee contributions, are not payable
 1397 under the investment plan for employee hardships, unforeseeable
 1398 emergencies, loans, medical expenses, educational expenses,
 1399 purchase of a principal residence, payments necessary to prevent
 1400 eviction or foreclosure on an employee's principal residence, or
 1401 any other reason except a requested distribution for retirement,
 1402 a mandatory de minimis distribution authorized by the
 1403 administrator, or a required minimum distribution provided
 1404 pursuant to the Internal Revenue Code. The state board or

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1405 department, as appropriate, may cancel an application for
1406 retirement benefits if the member or beneficiary fails to timely
1407 provide the information and documents required by this chapter
1408 and the rules of the state board and department. In accordance
1409 with their respective responsibilities, the state board and the
1410 department shall adopt rules establishing procedures for
1411 application for retirement benefits and for the cancellation of
1412 such application if the required information or documents are
1413 not received. The state board and the department, as
1414 appropriate, are authorized to cash out a de minimis account of
1415 a member who has been terminated from Florida Retirement System
1416 covered employment for a minimum of 6 calendar months. A de
1417 minimis account is an account containing employer and employee
1418 contributions and accumulated earnings of not more than \$5,000
1419 made under the provisions of this chapter. Such cash-out must be
1420 a complete lump-sum liquidation of the account balance, subject
1421 to the provisions of the Internal Revenue Code, or a lump-sum
1422 direct rollover distribution paid directly to the custodian of
1423 an eligible retirement plan, as defined by the Internal Revenue
1424 Code, on behalf of the member. Any nonvested accumulations and
1425 associated service credit, including amounts transferred to the
1426 suspense account of the Florida Retirement System Investment
1427 Plan Trust Fund authorized under s. 121.4501(6), shall be
1428 forfeited upon payment of any vested benefit to a member or
1429 beneficiary, except for de minimis distributions or minimum
1430 required distributions as provided under this section. If any

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1431 financial instrument issued for the payment of retirement
1432 benefits under this section is not presented for payment within
1433 180 days after the last day of the month in which it was
1434 originally issued, the third-party administrator or other duly
1435 authorized agent of the state board shall cancel the instrument
1436 and credit the amount of the instrument to the suspense account
1437 of the Florida Retirement System Investment Plan Trust Fund
1438 authorized under s. 121.4501(6). Any amounts transferred to the
1439 suspense account are payable upon a proper application, not to
1440 include earnings thereon, as provided in this section, within 10
1441 years after the last day of the month in which the instrument
1442 was originally issued, after which time such amounts and any
1443 earnings attributable to employer contributions shall be
1444 forfeited. Any forfeited amounts are assets of the trust fund
1445 and are not subject to chapter 717.

1446 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided
1447 under this subsection are payable in lieu of the benefits that
1448 would otherwise be payable under the provisions of subsection
1449 (1). Such benefits must be funded from employer contributions
1450 made under s. 121.571, transferred employee contributions and
1451 funds accumulated pursuant to paragraph (a), and interest and
1452 earnings thereon.

1453 (b) Disability retirement; entitlement.—

1454 1.a. A member of the investment plan initially enrolled
1455 before July 1, 2015, who becomes totally and permanently
1456 disabled, as defined in paragraph (d), after completing 8 years

1457 of creditable service, or a member who becomes totally and
1458 permanently disabled in the line of duty regardless of length of
1459 service, is entitled to a monthly disability benefit.

1460 b. A member of the investment plan initially enrolled on
1461 or after July 1, 2015, who becomes totally and permanently
1462 disabled, as defined in paragraph (d), after completing 10 years
1463 of creditable service, or a member who becomes totally and
1464 permanently disabled in the line of duty regardless of service,
1465 is entitled to a monthly disability benefit.

1466 2. In order for service to apply toward the 8 years of
1467 creditable service required for regular disability benefits, or
1468 toward the creditable service used in calculating a service-
1469 based benefit as provided under paragraph (g), the service must
1470 be creditable service as described below:

1471 a. The member's period of service under the investment
1472 plan shall be considered creditable service, except as provided
1473 in subparagraph d.

1474 b. If the member has elected to retain credit for service
1475 under the pension plan as provided under s. 121.4501(3), all
1476 such service shall be considered creditable service.

1477 c. If the member elects to transfer to his or her member
1478 accounts a sum representing the present value of his or her
1479 retirement credit under the pension plan as provided under s.
1480 121.4501(3), the period of service under the pension plan
1481 represented in the present value amounts transferred shall be
1482 considered creditable service, except as provided in

1483 subparagraph d.

1484 d. If a member has terminated employment and has taken
 1485 distribution of his or her funds as provided in subsection (1),
 1486 all creditable service represented by such distributed funds is
 1487 forfeited for purposes of this subsection.

1488 Section 10. Subsection (2) of section 175.021, Florida
 1489 Statutes, is amended to read:

1490 175.021 Legislative declaration.—

1491 (2) This chapter hereby establishes, for all municipal and
 1492 special district pension plans existing ~~now or hereafter~~ under
 1493 this chapter, including chapter plans and local law plans,
 1494 minimum benefits and minimum standards for the operation and
 1495 funding of such plans, hereinafter referred to as firefighters'
 1496 pension trust funds, which must be met as a condition precedent
 1497 to the plan or plan sponsor receiving a distribution of
 1498 insurance premium tax revenues under s. 175.121. The minimum
 1499 benefits and minimum standards for each plan as set forth in
 1500 this chapter may not be diminished by local charter, ordinance,
 1501 or resolution or by special act of the Legislature and may not,
 1502 ~~nor may the minimum benefits or minimum standards~~ be reduced or
 1503 offset by any other local, state, or federal law that includes
 1504 ~~may include~~ firefighters in its operation, except as provided
 1505 under s. 112.65.

1506 Section 11. Section 175.032, Florida Statutes, is amended
 1507 to read:

1508 175.032 Definitions.—For any municipality, special fire

1509 control district, chapter plan, local law municipality, local
 1510 law special fire control district, or local law plan under this
 1511 chapter, the term ~~following words and phrases have the following~~
 1512 ~~meanings:~~

1513 (1) "Additional premium tax revenues" means revenues
 1514 received by a municipality or special fire control district
 1515 pursuant to s. 175.121 which exceed base premium tax revenues.

1516 ~~(2)-(1)(a)~~ "Average final compensation" for:

1517 (a) A full-time firefighter means one-twelfth of the
 1518 average annual compensation of the 5 best years of the last 10
 1519 years of creditable service before ~~prior to~~ retirement,
 1520 termination, or death, or the career average as a full-time
 1521 firefighter since July 1, 1953, whichever is greater. A year is
 1522 ~~shall be~~ 12 consecutive months or such other consecutive period
 1523 of time as is used and consistently applied.

1524 ~~(b) "Average final compensation" for~~ A volunteer
 1525 firefighter means the average salary of the 5 best years of the
 1526 last 10 best contributing years before ~~prior to~~ change in status
 1527 to a permanent full-time firefighter or retirement as a
 1528 volunteer firefighter or the career average of a volunteer
 1529 firefighter, since July 1, 1953, whichever is greater.

1530 (3) "Base premium tax revenues" means the revenues
 1531 received by a municipality or special fire control district
 1532 pursuant to s. 175.121 for the calendar year 1997.

1533 ~~(4)-(2)~~ "Chapter plan" means a separate defined benefit
 1534 pension plan for firefighters which incorporates by reference

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1535 the provisions of this chapter and has been adopted by the
1536 governing body of a municipality or special district. Except as
1537 ~~may be~~ specifically authorized in this chapter, the provisions
1538 of a chapter plan may not differ from the plan provisions set
1539 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial
1540 valuations of chapter plans shall be conducted by the division
1541 as provided by s. 175.261(1).

1542 (5)~~(3)~~ "Compensation" or "salary" means, for
1543 noncollectively bargained service earned before July 1, 2011, or
1544 for service earned under collective bargaining agreements in
1545 place before July 1, 2011, the fixed monthly remuneration paid a
1546 firefighter. If remuneration is based on actual services
1547 rendered, as in the case of a volunteer firefighter, the term
1548 means the total cash remuneration received yearly for such
1549 services, prorated on a monthly basis. For noncollectively
1550 bargained service earned on or after July 1, 2011, or for
1551 service earned under collective bargaining agreements entered
1552 into on or after July 1, 2011, the term has the same meaning
1553 except that when calculating retirement benefits, up to 300
1554 hours per year in overtime compensation may be included as
1555 specified in the plan or collective bargaining agreement, but
1556 payments for accrued unused sick or annual leave may not be
1557 included.

