By the Committees on Community Affairs; and Governmental Oversight and Accountability; and Senators Hays, Latvala, and Soto

An act relating to public officers and employees;

578-01928-15 2015136c2 A bill to be entitled

amending ss. 112.19 and 112.191, F.S.; specifying eligibility of a death benefit payment to the surviving spouse, child, or joint annuitant of a law enforcement officer, correctional officer, correctional probation officer, or firefighter employed by a state agency; providing that benefits are paid by the State Risk Management Trust Fund; specifying the method of charging the costs of benefit payments against the state agency or state university; specifying the timeframe and frequency of benefit payments; requiring the Department of Management Services and the employing state agency or state university to coordinate with and provide necessary information to the Division of Risk Management of the Department of Financial Services; authorizing the

Department of Financial Services to adopt certain rules; specifying applicability; providing for construction; authorizing specified political subdivisions to offer a death benefit; reenacting s. 185.21, F.S., relating to municipal police pensions,

to incorporate the amendment made to s. 112.19, F.S.; reenacting s. 175.201, F.S., relating to firefighter pensions, to incorporate the amendment made to s.

112.191, F.S.; providing an effective date.

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

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Section 1. Subsection (4) of section 112.19, Florida Statutes, is amended, present subsection (6) of that section is redesignated as subsection (8), and a new subsection (6) and subsection (7) are added to that section, to read:

- 112.19 Law enforcement, correctional, and correctional probation officers; death benefits.—
- (4) (a) The employer of such law enforcement, correctional, or correctional probation officer is liable for the payment of the sums specified in <u>subsection (2)</u> this section and is deemed self-insured, unless it procures and maintains, or has already procured and maintained, insurance to secure such payments. Any such insurance may cover only the risks indicated in <u>subsection (2)</u> this section, in the amounts indicated in <u>subsection (2)</u> this section, or it may cover those risks and additional risks and may be in larger amounts. Any such insurance shall be placed by such employer only after public bid of such insurance coverage which coverage shall be awarded to the carrier making the lowest best bid.
- (b) Payment of benefits to beneficiaries of state employees, or of the premiums to cover the risk, under subsection (2) the provisions of this section shall be paid from existing funds otherwise appropriated to the department employing the law enforcement, correctional, or correctional probation officers.
- (6) (a) If payments relating to a law enforcement, correctional, or correctional probation officer employed by a state agency are made pursuant to subsection (2), the following additional benefits shall be paid:
  - 1. The surviving spouse shall receive a payment equal to 50

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percent of the monthly salary received by the law enforcement, correctional, or correctional probation officer at the time of death for the lesser of the surviving spouse's lifetime or 300 months.

- 2. If the surviving spouse of the law enforcement, correctional, or correctional probation officer dies before receiving 300 monthly payments, the monthly payment that would have been payable to the surviving spouse had the spouse lived shall be paid for the use and benefit of the child or children of the law enforcement, correctional, or correctional probation officer until the later of:
- <u>a. The 21st birthday of the youngest child of the law</u> enforcement, correctional, or correctional probation officer.
- b. The 25th birthday of any child of the law enforcement, correctional, or correctional probation officer as long as the child is enrolled for a minimum of 12 credit hours per semester or academic term at an eligible educational institution, as defined in s. 1009.97(3).
- c. The day a law enforcement, correctional, or correctional probation officer's surviving child who has been physically disabled or mentally disabled and who has been incapable of self-support is no longer disabled. The Department of Management Services may require proof of disability or continued disability in the same manner as is provided for a person seeking or receiving a disability retirement benefit under s. 121.091(4).
- 3. If the law enforcement, correctional, or correctional probation officer does not have a surviving spouse but is survived by a child or children younger than 25 years of age, the benefits payable to a surviving spouse under subparagraph 1.

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shall be paid for the use and benefit of the child or children of the law enforcement, correctional, or correctional probation officer under the same terms and conditions provided in subparagraph 2.

