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LEGISLATIVE ACTION

Senate

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House

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04/14/2015 11:25 AM

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Senators Ring and Bradley moved the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

175.021 Legislative declaration.—

(2) This chapter hereby establishes, for all municipal and
special district pension plans existing ~~now or hereafter~~ under
this chapter, including chapter plans and local law plans,
minimum benefits and minimum standards for the operation and



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12 funding of such plans, hereinafter referred to as firefighters'
13 pension trust funds, which must be met as conditions precedent
14 to the plan or plan sponsor's receiving a distribution of
15 insurance premium tax revenues under s. 175.121. ~~The Minimum~~
16 ~~benefits and minimum standards for each plan set forth in this~~
17 ~~chapter~~ may not be diminished by local charter, ordinance, or
18 resolution or by special act of the Legislature and may not, nor
19 ~~may the minimum benefits or minimum standards~~ be reduced or
20 offset by any other local, state, or federal law that includes
21 ~~may include~~ firefighters in its operation, except as provided
22 under s. 112.65.

23 Section 2. Section 175.032, Florida Statutes, is amended to
24 read:

25 175.032 Definitions.—For any municipality, special fire
26 control district, chapter plan, local law municipality, local
27 law special fire control district, or local law plan under this
28 chapter, the term following words and phrases have the following
29 meanings:

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

33 (2) ~~(1)(a)~~ "Average final compensation" for:

34 (a) A full-time firefighter means one-twelfth of the
35 average annual compensation of the 5 best years of the last 10
36 years of creditable service before ~~prior to~~ retirement,
37 termination, or death, or the career average as a full-time
38 firefighter since July 1, 1953, whichever is greater. A year is
39 ~~shall be~~ 12 consecutive months or such other consecutive period
40 of time as is used and consistently applied.



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41 (b) ~~"Average final compensation"~~ for A volunteer
42 firefighter means the average salary of the 5 best years of the
43 last 10 best contributing years before ~~prior to~~ change in status
44 to a permanent full-time firefighter or retirement as a
45 volunteer firefighter or the career average of a volunteer
46 firefighter, since July 1, 1953, whichever is greater.

47 (3) "Base premium tax revenues" means:

48 (a) For a local law plan in effect on October 1, 2003, the
49 revenues received by a municipality or special fire control
50 district pursuant to s. 175.121 for the 2002 calendar year.

51 (b) For a local law plan created between October 1, 2003,
52 and March 1, 2015, inclusive, the revenues received by a
53 municipality or special fire control district pursuant to s.
54 175.121 based upon the tax collections during the second
55 calendar year of participation.

56 (4)~~(2)~~ "Chapter plan" means a separate defined benefit
57 pension plan for firefighters which incorporates by reference
58 the provisions of this chapter and has been adopted by the
59 governing body of a municipality or special district. Except as
60 ~~may be~~ specifically authorized in this chapter, the provisions
61 of a chapter plan may not differ from the plan provisions set
62 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial
63 valuations of chapter plans shall be conducted by the division
64 as provided by s. 175.261(1).

65 (5)~~(3)~~ "Compensation" or "salary" means, for
66 noncollectively bargained service earned before July 1, 2011, or
67 for service earned under collective bargaining agreements in
68 place before July 1, 2011, the fixed monthly remuneration paid a
69 firefighter. If remuneration is based on actual services



70 rendered, as in the case of a volunteer firefighter, the term
71 means the total cash remuneration received yearly for such
72 services, prorated on a monthly basis. For noncollectively
73 bargained service earned on or after July 1, 2011, or for
74 service earned under collective bargaining agreements entered
75 into on or after July 1, 2011, the term has the same meaning
76 except that when calculating retirement benefits, up to 300
77 hours per year in overtime compensation may be included as
78 specified in the plan or collective bargaining agreement, but
79 payments for accrued unused sick or annual leave may not be
80 included.

81 (a) Any retirement trust fund or plan that meets the
82 requirements of this chapter does not, solely by virtue of this
83 subsection, reduce or diminish the monthly retirement income
84 otherwise payable to each firefighter covered by the retirement
85 trust fund or plan.

86 (b) The member's compensation or salary contributed as
87 employee-elective salary reductions or deferrals to any salary
88 reduction, deferred compensation, or tax-sheltered annuity
89 program authorized under the Internal Revenue Code shall be
90 deemed to be the compensation or salary the member would receive
91 if he or she were not participating in such program and shall be
92 treated as compensation for retirement purposes under this
93 chapter.