1558 (a) Any retirement trust fund or plan that meets the
1559 requirements of this chapter does not, solely by virtue of this
1560 subsection, reduce or diminish the monthly retirement income

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1561 otherwise payable to each firefighter covered by the retirement
1562 trust fund or plan.

1563 (b) The member's compensation or salary contributed as
1564 employee-elective salary reductions or deferrals to any salary
1565 reduction, deferred compensation, or tax-sheltered annuity
1566 program authorized under the Internal Revenue Code shall be
1567 deemed to be the compensation or salary the member would receive
1568 if he or she were not participating in such program and ~~shall be~~
1569 treated as compensation for retirement purposes under this
1570 chapter.

1571 (c) For any person who first becomes a member in any plan
1572 year beginning on or after January 1, 1996, compensation for
1573 that plan year may not include any amounts in excess of the
1574 Internal Revenue Code s. 401(a)(17) limitation, as amended by
1575 the Omnibus Budget Reconciliation Act of 1993, which limitation
1576 of \$150,000 shall be adjusted as required by federal law for
1577 qualified government plans and ~~shall be~~ further adjusted for
1578 changes in the cost of living in the manner provided by Internal
1579 Revenue Code s. 401(a)(17)(B). For any person who first became a
1580 member before the first plan year beginning on or after January
1581 1, 1996, the limitation on compensation may not be less than the
1582 maximum compensation amount that was allowed to be taken into
1583 account under the plan in effect on July 1, 1993, which
1584 limitation shall be adjusted for changes in the cost of living
1585 since 1989 in the manner provided by Internal Revenue Code s.
1586 401(a)(17)(1991).

1587 (6)~~(4)~~ "Creditable service" or "credited service" means
 1588 the aggregate number of years of service~~7~~ and fractional parts
 1589 of years of service~~7~~ of any firefighter, omitting intervening
 1590 years and fractional parts of years when such firefighter may
 1591 not have been employed by the municipality or special fire
 1592 control district, subject to the following conditions:

1593 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
 1594 or fractional parts of years of service if he or she has
 1595 withdrawn his or her contributions to the fund for those years
 1596 or fractional parts of years of service, unless the firefighter
 1597 repays into the fund the amount he or she has withdrawn, plus
 1598 interest determined by the board. The member shall have at least
 1599 90 days after his or her reemployment to make repayment.

1600 (b) A firefighter may voluntarily leave his or her
 1601 contributions in the fund for ~~a period of~~ 5 years after leaving
 1602 the employ of the fire department, pending the possibility of
 1603 being rehired by the same department, without losing credit for
 1604 the time he or she has participated actively as a firefighter.
 1605 If the firefighter is not reemployed as a firefighter~~7~~ with the
 1606 same department~~7~~ within 5 years, his or her contributions shall
 1607 be returned without interest.

1608 (c) Credited service under this chapter shall be provided
 1609 only for service as a firefighter~~7~~, ~~as defined in subsection (8)~~,
 1610 or for military service and does not include credit for any
 1611 other type of service. A municipality ~~may~~, by local ordinance,
 1612 or a special fire control district ~~may~~, by resolution, may

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1613 provide for the purchase of credit for military service prior to
1614 employment as well as for prior service as a firefighter for
1615 some other employer as long as a firefighter is not entitled to
1616 receive a benefit for such prior service ~~as a firefighter~~. For
1617 purposes of determining credit for prior service as a
1618 firefighter, in addition to service as a firefighter in this
1619 state, credit may be given for federal, other state, or county
1620 service if the prior service is recognized by the Division of
1621 State Fire Marshal as provided in ~~under~~ chapter 633, or the
1622 firefighter provides proof to the board of trustees that his or
1623 her service is equivalent to the service required to meet the
1624 definition of a firefighter under subsection (11) ~~(8)~~.

1625 (d) In determining the creditable service of any
1626 firefighter, credit for up to 5 years of the time spent in the
1627 military service of the Armed Forces of the United States shall
1628 be added to the years of actual service if:

1629 1. The firefighter is in the active employ of an employer
1630 immediately prior to such service and leaves a position, other
1631 than a temporary position, for the purpose of voluntary or
1632 involuntary service in the Armed Forces of the United States.

1633 2. The firefighter is entitled to reemployment under the
1634 provisions of the Uniformed Services Employment and Reemployment
1635 Rights Act.

1636 3. The firefighter returns to his or her employment as a
1637 firefighter of the municipality or special fire control district
1638 within 1 year from the date of release from such active service.

1639 (7)~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
 1640 local law plan retirement option in which a firefighter may
 1641 elect to participate. A firefighter may retire for all purposes
 1642 of the plan and defer receipt of retirement benefits into a DROP
 1643 account while continuing employment with his or her employer.
 1644 However, a firefighter who enters ~~the~~ DROP and who is otherwise
 1645 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
 1646 participation or continued participation participating, or
 1647 continuing to participate, in a supplemental plan in existence
 1648 on, or created after, March 12, 1999 ~~the effective date of this~~
 1649 ~~act.~~

1650 (8) "Defined contribution plan" means the component of a
 1651 local law plan, as provided in s. 175.351(1), to which deposits,
 1652 if any, are made to provide benefits for firefighters, or for
 1653 firefighters and police officers if both are included. Such
 1654 component is an element of a local law plan and exists in
 1655 conjunction with the defined benefit component that meets the
 1656 minimum benefits and minimum standards of this chapter. The
 1657 retirement benefits, if any, of the defined contribution plan
 1658 shall be provided through individual member accounts in
 1659 accordance with the applicable provisions of the Internal
 1660 Revenue Code and related regulations and are limited to the
 1661 contributions, if any, made into each member's account and the
 1662 actual accumulated earnings, net of expenses, earned on the
 1663 member's account.

1664 (9)~~(6)~~ "Division" means the Division of Retirement of the

1665 Department of Management Services.

1666 (10)~~(7)~~ "Enrolled actuary" means an actuary who is
 1667 enrolled under Subtitle C of Title III of the Employee
 1668 Retirement Income Security Act of 1974 and who is a member of
 1669 the Society of Actuaries or the American Academy of Actuaries.

1670 (11)~~(8)~~(a) "Firefighter" means a person employed solely by
 1671 a constituted fire department of any municipality or special
 1672 fire control district who is certified as a firefighter as a
 1673 condition of employment in accordance with s. 633.408 and whose
 1674 duty it is to extinguish fires, to protect life, or to protect
 1675 property. The term includes all certified, supervisory, and
 1676 command personnel whose duties include, in whole or in part, the
 1677 supervision, training, guidance, and management responsibilities
 1678 of full-time firefighters, part-time firefighters, or auxiliary
 1679 firefighters but does not include part-time firefighters or
 1680 auxiliary firefighters. However, for purposes of this chapter
 1681 only, the term also includes public safety officers who are
 1682 responsible for performing both police and fire services, who
 1683 are certified as police officers or firefighters, and who are
 1684 certified by their employers to the Chief Financial Officer as
 1685 participating in this chapter before October 1, 1979. Effective
 1686 October 1, 1979, public safety officers who have not been
 1687 certified as participating in this chapter are considered police
 1688 officers for retirement purposes and are eligible to participate
 1689 in chapter 185. Any plan may provide that the fire chief has an
 1690 option to participate,~~or not,~~ in that plan.

1691 (b) "Volunteer firefighter" means any person whose name is
 1692 carried on the active membership roll of a constituted volunteer
 1693 fire department or a combination of a paid and volunteer fire
 1694 department of any municipality or special fire control district
 1695 and whose duty it is to extinguish fires, to protect life, and
 1696 to protect property. Compensation for services rendered by a
 1697 volunteer firefighter does ~~shall~~ not disqualify him or her as a
 1698 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
 1699 firefighter solely because he or she has other gainful
 1700 employment. Any person who volunteers assistance at a fire but
 1701 is not an active member of a department described herein is not
 1702 a volunteer firefighter within the meaning of this paragraph.

1703 ~~(12)~~~~(9)~~ "Firefighters' Pension Trust Fund" means a trust
 1704 fund, by whatever name known, as provided under s. 175.041, for
 1705 the purpose of assisting municipalities and special fire control
 1706 districts in establishing and maintaining a retirement plan for
 1707 firefighters.

1708 ~~(13)~~~~(10)~~ "Local law municipality" is any municipality in
 1709 which ~~there exists~~ a local law plan exists.