- 4. If a law enforcement, correctional, or correctional probation officer does not have a surviving spouse or surviving child but is survived by a joint annuitant receiving benefits under chapter 121, the benefits payable to a surviving spouse under subparagraph 1. shall be paid for the use and benefit of the joint annuitant, as defined in s. 121.021, of the law enforcement, correctional, or correctional probation officer for the same time period as the joint annuitant receives benefits under chapter 121, not to exceed 300 months.
- (b) The benefits under this subsection shall be paid by the State Risk Management Trust Fund through a separate account maintained by the trust fund within the Department of Financial Services. Benefits paid pursuant to this subsection are not insurance benefits but are considered insurance benefit payments on behalf of state agencies and state universities covered by the trust fund for the purpose of calculating the annual funding needed for all benefit costs. After the first year that benefits are paid from the trust fund, the costs of the benefit payments, including any legal or other costs related to the administration of benefits, are retroactively charged as premium assessments against covered state agencies and state universities in the same manner as such state agencies and state universities are charged for workers' compensation insurance coverage under chapter 284. Benefit payments are payable in monthly installments and must commence 60 days after the Department of

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117 Management Services has notified the Division of Risk Management 118 of the death of a law enforcement, correctional, or correctional 119 probation officer and the names and addresses of surviving 120 beneficiaries and their relationship to the decedent. The Department of Management Services and the state agency or state 122 university employing the decedent shall coordinate with the 123 Division of Risk Management in determining the entitlement of 124 surviving family members to benefits and may provide any 125 information necessary to the division to assist in ensuring that 126 qualified surviving family members receive benefits under this 127 subsection in a timely manner. The Department of Financial 128 Services may adopt rules as authorized under s. 284.39 for the 129 proper management and maintenance of the trust fund, including 130 rules regarding the administration of benefits authorized by this subsection.

- (c) The benefits under this subsection are in addition to all other benefits authorized under this section, chapter 121, or chapter 440.
- (d) The benefits apply only to the surviving beneficiaries of law enforcement, correctional, and correctional probation officers killed on or after July 1, 2015.
- (7) This section does not limit the authority of a municipality or a charter county to provide death benefits to its employees or their beneficiaries pursuant to its constitutional home rule powers. Any other political subdivision of the state may offer, at its expense, death benefits to law enforcement, correctional, or correctional probation officers employed by the political subdivision which do not exceed benefits payable pursuant to subsection (6).

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Section 2. Subsection (4) of section 112.191, Florida Statutes, is amended, present subsection (5) of that section is redesignated as subsection (7), and a new subsection (5) and subsection (6) are added to that section, to read:

112.191 Firefighters; death benefits.-

- (4) (a) The employer of such firefighter shall be liable for the payment of said sums specified in <u>subsection (2)</u> this section and shall be deemed self-insured, unless it procures and maintains, or has already procured and maintained, insurance to secure such payments. Any such insurance may cover only the risks indicated in <u>subsection (2)</u> this section, in the amounts indicated in <u>subsection (2)</u> this section, or it may cover those risks and additional risks and may be in larger amounts. Any such insurance shall be placed by such employer only after public bid of such insurance coverage which coverage shall be awarded to the carrier making the lowest best bid.
- (b) Payment of benefits to beneficiaries of state employees, or of the premiums to cover the risk, under subsection (2) the provisions of this section, shall be paid from existing funds otherwise appropriated for the department.
- (5) (a) If payments relating to a firefighter employed by a state agency are made pursuant to subsection (2), the following additional benefits shall be paid:
- 1. The surviving spouse shall receive a payment equal to 50 percent of the monthly salary received by the firefighter at the time of death for the lesser of the surviving spouse's lifetime or 300 months.
- 2. If the surviving spouse of the firefighter dies before receiving 300 monthly payments, the payment that would have been

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payable to the surviving spouse had the spouse lived shall be paid for the use and benefit of the child or children of the firefighter until the later of:

- <u>a. The 21st birthday of the youngest child of the</u> firefighter.
- b. The 25th birthday of any child of the firefighter as long as such child is enrolled for a minimum of 12 credit hours per semester or academic term at an eligible educational institution, as defined in s. 1009.97(3).
- c. The day a firefighter's surviving child who has been physically disabled or mentally disabled child and who has been incapable of self-support is no longer disabled. The Department of Management Services may require proof of disability or continued disability in the same manner as is provided for a person seeking or receiving a disability retirement benefit under s. 121.091(4).
- 3. If the firefighter does not have a surviving spouse but is survived by a child or children younger than 25 years of age, the benefits payable to a surviving spouse under subparagraph 1. shall be paid for the use and benefit of the child or children of the firefighter under the same terms and conditions provided in subparagraph 2.
- 4. If a firefighter does not have a surviving spouse or surviving child but is survived by a joint annuitant receiving benefits under chapter 121, the benefits payable to a surviving spouse under subparagraph 1. shall be paid for the use and benefit of the joint annuitant, as defined in s. 121.021, of the firefighter for the same time period as the joint annuitant receives benefits under chapter 121, not to exceed 300 months.