94 (c) For any person who first becomes a member in any plan
95 year beginning on or after January 1, 1996, compensation for
96 that plan year may not include any amounts in excess of the
97 Internal Revenue Code s. 401(a)(17) limitation, as amended by
98 the Omnibus Budget Reconciliation Act of 1993, which limitation



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99 of \$150,000 shall be adjusted as required by federal law for
100 qualified government plans and ~~shall be~~ further adjusted for
101 changes in the cost of living in the manner provided by Internal
102 Revenue Code s. 401(a)(17)(B). For any person who first became a
103 member before the first plan year beginning on or after January
104 1, 1996, the limitation on compensation may not be less than the
105 maximum compensation amount that was allowed to be taken into
106 account under the plan in effect on July 1, 1993, which
107 limitation shall be adjusted for changes in the cost of living
108 since 1989 in the manner provided by Internal Revenue Code s.
109 401(a)(17)(1991).

110 ~~(6)(4)~~ "Creditable service" or "credited service" means the
111 aggregate number of years of service₇ and fractional parts of
112 years of service₇ of any firefighter, omitting intervening years
113 and fractional parts of years when such firefighter may not have
114 been employed by the municipality or special fire control
115 district, subject to the following conditions:

116 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
117 or fractional parts of years of service if he or she has
118 withdrawn his or her contributions to the fund for those years
119 or fractional parts of years of service, unless the firefighter
120 repays into the fund the amount he or she has withdrawn, plus
121 interest determined by the board. The member has ~~shall have~~ at
122 least 90 days after his or her reemployment to make repayment.

123 (b) A firefighter may voluntarily leave his or her
124 contributions in the fund for ~~a period of~~ 5 years after leaving
125 the employ of the fire department, pending the possibility of
126 being rehired by the same department, without losing credit for
127 the time he or she has participated actively as a firefighter.



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128 If the firefighter is not reemployed as a firefighter, with the
129 same department, within 5 years, his or her contributions shall
130 be returned without interest.

131 (c) Credited service under this chapter shall be provided
132 only for service as a firefighter, ~~as defined in subsection (8),~~
133 or for military service and does not include credit for any
134 other type of service. A municipality ~~may,~~ by local ordinance,
135 or a special fire control district ~~may,~~ by resolution, may
136 provide for the purchase of credit for military service prior to
137 employment as well as for prior service as a firefighter for
138 some other employer as long as a firefighter is not entitled to
139 receive a benefit for such prior service ~~as a firefighter~~. For
140 purposes of determining credit for prior service as a
141 firefighter, in addition to service as a firefighter in this
142 state, credit may be given for federal, other state, or county
143 service if the prior service is recognized by the Division of
144 State Fire Marshal as provided in ~~under~~ chapter 633, or the
145 firefighter provides proof to the board of trustees that his or
146 her service is equivalent to the service required to meet the
147 definition of a firefighter ~~under subsection (8)~~.

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

152 1. The firefighter is in the active employ of an employer
153 immediately before ~~prior to~~ such service and leaves a position,
154 other than a temporary position, for the purpose of voluntary or
155 involuntary service in the Armed Forces of the United States.

156 2. The firefighter is entitled to reemployment under ~~the~~



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157 ~~provisions~~ of the Uniformed Services Employment and Reemployment
158 Rights Act.

159 3. The firefighter returns to his or her employment as a
160 firefighter of the municipality or special fire control district
161 within 1 year after ~~from~~ the date of release from such active
162 service.

163 (7)-(5) "Deferred Retirement Option Plan" or "DROP" means a
164 local law plan retirement option in which a firefighter may
165 elect to participate. A firefighter may retire for all purposes
166 of the plan and defer receipt of retirement benefits into a DROP
167 account while continuing employment with his or her employer.
168 However, a firefighter who enters the DROP and who is otherwise
169 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
170 participation or continued participation participating, or
171 continuing to participate, in a supplemental plan in existence
172 on, or created after, March 12, 1999 ~~the effective date of this~~
173 ~~act.~~

174 (8) "Defined contribution plan" means the component of a
175 local law plan, as provided in s. 175.351(1), to which deposits,
176 if any, are made to provide benefits for firefighters, or for
177 firefighters and police officers if both are included. Such
178 component is an element of a local law plan and exists in
179 conjunction with the defined benefit plan component that meets
180 minimum benefits and minimum standards. The retirement benefits,
181 if any, of the defined contribution plan component shall be
182 provided through individual member accounts in accordance with
183 the applicable provisions of the Internal Revenue Code and
184 related regulations and are limited to the contributions, if
185 any, made into each member's account and the actual accumulated



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186 earnings, net of expenses, earned on the member's account.