1710 ~~(14)~~~~(11)~~ "Local law plan" means a retirement defined
 1711 benefit pension plan, which includes both a defined benefit plan
 1712 component and a defined contribution plan component, for
 1713 firefighters, or for firefighters and ~~or~~ police officers if both
 1714 are ~~where~~ included, as described in s. 175.351, established by
 1715 municipal ordinance, special district resolution, or special act
 1716 of the Legislature, which ~~enactment~~ sets forth all plan

1717 provisions. Local law plan provisions may vary from the
 1718 provisions of this chapter if the, ~~provided that required~~
 1719 minimum benefits and minimum standards of this chapter are met.
 1720 However, any such variance must ~~shall~~ provide a greater benefit
 1721 for firefighters. Actuarial valuations of local law plans shall
 1722 be conducted by an enrolled actuary as provided in s.
 1723 175.261(2).

1724 (15) ~~(12)~~ "Local law special fire control district" means
 1725 ~~is~~ any special fire control district in which ~~there exists~~ a
 1726 local law plan exists.

1727 (16) "Minimum benefits" means the benefits set forth in
 1728 ss. 175.021-175.341 and ss. 175.361-175.401.

1729 (17) "Minimum standards" means the standards set forth in
 1730 ss. 175.021-175.341 and ss. 175.361-175.401.

1731 (18) ~~(13)~~ "Property insurance" means property insurance as
 1732 defined in s. 624.604 and covers real and personal property
 1733 within the corporate limits of a ~~any~~ municipality, or within the
 1734 boundaries of a ~~any~~ special fire control district, within the
 1735 state. The term "multiple peril" means a combination or package
 1736 policy that includes both property and casualty coverage for a
 1737 single premium.

1738 (19) ~~(14)~~ "Retiree" or "retired firefighter" means a
 1739 firefighter who has entered retirement status. For the purposes
 1740 of a plan that includes a Deferred Retirement Option Plan
 1741 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
 1742 a retiree for all purposes of the plan. However, a firefighter

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1743 who enters ~~the~~ DROP and who is otherwise eligible to participate
1744 may shall not ~~thereby~~ be precluded from participation or
1745 continued participation ~~participating, or continuing to~~
1746 ~~participate,~~ in a supplemental plan in existence on, or created
1747 after, March 12, 1999 ~~the effective date of this act.~~

1748 (20)-(15) "Retirement" means a firefighter's separation
1749 from municipal ~~city~~ or fire district employment as a firefighter
1750 with immediate eligibility for ~~receipt of~~ benefits under the
1751 plan. For purposes of a plan that includes a Deferred Retirement
1752 Option Plan (DROP), "retirement" means the date a firefighter
1753 enters ~~the~~ DROP.

1754 (21) "Special act plan" means a plan subject to the
1755 provisions of this chapter which was created by an act of the
1756 Legislature and continues to require an act of the Legislature
1757 to alter plan benefits.

1758 (22) "Special benefits" means benefits provided in a
1759 defined contribution plan for firefighters.

1760 (23)-(16) "Special fire control district" means a special
1761 district, as defined in s. 189.403~~(1)~~, established for the
1762 purposes of extinguishing fires, protecting life, and protecting
1763 property within the incorporated or unincorporated portions of a
1764 ~~any~~ county or combination of counties, or within any combination
1765 of incorporated and unincorporated portions of a ~~any~~ county or
1766 combination of counties. The term does not include any dependent
1767 or independent special district, as those terms are defined in
1768 s. 189.403, whose ~~s. 189.403(2) and (3), respectively, the~~

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1769 employees ~~of which~~ are members of the Florida Retirement System
 1770 pursuant to s. 121.051(1) or (2).

1771 (24)~~(17)~~ "Supplemental plan" means a plan to which
 1772 deposits are made to provide extra benefits for firefighters, or
 1773 for firefighters and police officers if both are ~~where~~ included
 1774 ~~under this chapter~~. Such a plan is an element of a local law
 1775 plan and exists in conjunction with a defined benefit component
 1776 ~~plan~~ that meets the minimum benefits and minimum standards of
 1777 this chapter. Any supplemental plan in existence on March 1,
 1778 2014, shall be deemed to be a defined contribution plan in
 1779 compliance with s. 175.351(6).

1780 (25)~~(18)~~ "Supplemental plan municipality" means a ~~any~~
 1781 local law municipality in which any ~~there existed~~ a supplemental
 1782 plan existed, ~~of any type or nature~~, as of December 1, 2000.

1783 Section 12. Subsection (7) of section 175.071, Florida
 1784 Statutes, is amended to read:

1785 175.071 General powers and duties of board of trustees.—
 1786 For any municipality, special fire control district, chapter
 1787 plan, local law municipality, local law special fire control
 1788 district, or local law plan under this chapter:

1789 (7) To assist the board in meeting its responsibilities
 1790 under this chapter, the board, if it so elects, may:

1791 (a) Employ independent legal counsel at the pension fund's
 1792 expense.

1793 (b) Employ an independent enrolled actuary, as defined in
 1794 s. 175.032~~(7)~~, at the pension fund's expense.

1795 (c) Employ such independent professional, technical, or
 1796 other advisers as it deems necessary at the pension fund's
 1797 expense.

1798
 1799 If the board chooses to use the municipality's or special
 1800 district's legal counsel or actuary, or chooses to use any of
 1801 the municipality's or special district's other professional,
 1802 technical, or other advisers, it must do so only under terms and
 1803 conditions acceptable to the board.

1804 Section 13. Paragraph (d) of subsection (1) of section
 1805 175.091, Florida Statutes, is amended to read:

1806 175.091 Creation and maintenance of fund.—For any
 1807 municipality, special fire control district, chapter plan, local
 1808 law municipality, local law special fire control district, or
 1809 local law plan under this chapter:

1810 (1) The firefighters' pension trust fund in each
 1811 municipality and in each special fire control district shall be
 1812 created and maintained in the following manner:

1813 (d) By mandatory payment by the municipality or special
 1814 fire control district of a sum equal to the normal cost of and
 1815 the amount required to fund any actuarial deficiency shown by an
 1816 actuarial valuation conducted under ~~as provided in~~ part VII of
 1817 chapter 112 after taking into account the amounts described in
 1818 paragraphs (b), (c), (e), (f), and (g) and the tax proceeds
 1819 described in paragraph (a) which are used to fund defined
 1820 benefit plan benefits.

1821
 1822 Nothing in this section shall be construed to require adjustment
 1823 of member contribution rates in effect on the date this act
 1824 becomes a law, including rates that exceed 5 percent of salary,
 1825 provided that such rates are at least one-half of 1 percent of
 1826 salary.

1827 Section 14. Paragraph (a) of subsection (2) of section
 1828 175.162, Florida Statutes, is amended to read:

1829 175.162 Requirements for retirement.—For any municipality,
 1830 special fire control district, chapter plan, local law
 1831 municipality, local law special fire control district, or local
 1832 law plan under this chapter, any firefighter who completes 10 or
 1833 more years of creditable service as a firefighter and attains
 1834 age 55, or completes 25 years of creditable service as a
 1835 firefighter and attains age 52, and who for such minimum period
 1836 has been a member of the firefighters' pension trust fund
 1837 operating under a chapter plan or local law plan, is eligible
 1838 for normal retirement benefits. Normal retirement under the plan
 1839 is retirement from the service of the municipality or special
 1840 fire control district on or after the normal retirement date. In
 1841 such event, payment of retirement income will be governed by the
 1842 following provisions of this section:

1843 (2) (a) 1. The amount of monthly retirement income payable
 1844 to a full-time firefighter who retires on or after his or her
 1845 normal retirement date shall be an amount equal to the number of
 1846 his or her years of credited service multiplied by 2.75 ~~2~~

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1847 percent of his or her average final compensation as a full-time
1848 firefighter. ~~However, if current state contributions pursuant to~~
1849 ~~this chapter are not adequate to fund the additional benefits to~~
1850 ~~meet the minimum requirements in this chapter, only such~~
1851 ~~incremental increases shall be required as state moneys are~~
1852 ~~adequate to provide. Such increments shall be provided as state~~
1853 ~~moneys become available.~~

1854 2. Effective July 1, 2014, a plan that is in compliance
1855 with this chapter except that the plan provides a benefit that
1856 is less than 2.75 percent of the average final compensation of a
1857 full-time firefighter must maintain, at a minimum, the
1858 percentage amount in effect on July 1, 2014, and is not required
1859 to increase the benefit to 2.75 percent of the average final
1860 compensation of a full-time firefighter.