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(b) The benefits under this subsection shall be paid by the State Risk Management Trust Fund through a separate account maintained by the trust fund within the Department of Financial Services. Benefits paid pursuant to this subsection are not insurance benefits but are considered insurance benefit payments on behalf of state agencies and state universities covered by the trust fund for the purpose of calculating the annual funding needed for all benefit costs. After the first year that benefits are paid from the trust fund, the costs of the benefit payments, including any legal or other costs related to the administration of benefits, are retroactively charged as premium assessments against covered state agencies and state universities in the same manner as such state agencies and state universities are charged for workers' compensation insurance coverage under chapter 284. Benefit payments are payable in monthly installments and must commence 60 days after the Department of Management Services has notified the Division of Risk Management of the death of a firefighter and the names and addresses of surviving beneficiaries and their relationship to the decedent. The Department of Management Services and the state agency or state university employing the decedent shall coordinate with the Division of Risk Management in determining the entitlement of surviving family members to benefits and may provide any information necessary to the division to assist in ensuring that qualified surviving family members receive benefits under this subsection in a timely manner. The Department of Financial Services may adopt rules as authorized under s. 284.39 for the proper management and maintenance of the trust fund, including rules regarding the administration of benefits authorized by

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this subsection.

(c) The benefits under this subsection are in addition to all other benefits authorized under this section, chapter 121, or chapter 440.

- (d) The benefits apply only to the surviving beneficiaries of firefighters killed on or after July 1, 2015.
- (6) This section does not limit the authority of a municipality or a charter county to provide death benefits to its employees or their beneficiaries pursuant to its constitutional home rule powers. Any other political subdivision of the state may offer, at its expense, death benefits to firefighters employed by the political subdivision which do not exceed benefits payable pursuant to subsection (5).

Section 3. For the purpose of incorporating the amendment made by this act to section 112.19, Florida Statutes, in a reference thereto, Section 185.21, Florida Statutes, is reenacted to read:

- 185.21 Death prior to retirement; refunds of contributions or payment of death benefits.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:
- (1) If a police officer dies before being eligible to retire, the heirs, legatees, beneficiaries, or personal representatives of such deceased police officer shall be entitled to a refund of 100 percent, without interest, of the contributions made to the municipal police officers' retirement trust fund by such deceased police officer or, in the event an annuity or life insurance contract has been purchased by the board on such police officer, then to the death benefits

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available under such life insurance or annuity contract, subject to the limitations on such death benefits set forth in s. 185.061 whichever amount is greater.

(2) If a police officer having at least 10 years of credited service dies prior to retirement, his or her beneficiary is entitled to the benefits otherwise payable to the police officer at early or normal retirement age.

In the event that a death benefit paid by a life insurance company exceeds the limit set forth in s. 185.061(6), the excess of the death benefit over the limit shall be paid to the municipal police officers' retirement trust fund. However, death benefits as provided pursuant to s. 112.19 or any other state or federal law shall not be included in the calculation of death or retirement benefits provided under this chapter.

Section 4. For the purpose of incorporating the amendment made by this act to section 112.191, Florida Statutes, in a reference thereto, Section 175.201, Florida Statutes, is reenacted to read:

175.201 Death prior to retirement; refunds of contributions; death benefits.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) If a firefighter dies before being eligible to retire, the heirs, legatees, beneficiaries, or personal representatives of such deceased firefighter shall be entitled to a refund of 100 percent, without interest, of the contributions made to the firefighters' pension trust fund by such deceased firefighter

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or, in the event an annuity or life insurance contract has been purchased by the board of trustees on such firefighter, then to the death benefits available under such life insurance or annuity contract subject to the limitations on such death benefits set forth in s. 175.081, whichever amount is greater.

(2) If a firefighter having at least 10 years of credited service dies prior to retirement, his or her beneficiary is entitled to the benefits otherwise payable to the firefighter at early or normal retirement age.

In the event that the death benefit paid by a life insurance company exceeds the limit set forth in s. 175.081, the excess of the death benefit over the limit shall be paid to the firefighters' pension trust fund. However, death benefits provided pursuant to s. 112.191 or any other state or federal law shall not be included in the calculation of death or retirement benefits provided under this chapter.

Section 5. This act shall take effect July 1, 2015.