187 (9)~~(6)~~ "Division" means the Division of Retirement of the
188 Department of Management Services.

189 (10)~~(7)~~ "Enrolled actuary" means an actuary who is enrolled
190 under Subtitle C of Title III of the Employee Retirement Income
191 Security Act of 1974 and who is a member of the Society of
192 Actuaries or the American Academy of Actuaries.

193 (11) (a)~~(8) (a)~~ "Firefighter" means a person employed solely
194 by a constituted fire department of any municipality or special
195 fire control district who is certified as a firefighter as a
196 condition of employment in accordance with s. 633.408 and whose
197 duty it is to extinguish fires, to protect life, or to protect
198 property. The term includes all certified, supervisory, and
199 command personnel whose duties include, in whole or in part, the
200 supervision, training, guidance, and management responsibilities
201 of full-time firefighters, part-time firefighters, or auxiliary
202 firefighters but does not include part-time firefighters or
203 auxiliary firefighters. However, for purposes of this chapter
204 only, the term also includes public safety officers who are
205 responsible for performing both police and fire services, who
206 are certified as police officers or firefighters, and who are
207 certified by their employers to the Chief Financial Officer as
208 participating in this chapter before October 1, 1979. Effective
209 October 1, 1979, public safety officers who have not been
210 certified as participating in this chapter are considered police
211 officers for retirement purposes and are eligible to participate
212 in chapter 185. Any plan may provide that the fire chief has an
213 option to participate,~~or not,~~ in that plan.

214 (b) "Volunteer firefighter" means any person whose name is



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215 carried on the active membership roll of a constituted volunteer
216 fire department or a combination of a paid and volunteer fire
217 department of any municipality or special fire control district
218 and whose duty it is to extinguish fires, to protect life, and
219 to protect property. Compensation for services rendered by a
220 volunteer firefighter does ~~shall~~ not disqualify him or her as a
221 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
222 firefighter solely because he or she has other gainful
223 employment. Any person who volunteers assistance at a fire but
224 is not an active member of a department described herein is not
225 a volunteer firefighter within the meaning of this paragraph.

226 (12) ~~(9)~~ "Firefighters' Pension Trust Fund" means a trust
227 fund, by whatever name known, as provided under s. 175.041, for
228 the purpose of assisting municipalities and special fire control
229 districts in establishing and maintaining a retirement plan for
230 firefighters.

231 (13) ~~(10)~~ "Local law municipality" means ~~is~~ any municipality
232 in which ~~there exists~~ a local law plan exists.

233 (14) ~~(11)~~ "Local law plan" means a retirement defined
234 ~~benefit pension~~ plan that includes both a defined benefit plan
235 component and a defined contribution plan component for
236 firefighters, or for firefighters and ~~or~~ police officers if both
237 are ~~where~~ included, as described in s. 175.351, established by
238 municipal ordinance, special district resolution, or special act
239 of the Legislature, which enactment sets forth all plan
240 provisions. Local law plan provisions may vary from the
241 provisions of this chapter if, ~~provided that required~~ minimum
242 benefits and minimum standards are met. However, any such
243 variance must ~~shall~~ provide a greater benefit for firefighters.



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244 Actuarial valuations of local law plans shall be conducted by an
245 enrolled actuary as provided in s. 175.261(2).

246 (15)~~(12)~~ "Local law special fire control district" means ~~is~~
247 any special fire control district in which ~~there exists~~ a local
248 law plan exists.

249 (16) "Minimum benefits" means the benefits specified in ss.
250 175.021-175.341 and ss. 175.361-175.401.

251 (17) "Minimum standards" means the standards specified in
252 ss. 175.021-175.401.

253 (18)~~(13)~~ "Property insurance" means property insurance as
254 defined in s. 624.604 and covers real and personal property
255 within the corporate limits of a ~~any~~ municipality, or within the
256 boundaries of a ~~any~~ special fire control district, within the
257 state. The term "multiple peril" means a combination or package
258 policy that includes both property and casualty coverage for a
259 single premium.

260 (19)~~(14)~~ "Retiree" or "retired firefighter" means a
261 firefighter who has entered retirement status. For the purposes
262 of a plan that includes a Deferred Retirement Option Plan
263 (DROP), a firefighter who enters the DROP is ~~shall be~~ considered
264 a retiree for all purposes of the plan. However, a firefighter
265 who enters the DROP and who is otherwise eligible to participate
266 may ~~shall~~ not ~~thereby~~ be precluded from participation or
267 continued participation ~~participating, or continuing to~~
268 ~~participate,~~ in a supplemental plan in existence on, or created
269 after, March 12, 1999 ~~the effective date of this act.~~

270 (20)~~(15)~~ "Retirement" means a firefighter's separation from
271 municipal ~~city~~ or fire district employment as a firefighter with
272 immediate eligibility for ~~receipt of~~ benefits under the plan.