1861 3. Effective July 1, 2014, a plan that is in compliance
1862 with this chapter except that the plan provides a benefit that
1863 is less than 2.75 percent of the average final compensation of a
1864 full-time firefighter and that changes its accrual rate to 2.75
1865 percent, or greater, of the average final compensation of a
1866 full-time firefighter may not thereafter decrease the accrual
1867 rate to less than 2.75 percent of the average final compensation
1868 of a full-time firefighter.

1869 Section 15. Section 175.351, Florida Statutes, is amended
1870 to read:

1871 175.351 Municipalities and special fire control districts
1872 that have ~~having~~ their own pension plans for firefighters. ~~For~~

1873 ~~any municipality, special fire control district, local law~~
 1874 ~~municipality, local law special fire control district, or local~~
 1875 ~~law plan under this chapter,~~ In order for a municipality or
 1876 ~~municipalities and special fire control~~ district that has its
 1877 ~~districts with their own pension plan plans~~ for firefighters, or
 1878 for firefighters and police officers if both are included, to
 1879 participate in the distribution of the tax fund established
 1880 under pursuant to s. 175.101, a local law plan plans must meet
 1881 the minimum benefits and minimum standards set forth in this
 1882 chapter.

1883 (1) If a municipality has a pension plan for firefighters,
 1884 ~~or a pension plan~~ for firefighters and police officers if both
 1885 are included, which in the opinion of the division meets the
 1886 minimum benefits and minimum standards set forth in this
 1887 chapter, the board of trustees of the pension plan must, as
 1888 ~~approved by a majority of firefighters of the municipality, may:~~

1889 ~~(a)~~ place the income from the premium tax in s. 175.101 in
 1890 such ~~pension~~ plan for the sole and exclusive use of its
 1891 firefighters, or for firefighters and police officers if both
 1892 are included, where it shall become an integral part of that
 1893 ~~pension~~ plan and ~~shall~~ be used to fund benefits as provided
 1894 herein. Effective October 1, 2014, for noncollectively bargained
 1895 service or upon entering into a collective bargaining agreement
 1896 on or after July 1, 2014:

1897 (a) The base premium tax revenues must be used to fund
 1898 minimum benefits or other retirement benefits in excess of the

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1899 minimum benefits as determined by the municipality or special
1900 fire control district.

1901 (b) Of the additional premium tax revenues received which
1902 are in excess of the amount received for the 2013 calendar year,
1903 50 percent must be used to fund minimum benefits or other
1904 retirement benefits in excess of the minimum benefits as
1905 determined by the municipality or special fire control district,
1906 and 50 percent must be placed in a defined contribution plan to
1907 fund special benefits.

1908 (c) Additional premium tax revenues not described in
1909 paragraph (b) must be used to fund benefits that are not
1910 included in the minimum benefits. If the additional premium tax
1911 revenues subject to this paragraph exceed the full cost of
1912 benefits provided through the plan which are in excess of the
1913 minimum benefits, any amount in excess of the full cost must be
1914 used as provided in paragraph (b).

1915 (d) Any accumulations of additional premium tax revenues
1916 which have not been applied to fund benefits in excess of the
1917 minimum benefits may be allocated by mutual consent as provided
1918 in paragraph (g). If such accumulations are not allocated by
1919 mutual consent, 50 percent of the amount of the accumulations
1920 must be used to fund special benefits and 50 percent must be
1921 applied to fund any unfunded actuarial liabilities of the plan
1922 to pay extra benefits to the firefighters included in that
1923 pension plan; or

1924 ~~(b) Place the income from the premium tax in s. 175.101 in~~

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1925 ~~a separate supplemental plan to pay extra benefits to~~
1926 ~~firefighters, or to firefighters and police officers if~~
1927 ~~included, participating in such separate supplemental plan.~~

1928 (e) For a plan created after March 1, 2014, 50 percent of
1929 the insurance premium tax revenues must be used to fund defined
1930 benefit plan component benefits, with the remainder used to fund
1931 defined contribution plan component benefits.

1932 (f) If a plan offers benefits in excess of the minimum
1933 benefits, excluding supplemental plan benefits in effect as of
1934 September 30, 2013, such benefits may be reduced if the plan
1935 continues to meet the minimum benefits and the minimum standards
1936 set forth in this chapter. The amount of insurance premium tax
1937 revenues previously used to fund benefits in excess of minimum
1938 benefits, excluding supplemental plan benefits in effect as of
1939 September 30, 2013, before the reduction must be used as
1940 provided in paragraph (b). However, benefits in excess of the
1941 minimum benefits may not be reduced if a plan does not meet the
1942 minimum accrual rate of 2.75 percent, or greater, of the average
1943 final compensation of a full-time firefighter.

1944 (g) Notwithstanding any other provision of this
1945 subsection, the use of premium tax revenues, including any
1946 accumulations of additional tax revenues which have not been
1947 applied to fund benefits in excess of the minimum benefits, may
1948 deviate from the provisions of this subsection by mutual consent
1949 of the members' collective bargaining representative or, if
1950 none, by majority consent of the firefighter members of the

1951 fund, and by consent of the municipality or special fire control
 1952 district, provided that the plan continues to meet the minimum
 1953 benefits and minimum standards of this chapter; however, a plan
 1954 operating pursuant to the provisions of this paragraph which
 1955 does not meet a minimum benefit as of October 1, 2012, may
 1956 continue to provide the benefit that does not meet the minimum
 1957 benefit at the same level, but not less than that level, as was
 1958 provided as of October 1, 2012, and all other benefit levels
 1959 must continue to meet the minimum benefits. Such mutually agreed
 1960 deviation shall continue until modified or revoked by subsequent
 1961 mutual consent of the members' collective bargaining
 1962 representative or, if none, by a majority of the firefighter
 1963 members of the fund, and the municipality or special fire
 1964 control district. A special act plan or a plan within a
 1965 supplemental plan municipality shall be considered to have
 1966 mutually consented to such deviation as of July 1, 2014,
 1967 regarding the existing arrangement on the use of premium tax
 1968 revenues.

1969 (2) The premium tax provided by this chapter shall ~~in all~~
 1970 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
 1971 benefits to firefighters, or to firefighters and police officers
 1972 if both are included. ~~However, local law plans in effect on~~
 1973 ~~October 1, 1998, must comply with the minimum benefit provisions~~
 1974 ~~of this chapter only to the extent that additional premium tax~~
 1975 ~~revenues become available to incrementally fund the cost of such~~
 1976 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~

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1977 ~~compliance with such minimum benefit provisions, as subsequent~~
1978 ~~additional premium tax revenues become available, they must be~~
1979 ~~used to provide extra benefits.~~ Local law plans created by
1980 special act before May 27, 1939, are deemed to comply with this
1981 chapter. ~~For the purpose of this chapter, the term:~~

1982 ~~(a) "Additional premium tax revenues" means revenues~~
1983 ~~received by a municipality or special fire control district~~
1984 ~~pursuant to s. 175.121 which exceed that amount received for~~
1985 ~~calendar year 1997.~~

1986 ~~(b) "Extra benefits" means benefits in addition to or~~
1987 ~~greater than those provided to general employees of the~~
1988 ~~municipality and in addition to those in existence for~~
1989 ~~firefighters on March 12, 1999.~~

1990 (3) A retirement plan or amendment to a retirement plan
1991 may not be proposed for adoption unless the proposed plan or
1992 amendment contains an actuarial estimate of the costs involved.
1993 Such proposed plan or proposed plan change may not be adopted
1994 without the approval of the municipality, special fire control
1995 district, or, where required ~~permitted~~, the Legislature. Copies
1996 of the proposed plan or proposed plan change and the actuarial
1997 impact statement of the proposed plan or proposed plan change
1998 shall be furnished to the division before the last public
1999 hearing on the proposal is held ~~thereon~~. Such statement must
2000 also indicate whether the proposed plan or proposed plan change
2001 is in compliance with s. 14, Art. X of the State Constitution
2002 and those provisions of part VII of chapter 112 which are not

2003 expressly provided in this chapter. Notwithstanding any other
 2004 provision, only those local law plans created by special act of
 2005 legislation before May 27, 1939, are deemed to meet the minimum
 2006 benefits and minimum standards only in this chapter.

2007 (4) Notwithstanding any other provision, with respect to
 2008 any supplemental plan municipality:

2009 (a) A local law plan and a supplemental plan may continue
 2010 to use their definition of compensation or salary in existence
 2011 on March 12, 1999.

2012 (b) Section 175.061(1)(b) does not apply, and a local law
 2013 plan and a supplemental plan shall continue to be administered
 2014 by a board or boards of trustees numbered, constituted, and
 2015 selected as the board or boards were numbered, constituted, and
 2016 selected on December 1, 2000.

2017 ~~(c) The election set forth in paragraph (1)(b) is deemed~~
 2018 ~~to have been made.~~

2019 (5) The retirement plan setting forth the benefits and the
 2020 trust agreement, if any, covering the duties and
 2021 responsibilities of the trustees and the regulations of the
 2022 investment of funds must be in writing, and copies made
 2023 available to the participants and to the general public.

2024 (6) In addition to the defined benefit component of the
 2025 local law plan, each plan sponsor must have a defined
 2026 contribution plan component within the local law plan by October
 2027 1, 2014, for noncollectively bargained service, upon entering
 2028 into a collective bargaining agreement on or after July 1, 2014,

2029 or upon the creation date of a new participating plan. Depending
 2030 upon the application of subsection (1), a defined contribution
 2031 component may or may not receive any funding.

2032 (7) Notwithstanding any other provision of this chapter, a
 2033 municipality or special fire control district that has
 2034 implemented or proposed changes to a local law plan based on the
 2035 municipality's or district's reliance on an interpretation of
 2036 this chapter by the Department of Management Services on or
 2037 after August 14, 2012, and before March 4, 2014, may continue
 2038 the implemented changes or continue to implement proposed
 2039 changes. Such reliance must be evidenced by a written collective
 2040 bargaining proposal or agreement, or formal correspondence
 2041 between the municipality or district and the Department of
 2042 Management Services which describes the specific changes to the
 2043 local law plan, with the initial proposal, agreement, or
 2044 correspondence from the municipality or district dated before
 2045 March 4, 2014. Changes to the local law plan which are otherwise
 2046 contrary to the minimum benefits and minimum standards in this
 2047 chapter may continue in effect until the earlier of October 1,
 2048 2017, or the effective date of a collective bargaining agreement
 2049 that is contrary to the changes to the local law plan.

2050 Section 16. Subsection (2) of section 185.01, Florida
 2051 Statutes, is amended to read:

2052 185.01 Legislative declaration.—

2053 (2) This chapter hereby establishes, for all municipal
 2054 pension plans ~~now or hereinafter~~ provided for under this

2055 chapter, including chapter plans and local law plans, minimum
 2056 benefits and minimum standards for the operation and funding of
 2057 such plans, hereinafter referred to as municipal police
 2058 officers' retirement trust funds, which must be met as
 2059 conditions precedent to the plans or plan sponsors receiving a
 2060 distribution of insurance premium tax revenues under s. 185.10.
 2061 The minimum benefits and minimum standards for each plan as set
 2062 forth in this chapter may not be diminished by local ordinance
 2063 or by special act of the Legislature and may not, ~~nor may the~~
 2064 ~~minimum benefits or minimum standards~~ be reduced or offset by
 2065 any other local, state, or federal plan that includes ~~may~~
 2066 ~~include~~ police officers in its operation, except as provided
 2067 under s. 112.65.

2068 Section 17. Section 185.02, Florida Statutes, is amended
 2069 to read:

2070 185.02 Definitions.—For any municipality, chapter plan,
 2071 local law municipality, or local law plan under this chapter,
 2072 the term ~~following words and phrases as used in this chapter~~
 2073 ~~shall have the following meanings, unless a different meaning is~~
 2074 ~~plainly required by the context:~~

2075 (1) "Additional premium tax revenues" means revenues
 2076 received by a municipality pursuant to s. 185.10 which exceed
 2077 base premium tax revenues.

2078 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
 2079 the average annual compensation of the 5 best years of the last
 2080 10 years of creditable service prior to retirement, termination,

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2081 or death.

2082 (3) "Base premium tax revenues" means the revenues
 2083 received by a municipality pursuant to s. 185.10 for the
 2084 calendar year 1997.

2085 (4)~~(2)~~ "Casualty insurance" means automobile public
 2086 liability and property damage insurance to be applied at the
 2087 place of residence of the owner, or if the subject is a
 2088 commercial vehicle, to be applied at the place of business of
 2089 the owner; automobile collision insurance; fidelity bonds;
 2090 burglary and theft insurance; and plate glass insurance. The
 2091 term "multiple peril" means a combination or package policy that
 2092 includes both property coverage and casualty coverage for a
 2093 single premium.

2094 (5)~~(3)~~ "Chapter plan" means a separate defined benefit
 2095 pension plan for police officers which incorporates by reference
 2096 the provisions of this chapter and has been adopted by the
 2097 governing body of a municipality as provided in s. 185.08.
 2098 Except as ~~may be~~ specifically authorized in this chapter, the
 2099 provisions of a chapter plan may not differ from the plan
 2100 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
 2101 185.39. Actuarial valuations of chapter plans shall be conducted
 2102 by the division as provided by s. 185.221(1)(b).

2103 (6)~~(4)~~ "Compensation" or "salary" means, for
 2104 noncollectively bargained service earned before July 1, 2011, or
 2105 for service earned under collective bargaining agreements in
 2106 place before July 1, 2011, the total cash remuneration including

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2107 "overtime" paid by the primary employer to a police officer for
2108 services rendered, but not including any payments for extra duty
2109 or special detail work performed on behalf of a second party
2110 employer. Overtime may be limited prior to July 1, 2011, in a
2111 local law plan by the plan provisions. ~~A local law plan may~~
2112 ~~limit the amount of overtime payments which can be used for~~
2113 ~~retirement benefit calculation purposes; however, such overtime~~
2114 ~~limit may not be less than 300 hours per officer per calendar~~
2115 ~~year.~~ For noncollectively bargained service earned on or after
2116 July 1, 2011, or for service earned under collective bargaining
2117 agreements entered into on or after July 1, 2011, the term has
2118 the same meaning except that when calculating retirement
2119 benefits, up to 300 hours per year in overtime compensation may
2120 be included as specified in the plan or collective bargaining
2121 agreement, but payments for accrued unused sick or annual leave
2122 may not be included.

2123 (a) Any retirement trust fund or plan that meets the
2124 requirements of this chapter does not, solely by virtue of this
2125 subsection, reduce or diminish the monthly retirement income
2126 otherwise payable to each police officer covered by the
2127 retirement trust fund or plan.

2128 (b) The member's compensation or salary contributed as
2129 employee-elective salary reductions or deferrals to any salary
2130 reduction, deferred compensation, or tax-sheltered annuity
2131 program authorized under the Internal Revenue Code shall be
2132 deemed to be the compensation or salary the member would receive

2133 if he or she were not participating in such program and shall be
 2134 treated as compensation for retirement purposes under this
 2135 chapter.

2136 (c) For any person who first becomes a member in any plan
 2137 year beginning on or after January 1, 1996, compensation for
 2138 that plan year may not include any amounts in excess of the
 2139 Internal Revenue Code s. 401(a)(17) limitation, as amended by
 2140 the Omnibus Budget Reconciliation Act of 1993, which limitation
 2141 of \$150,000 shall be adjusted as required by federal law for
 2142 qualified government plans and ~~shall be~~ further adjusted for
 2143 changes in the cost of living in the manner provided by Internal
 2144 Revenue Code s. 401(a)(17)(B). For any person who first became a
 2145 member before the first plan year beginning on or after January
 2146 1, 1996, the limitation on compensation may not be less than the
 2147 maximum compensation amount that was allowed to be taken into
 2148 account under the plan ~~as~~ in effect on July 1, 1993, which
 2149 limitation shall be adjusted for changes in the cost of living
 2150 since 1989 in the manner provided by Internal Revenue Code s.
 2151 401(a)(17)(1991).

2152 (7)~~(5)~~ "Creditable service" or "credited service" means
 2153 the aggregate number of years of service and fractional parts of
 2154 years of service of any police officer, omitting intervening
 2155 years and fractional parts of years when such police officer may
 2156 not have been employed by the municipality subject to the
 2157 following conditions:

2158 (a) A ~~No~~ police officer may not ~~will~~ receive credit for

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2159 | years or fractional parts of years of service if he or she has
 2160 | withdrawn his or her contributions to the fund for those years
 2161 | or fractional parts of years of service, unless the police
 2162 | officer repays into the fund the amount he or she has withdrawn,
 2163 | plus interest as determined by the board. The member has ~~shall~~
 2164 | ~~have~~ at least 90 days after his or her reemployment to make
 2165 | repayment.