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273 For purposes of a plan that includes a Deferred Retirement
274 Option Plan (DROP), "retirement" means the date a firefighter
275 enters the DROP.

276 (21) "Special act plan" means a plan subject to the
277 provisions of this chapter which was created by an act of the
278 Legislature and continues to require an act of the Legislature
279 to alter plan benefits.

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

282 (23)-(16) "Special fire control district" means a special
283 district, as defined in s. 189.012, established for the purposes
284 of extinguishing fires, protecting life, and protecting property
285 within the incorporated or unincorporated portions of a ~~any~~
286 county or combination of counties, or within any combination of
287 incorporated and unincorporated portions of a ~~any~~ county or
288 combination of counties. The term does not include any dependent
289 or independent special district, as those terms are defined in
290 s. 189.012, the employees of which are members of the Florida
291 Retirement System pursuant to s. 121.051(1) or (2).

292 (24)-(17) "Supplemental plan" means a plan to which deposits
293 are made to provide special ~~extra~~ benefits for firefighters, or
294 for firefighters and police officers if both are ~~where~~ included
295 ~~under this chapter~~. Such a plan is an element of a local law
296 plan and exists in conjunction with a defined benefit plan
297 component that meets ~~the~~ minimum benefits and minimum standards
298 ~~of this chapter~~. Any supplemental plan in existence on March 1,
299 2015, shall be deemed to be a defined contribution plan in
300 compliance with s. 175.351(6).

301 (25)-(18) "Supplemental plan municipality" means a ~~any~~ local



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302 law municipality in which any ~~there existed~~ a supplemental plan
303 ~~existed, of any type or nature,~~ as of December 1, 2000.

304 Section 3. Subsection (8) is added to section 175.061,
305 Florida Statutes, to read:

306 175.061 Board of trustees; members; terms of office;
307 meetings; legal entity; costs; attorney's fees.—For any
308 municipality, special fire control district, chapter plan, local
309 law municipality, local law special fire control district, or
310 local law plan under this chapter:

311 (8) (a) The board of trustees shall:

312 1. Provide a detailed accounting report of its expenses for
313 each fiscal year to the plan sponsor and the Department of
314 Management Services and make the report available to each member
315 of the plan and post the report on the board's website, if the
316 board has a website. The report must include all administrative
317 expenses that, for purposes of this subsection, are expenses
318 relating to any legal counsel, actuary, plan administrator, and
319 all other consultants, and all travel and other expenses paid to
320 or on behalf of the members of the board of trustees or anyone
321 else on behalf of the plan.

322 2. Operate under an administrative expense budget for each
323 fiscal year, provide a copy of the budget to the plan sponsor,
324 and make available a copy of the budget to plan members before
325 the beginning of the fiscal year. If the board of trustees
326 amends the administrative expense budget, the board must provide
327 a copy of the amended budget to the plan sponsor and make
328 available a copy of the amended budget to plan members.

329 (b) Notwithstanding s. 175.351(2) and (3), a local law plan
330 created by special act before May 27, 1939, must comply with the



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331 provisions of this subsection.

332 Section 4. Subsection (7) of section 175.071, Florida
333 Statutes, is amended to read:

334 175.071 General powers and duties of board of trustees.—For
335 any municipality, special fire control district, chapter plan,
336 local law municipality, local law special fire control district,
337 or local law plan under this chapter:

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

340 (a) Employ independent legal counsel at the pension fund's
341 expense.

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

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

347
348 If the board chooses to use the municipality's or special
349 district's legal counsel or actuary, or chooses to use any of
350 the municipality's or special district's other professional,
351 technical, or other advisers, it must do so only under terms and
352 conditions acceptable to the board.

353 Section 5. Paragraph (d) of subsection (1) of section
354 175.091, Florida Statutes, is amended to read:

355 175.091 Creation and maintenance of fund.—For any
356 municipality, special fire control district, chapter plan, local
357 law municipality, local law special fire control district, or
358 local law plan under this chapter:

359 (1) The firefighters' pension trust fund in each



360 municipality and in each special fire control district shall be
361 created and maintained in the following manner:

362 (d) By mandatory payment by the municipality or special
363 fire control district of a sum equal to the normal cost of and
364 the amount required to fund any actuarial deficiency shown by an
365 actuarial valuation conducted under ~~as provided in~~ part VII of
366 chapter 112 after taking into account the amounts described in
367 paragraphs (b), (c), (e), (f), and (g) and the tax proceeds
368 described in paragraph (a) which are used to fund benefits in a
369 defined benefit plan component.