2166 | (b) A police officer may voluntarily leave his or her
 2167 | contributions in the fund for ~~a period of~~ 5 years after leaving
 2168 | the employ of the police department, pending the possibility of
 2169 | his or her being rehired by the same department, without losing
 2170 | credit for the time he or she has participated actively as a
 2171 | police officer. If he or she is not reemployed as a police
 2172 | officer with the same department within 5 years, his or her
 2173 | contributions shall be returned ~~to him or her~~ without interest.

2174 | (c) Credited service under this chapter shall be provided
 2175 | only for service as a police officer, ~~as defined in subsection~~
 2176 | ~~(11)~~, or for military service and may not include credit for any
 2177 | other type of service. A municipality ~~may~~, by local ordinance,
 2178 | may provide for the purchase of credit for military service
 2179 | occurring before employment as well as prior service as a police
 2180 | officer for some other employer as long as the police officer is
 2181 | not entitled to receive a benefit for such ~~other~~ prior service
 2182 | ~~as a police officer~~. For purposes of determining credit for
 2183 | prior service, in addition to service as a police officer in
 2184 | this state, credit may be given for federal, other state, or

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2185 county service as long as such service is recognized by the
2186 Criminal Justice Standards and Training Commission within the
2187 Department of Law Enforcement as provided in ~~under~~ chapter 943
2188 or the police officer provides proof to the board of trustees
2189 that such service is equivalent to the service required to meet
2190 the definition of a police officer under subsection (16) ~~(11)~~.

2191 (d) In determining the creditable service of a ~~any~~ police
2192 officer, credit for up to 5 years of the time spent in the
2193 military service of the Armed Forces of the United States shall
2194 be added to the years of actual service, if:

2195 1. The police officer is in the active employ of the
2196 municipality before ~~prior to~~ such service and leaves a position,
2197 other than a temporary position, for the purpose of voluntary or
2198 involuntary service in the Armed Forces of the United States.

2199 2. The police officer is entitled to reemployment under
2200 ~~the provisions of~~ the Uniformed Services Employment and
2201 Reemployment Rights Act.

2202 3. The police officer returns to his or her employment as
2203 a police officer of the municipality within 1 year after ~~from~~
2204 the date of his or her release from such active service.

2205 (8) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
2206 local law plan retirement option in which a police officer may
2207 elect to participate. A police officer may retire for all
2208 purposes of the plan and defer receipt of retirement benefits
2209 into a DROP account while continuing employment with his or her
2210 employer. However, a police officer who enters ~~the~~ DROP and who

2211 is otherwise eligible to participate may ~~shall~~ not thereby be
 2212 precluded from participation or continued participation
 2213 ~~participating, or continuing to participate,~~ in a supplemental
 2214 plan in existence on, or created after, March 12, 1999 ~~the~~
 2215 ~~effective date of this act.~~

2216 (9) "Defined contribution plan" means the component of a
 2217 local law plan, as provided in s. 185.35(1), to which deposits,
 2218 if any, are made to provide benefits for police officers, or for
 2219 police officers and firefighters if both are included. Such
 2220 component is an element of a local law plan and exists in
 2221 conjunction with the defined benefit component that meets the
 2222 minimum benefits and minimum standards of this chapter. The
 2223 retirement benefits, if any, of the defined contribution plan
 2224 shall be provided through individual member accounts in
 2225 accordance with the applicable provisions of the Internal
 2226 Revenue Code and related regulations and are limited to the
 2227 contributions, if any, made into each member's account and the
 2228 actual accumulated earnings, net of expenses, earned on the
 2229 member's account.

2230 (10)-(7) "Division" means the Division of Retirement of the
 2231 Department of Management Services.

2232 (11)-(8) "Enrolled actuary" means an actuary who is
 2233 enrolled under Subtitle C of Title III of the Employee
 2234 Retirement Income Security Act of 1974 and who is a member of
 2235 the Society of Actuaries or the American Academy of Actuaries.

2236 (12)-(9) "Local law municipality" means ~~is~~ any municipality

2237 in which ~~there exists~~ a local law plan exists.

2238 (13) ~~(10)~~ "Local law plan" means a retirement defined
 2239 benefit pension plan, which includes both a defined benefit plan
 2240 component and a defined contribution plan component, for police
 2241 officers, or for police officers and firefighters if both are~~7~~
 2242 ~~where~~ included, as described in s. 185.35, established by
 2243 municipal ordinance or special act of the Legislature, which
 2244 ~~enactment~~ sets forth all plan provisions. Local law plan
 2245 provisions may vary from the provisions of this chapter if the~~7~~
 2246 ~~provided that required~~ minimum benefits and minimum standards of
 2247 this chapter are met. However, any such variance must ~~shall~~
 2248 provide a greater benefit for police officers. Actuarial
 2249 valuations of local law plans shall be conducted by an enrolled
 2250 actuary as provided in s. 185.221(2)(b).

2251 (14) "Minimum benefits" means the benefits set forth in
 2252 ss. 185.01-185.341 and ss. 185.37-185.50.

2253 (15) "Minimum standards" means the standards set forth in
 2254 ss. 185.01-185.341 and ss. 185.37-185.50.

2255 (16) ~~(11)~~ "Police officer" means any person who is elected,
 2256 appointed, or employed full time by a ~~any~~ municipality, who is
 2257 certified or required to be certified as a law enforcement
 2258 officer in compliance with s. 943.1395, who is vested with
 2259 authority to bear arms and make arrests, and whose primary
 2260 responsibility is the prevention and detection of crime or the
 2261 enforcement of the penal, criminal, traffic, or highway laws of
 2262 the state. The term ~~This definition~~ includes all certified

2263 supervisory and command personnel whose duties include, in whole
 2264 or in part, the supervision, training, guidance, and management
 2265 responsibilities of full-time law enforcement officers, part-
 2266 time law enforcement officers, or auxiliary law enforcement
 2267 officers, but does not include part-time law enforcement
 2268 officers or auxiliary law enforcement officers as those terms
 2269 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For
 2270 the purposes of this chapter only, the term also includes
 2271 ~~"police officer"~~ also shall include a public safety officer who
 2272 is responsible for performing both police and fire services. Any
 2273 plan may provide that the police chief shall have an option to
 2274 participate, ~~or not,~~ in that plan.

2275 (17) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
 2276 trust fund, by whatever name known, as provided under s. 185.03
 2277 for the purpose of assisting municipalities in establishing and
 2278 maintaining a retirement plan for police officers.

2279 (18) ~~(13)~~ "Retiree" or "retired police officer" means a
 2280 police officer who has entered retirement status. For the
 2281 purposes of a plan that includes a Deferred Retirement Option
 2282 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
 2283 considered a retiree for all purposes of the plan. However, a
 2284 police officer who enters ~~the~~ DROP and who is otherwise eligible
 2285 to participate may ~~shall~~ not ~~thereby~~ be precluded from
 2286 participating, or continuing to participate, in a supplemental
 2287 plan in existence on, or created after, March 12, 1999 ~~the~~
 2288 ~~effective date of this act.~~

2289 (19)~~(14)~~ "Retirement" means a police officer's separation
 2290 from municipal ~~city~~ employment as a police officer with
 2291 immediate eligibility for ~~receipt of~~ benefits under the plan.
 2292 For purposes of a plan that includes a Deferred Retirement
 2293 Option Plan (DROP), "retirement" means the date a police officer
 2294 enters ~~the~~ DROP.

2295 (20) "Special act plan" means a plan subject to the
 2296 provisions of this chapter which was created by an act of the
 2297 Legislature and continues to require an act of the Legislature
 2298 to alter plan benefits.

2299 (21) "Special benefits" means benefits provided in a
 2300 defined contribution plan for police officers.

2301 (22)~~(15)~~ "Supplemental plan" means a plan to which
 2302 deposits of the premium tax moneys as provided in s. 185.08 are
 2303 made to provide extra benefits to police officers, or police
 2304 officers and firefighters if both are ~~where included, under this~~
 2305 ~~chapter~~. Such a plan is an element of a local law plan and
 2306 exists in conjunction with a defined benefit component ~~plan~~ that
 2307 meets the minimum benefits and minimum standards of this
 2308 chapter. Any supplemental plan in existence on March 1, 2014,
 2309 shall be deemed to be a defined contribution plan in compliance
 2310 with s. 185.35(6).

2311 (23)~~(16)~~ "Supplemental plan municipality" means a ~~any~~
 2312 local law municipality in which ~~there existed~~ a supplemental
 2313 plan existed as of December 1, 2000.

2314 Section 18. Subsection (6) of section 185.06, Florida

2315 Statutes, is amended to read:

2316 185.06 General powers and duties of board of trustees.—For
 2317 any municipality, chapter plan, local law municipality, or local
 2318 law plan under this chapter:

2319 (6) To assist the board in meeting its responsibilities
 2320 under this chapter, the board, if it so elects, may:

2321 (a) Employ independent legal counsel at the pension fund's
 2322 expense.

2323 (b) Employ an independent enrolled actuary, as defined in
 2324 s. 185.02~~(8)~~, at the pension fund's expense.

2325 (c) Employ such independent professional, technical, or
 2326 other advisers as it deems necessary at the pension fund's
 2327 expense.

2328
 2329 If the board chooses to use the municipality's or special
 2330 district's legal counsel or actuary, or chooses to use any of
 2331 the municipality's other professional, technical, or other
 2332 advisers, it must do so only under terms and conditions
 2333 acceptable to the board.

2334 Section 19. Paragraph (d) of subsection (1) of section
 2335 185.07, Florida Statutes, is amended to read:

2336 185.07 Creation and maintenance of fund.—For any
 2337 municipality, chapter plan, local law municipality, or local law
 2338 plan under this chapter:

2339 (1) The municipal police officers' retirement trust fund
 2340 in each municipality described in s. 185.03 shall be created and

2341 maintained in the following manner:

2342 (d) By payment by the municipality or other sources of a
 2343 sum equal to the normal cost and the amount required to fund any
 2344 actuarial deficiency shown by an actuarial valuation conducted
 2345 under ~~as provided in~~ part VII of chapter 112 after taking into
 2346 account the amounts described in paragraphs (b), (c), (e), (f),
 2347 and (g) and the tax proceeds described in paragraph (a) which
 2348 are used to fund defined benefit plan benefits.

2349
 2350 Nothing in this section shall be construed to require adjustment
 2351 of member contribution rates in effect on the date this act
 2352 becomes a law, including rates that exceed 5 percent of salary,
 2353 provided that such rates are at least one-half of 1 percent of
 2354 salary.

2355 Section 20. Subsection (2) of section 185.16, Florida
 2356 Statutes, is amended to read:

2357 185.16 Requirements for retirement.—For any municipality,
 2358 chapter plan, local law municipality, or local law plan under
 2359 this chapter, any police officer who completes 10 or more years
 2360 of creditable service as a police officer and attains age 55, or
 2361 completes 25 years of creditable service as a police officer and
 2362 attains age 52, and for such period has been a member of the
 2363 retirement fund is eligible for normal retirement benefits.
 2364 Normal retirement under the plan is retirement from the service
 2365 of the city on or after the normal retirement date. In such
 2366 event, for chapter plans and local law plans, payment of

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2367 retirement income will be governed by the following provisions
2368 of this section:

2369 (2) (a) The amount of the monthly retirement income payable
2370 to a police officer who retires on or after his or her normal
2371 retirement date shall be an amount equal to the number of the
2372 police officer's years of credited service multiplied by 2.75 ~~2~~
2373 percent of his or her average final compensation. ~~However, if~~
2374 ~~current state contributions pursuant to this chapter are not~~
2375 ~~adequate to fund the additional benefits to meet the minimum~~
2376 ~~requirements in this chapter, only increment increases shall be~~
2377 ~~required as state moneys are adequate to provide. Such~~
2378 ~~increments shall be provided as state moneys become available.~~

2379 (b) Effective July 1, 2014, a plan that is in compliance
2380 with this chapter except that the plan provides a benefit that
2381 is less than 2.75 percent of the average final compensation of a
2382 police officer must maintain, at a minimum, the percentage
2383 amount in effect on July 1, 2014, and is not required to
2384 increase the benefit to 2.75 percent of the average final
2385 compensation of a police officer.

2386 (c) Effective July 1, 2014, a plan that is in compliance
2387 with this chapter except that the plan provides a benefit that
2388 is less than 2.75 percent of the average final compensation of a
2389 police officer and that changes its accrual rate to 2.75
2390 percent, or greater, of the average final compensation of a
2391 police officer may not thereafter decrease the accrual rate to
2392 less than 2.75 percent of the average final compensation of a

2393 police officer.

2394 Section 21. Section 185.35, Florida Statutes, is amended
 2395 to read:

2396 185.35 Municipalities that have ~~having~~ their own
 2397 retirement ~~pension~~ plans for police officers. ~~For any~~
 2398 ~~municipality, chapter plan, local law municipality, or local law~~
 2399 ~~plan under this chapter,~~ In order for a municipality that has
 2400 its municipalities with their own retirement plan ~~pension plans~~
 2401 for police officers, or for police officers and firefighters if
 2402 both are included, to participate in the distribution of the tax
 2403 fund established under ~~pursuant to~~ s. 185.08, a local law plan
 2404 ~~plans~~ must meet the minimum benefits and minimum standards set
 2405 forth in this chapter:

2406 (1) If a municipality has a retirement ~~pension~~ plan for
 2407 police officers, or for police officers and firefighters if both
 2408 are included, which, in the opinion of the division, meets the
 2409 minimum benefits and minimum standards set forth in this
 2410 chapter, the board of trustees of the pension plan must, ~~as~~
 2411 ~~approved by a majority of police officers of the municipality,~~
 2412 ~~may:~~

2413 ~~(a)~~ place the income from the premium tax in s. 185.08 in
 2414 such ~~pension~~ plan for the sole and exclusive use of its police
 2415 officers, or its police officers and firefighters if both are
 2416 included, where it shall become an integral part of that ~~pension~~
 2417 plan and ~~shall~~ be used to fund benefits as provided herein.

2418 Effective October 1, 2014, for noncollectively bargained service

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2419 or upon entering into a collective bargaining agreement on or
2420 after July 1, 2014:

2421 (a) The base premium tax revenues must be used to fund
2422 minimum benefits or other retirement benefits in excess of the
2423 minimum benefits as determined by the municipality.

2424 (b) Of the additional premium tax revenues received which
2425 are in excess of the amount received for the 2013 calendar year,
2426 50 percent must be used to fund minimum benefits or other
2427 retirement benefits in excess of the minimum benefits as
2428 determined by the municipality, and 50 percent must be placed in
2429 a defined contribution plan to fund special benefits.

2430 (c) Additional premium tax revenues not described in
2431 paragraph (b) must be used to fund benefits that are not
2432 included in the minimum benefits. If the additional premium tax
2433 revenues subject to this paragraph exceed the full cost of
2434 benefits provided through the plan which are in excess of the
2435 minimum benefits, any amount in excess of the full cost must be
2436 used as provided in paragraph (b).

2437 (d) Any accumulations of additional premium tax revenues
2438 which have not been applied to fund benefits in excess of the
2439 minimum benefits may be allocated by mutual consent as provided
2440 in paragraph (g). If such accumulations are not allocated by
2441 mutual consent, 50 percent of the amount of the accumulations
2442 must be used to fund special benefits and 50 percent must be
2443 applied to fund any unfunded actuarial liabilities of the plan
2444 ~~pay extra benefits to the police officers included in that~~

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2445 ~~pension plan; or~~

2446 ~~(b) May place the income from the premium tax in s. 185.08~~
2447 ~~in a separate supplemental plan to pay extra benefits to the~~
2448 ~~police officers, or police officers and firefighters if~~
2449 ~~included, participating in such separate supplemental plan.~~

2450 (e) For a plan created after March 1, 2014, 50 percent of
2451 the insurance premium tax revenues shall be used to fund defined
2452 benefit plan component benefits, with the remainder used to fund
2453 defined contribution plan component benefits.

2454 (f) If a plan offers benefits in excess of the minimum
2455 benefits, excluding supplemental plan benefits in effect as of
2456 September 30, 2013, such benefits may be reduced if the plan
2457 continues to meet the minimum benefits and the minimum standards
2458 set forth in this chapter. The amount of insurance premium tax
2459 revenues previously used to fund benefits in excess of the
2460 minimum benefits, excluding supplemental plan benefits in effect
2461 as of September 30, 2013, before the reduction must be used as
2462 provided in paragraph (b). However, benefits in excess of the
2463 minimum benefits may not be reduced if a plan does not meet the
2464 minimum accrual rate of 2.75 percent, or greater, of the average
2465 final compensation of a police officer.

2466 (g) Notwithstanding any other provisions of this
2467 subsection, the use of premium tax revenues, including any
2468 accumulations of additional tax revenues which have not been
2469 applied to fund benefits in excess of the minimum benefits, may
2470 deviate from the provisions of this subsection by mutual consent

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2471 of the members' collective bargaining representative or, if
2472 none, by majority consent of the police officer members of the
2473 fund, and by consent of the municipality, provided that the plan
2474 continues to meet the minimum benefits and minimum standards of
2475 this chapter; however, a plan operating pursuant to the
2476 provisions of this paragraph which does not meet a minimum
2477 benefit as of October 1, 2012, may continue to provide the
2478 benefit that does not meet the minimum benefit at the same
2479 level, but not less than that level, as was provided as of
2480 October 1, 2012, and all other benefits must continue to meet
2481 the minimum benefits. Such mutually agreed deviation shall
2482 continue until modified or revoked by subsequent mutual consent
2483 of the members' collective bargaining representative or, if
2484 none, by a majority of the police officer members of the fund,
2485 and the municipality. A special act plan or a plan within a
2486 supplemental plan municipality shall be considered to have
2487 mutually consented to such deviation as of July 1, 2014,
2488 regarding the existing arrangement on the use of premium tax
2489 revenues.

2490 (2) The premium tax provided by this chapter shall ~~in all~~
2491 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
2492 benefits to police officers, or to police officers and
2493 firefighters if both are included. ~~However, local law plans in~~
2494 ~~effect on October 1, 1998, must comply with the minimum benefit~~
2495 ~~provisions of this chapter only to the extent that additional~~
2496 ~~premium tax revenues become available to incrementally fund the~~

2497 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
 2498 ~~is in compliance with such minimum benefit provisions, as~~
 2499 ~~subsequent additional tax revenues become available, they shall~~
 2500 ~~be used to provide extra benefits.~~ Local law plans created by
 2501 special act before May 27, 1939, shall be deemed to comply with
 2502 this chapter. ~~For the purpose of this chapter, the term:~~

2503 ~~(a) "Additional premium tax revenues" means revenues~~
 2504 ~~received by a municipality pursuant to s. 185.10 which exceed~~
 2505 ~~the amount received for calendar year 1997.~~

2506 ~~(b) "Extra benefits" means benefits in addition to or~~
 2507 ~~greater than those provided to general employees of the~~
 2508 ~~municipality and in addition to those in existence for police~~
 2509 ~~officers on March 12, 1999.~~

2510 (3) A retirement plan or amendment to a retirement plan
 2511 may not be proposed for adoption unless the proposed plan or
 2512 amendment contains an actuarial estimate of the costs involved.
 2513 Such proposed plan or proposed plan change may not be adopted
 2514 without the approval of the municipality or, where required
 2515 permitted, the Legislature. Copies of the proposed plan or
 2516 proposed plan change and the actuarial impact statement of the
 2517 proposed plan or proposed plan change shall be furnished to the
 2518 division before the last public hearing on the proposal is held
 2519 ~~thereon~~. Such statement must also indicate whether the proposed
 2520 plan or proposed plan change is in compliance with s. 14, Art. X
 2521 of the State Constitution and those provisions of part VII of
 2522 chapter 112 which are not expressly provided in this chapter.

2523 Notwithstanding any other provision, only those local law plans
 2524 created by special act of legislation before May 27, 1939, are
 2525 deemed to meet the minimum benefits and minimum standards only
 2526 in this chapter.

2527 (4) Notwithstanding any other provision, with respect to
 2528 any supplemental plan municipality:

2529 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and
 2530 a local law plan and a supplemental plan may continue to use
 2531 their definition of compensation or salary in existence on March
 2532 12, 1999.

2533 (b) A local law plan and a supplemental plan must continue
 2534 to be administered by a board or boards of trustees numbered,
 2535 constituted, and selected as the board or boards were numbered,
 2536 constituted, and selected on December 1, 2000.

2537 ~~(c) The election set forth in paragraph (1)(b) is deemed~~
 2538 ~~to have been made.~~

2539 (5) The retirement plan setting forth the benefits and the
 2540 trust agreement, if any, covering the duties and
 2541 responsibilities of the trustees and the regulations of the
 2542 investment of funds must be in writing and copies made available
 2543 to the participants and to the general public.

2544 (6) In addition to the defined benefit component of the
 2545 local law plan, each plan sponsor must have a defined
 2546 contribution plan component within the local law plan by October
 2547 1, 2014, upon entering into a collective bargaining agreement on
 2548 or after July 1, 2014, or upon the creation date of a new

2549 participating plan. Depending upon the application of subsection
 2550 (1), a defined contribution component may or may not receive any
 2551 funding.

2552 (7) Notwithstanding any other provision of this chapter, a
 2553 municipality that has implemented or proposed changes to a local
 2554 law plan based on the municipality's reliance on an
 2555 interpretation of this chapter by the Department of Management
 2556 Services on or after August 14, 2012, and before March 4, 2014,
 2557 may continue the implemented changes or continue to implement
 2558 proposed changes. Such reliance must be evidenced by a written
 2559 collective bargaining proposal or agreement, or formal
 2560 correspondence between the municipality and the Department of
 2561 Management Services which describes the specific changes to the
 2562 local law plan, with the initial proposal, agreement, or
 2563 correspondence from the municipality dated before March 4, 2014.
 2564 Changes to the local law plan which are otherwise contrary to
 2565 the minimum benefits and minimum standards of this chapter may
 2566 continue in effect until the earlier of October 1, 2017, or the
 2567 effective date of a collective bargaining agreement that is
 2568 contrary to the changes to the local law plan.

2569 Section 22. Section 238.072, Florida Statutes, is amended
 2570 to read:

2571 238.072 Special service provisions for extension
 2572 personnel.—All state and county cooperative extension personnel
 2573 holding appointments by the United States Department of
 2574 Agriculture for extension work in agriculture and home economics

2575 in this state who are joint representatives of the University of
 2576 Florida and the United States Department of Agriculture, as
 2577 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the
 2578 Teachers' Retirement System, chapter 238, and who are prohibited
 2579 from transferring to and participating in the Florida Retirement
 2580 System, chapter 121, may retire with full benefits upon
 2581 completion of 30 years of creditable service and shall be
 2582 considered to have attained normal retirement age under this
 2583 chapter, any law to the contrary notwithstanding. In order to
 2584 comply with the provisions of s. 14, Art. X of the State
 2585 Constitution, any liability accruing to the Florida Retirement
 2586 System Trust Fund as a result of the provisions of this section
 2587 shall be paid on an annual basis from the General Revenue Fund.

2588 Section 23. Subsection (11) of section 413.051, Florida
 2589 Statutes, is amended to read:

2590 413.051 Eligible blind persons; operation of vending
 2591 stands.—

2592 (11) Effective July 1, 1996, blind licensees who remain
 2593 members of the Florida Retirement System pursuant to s.
 2594 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
 2595 retirement costs from their net profits or from program income.
 2596 Within 30 days after the effective date of this act, each blind
 2597 licensee who is eligible to maintain membership in the Florida
 2598 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
 2599 who elects to withdraw from the system as provided in s.
 2600 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,

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2601 1996, notify the Division of Blind Services and the Department
2602 of Management Services in writing of his or her election to
2603 withdraw. Failure to timely notify the divisions shall be deemed
2604 a decision to remain a compulsory member of the Florida
2605 Retirement System. However, if, at any time after July 1, 1996,
2606 sufficient funds are not paid by a blind licensee to cover the
2607 required contribution to the Florida Retirement System, that
2608 blind licensee shall become ineligible to participate in the
2609 Florida Retirement System on the last day of the first month for
2610 which no contribution is made or the amount contributed is
2611 insufficient to cover the required contribution. For any blind
2612 licensee who becomes ineligible to participate in the Florida
2613 Retirement System as described in this subsection, no creditable
2614 service shall be earned under the Florida Retirement System for
2615 any period following the month that retirement contributions
2616 ceased to be reported. However, any such person may participate
2617 in the Florida Retirement System in the future if employed by a
2618 participating employer in a covered position.

2619 Section 24. The Legislature finds that a proper and
2620 legitimate state purpose is served when employees and retirees
2621 of the state and its political subdivisions, and the dependents,
2622 survivors, and beneficiaries of such employees and retirees, are
2623 extended the basic protections afforded by governmental
2624 retirement systems. These persons must be provided benefits that
2625 are fair and adequate and that are managed, administered, and
2626 funded in an actuarially sound manner, as required by s. 14,

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2627 | Article X of the State Constitution and part VII of chapter 112,
2628 | Florida Statutes. Therefore, the Legislature determines and
2629 | declares that this act fulfills an important state interest.
2630 | Section 25. This act shall take effect July 1, 2014.