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

376 Section 6. Paragraph (a) of subsection (2) of section
377 175.162, Florida Statutes, is amended to read:

378 175.162 Requirements for retirement.—For any municipality,
379 special fire control district, chapter plan, local law
380 municipality, local law special fire control district, or local
381 law plan under this chapter, any firefighter who completes 10 or
382 more years of creditable service as a firefighter and attains
383 age 55, or completes 25 years of creditable service as a
384 firefighter and attains age 52, and who for such minimum period
385 has been a member of the firefighters' pension trust fund
386 operating under a chapter plan or local law plan, is eligible
387 for normal retirement benefits. Normal retirement under the plan
388 is retirement from the service of the municipality or special



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389 fire control district on or after the normal retirement date. In
390 such event, payment of retirement income will be governed by the
391 following provisions of this section:

392 (2) (a) 1. The amount of monthly retirement income payable to
393 a full-time firefighter who retires on or after his or her
394 normal retirement date shall be an amount equal to the number of
395 his or her years of credited service multiplied by 2.75 ~~2~~
396 percent of his or her average final compensation as a full-time
397 firefighter. ~~However, if current state contributions pursuant to~~
398 ~~this chapter are not adequate to fund the additional benefits to~~
399 ~~meet the minimum requirements in this chapter, only such~~
400 ~~incremental increases shall be required as state moneys are~~
401 ~~adequate to provide. Such increments shall be provided as state~~
402 ~~moneys become available.~~

403 2. Effective July 1, 2015, a plan that is in compliance
404 with this chapter except that the plan provides a benefit that
405 is less than 2.75 percent of the average final compensation of a
406 full-time firefighter for all years of credited service or
407 provides an effective benefit that is less than 2.75 percent as
408 a result of a maximum benefit limitation:

409 a. Must maintain, at a minimum, the percentage amount or
410 maximum benefit limitation in effect on July 1, 2015, and is not
411 required to increase the benefit to 2.75 percent of the average
412 final compensation of a full-time firefighter for all years of
413 credited service; or

414 b. If the plan changes the percentage amount or maximum
415 benefit limitation to 2.75 percent or more of the average final
416 compensation of a full-time firefighter for all years of
417 credited service, the plan may not thereafter decrease the



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418 percentage amount or maximum benefit limitation to less than
419 2.75 percent of the average final compensation of a full-time
420 firefighter for all years of credited service.

421 Section 7. Section 175.351, Florida Statutes, is amended to
422 read:

423 175.351 Municipalities and special fire control districts
424 that have ~~having~~ their own retirement pension plans for
425 firefighters. ~~For any municipality, special fire control~~
426 ~~district, local law municipality, local law special fire control~~
427 ~~district, or local law plan under this chapter,~~ In order for a
428 municipality or municipalities and special fire control district
429 that has its districts with their own retirement plan pension
430 plans for firefighters, or for firefighters and police officers
431 if both are included, to participate in the distribution of the
432 tax fund established under ~~pursuant to~~ s. 175.101, a local law
433 plan plans must meet ~~the~~ minimum benefits and minimum standards,
434 except as provided in the mutual consent provisions in paragraph
435 (1) (g) with respect to the minimum benefits not met as of
436 October 1, 2012 set forth in this chapter.

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

444 ~~(a)~~ place the income from the premium tax in s. 175.101 in
445 such ~~pension~~ plan for the sole and exclusive use of its
446 firefighters, or for firefighters and police officers if both



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447 are included, where it shall become an integral part of that
448 pension plan and shall be used to fund benefits as provided
449 herein. Effective October 1, 2015, for noncollectively bargained
450 service or upon entering into a collective bargaining agreement
451 on or after July 1, 2015:

452 (a) The base premium tax revenues must be used to fund
453 minimum benefits or other retirement benefits in excess of the
454 minimum benefits as determined by the municipality or special
455 fire control district.

456 (b) Of the additional premium tax revenues received that
457 are in excess of the amount received for the 2012 calendar year,
458 50 percent must be used to fund minimum benefits or other
459 retirement benefits in excess of the minimum benefits as
460 determined by the municipality or special fire control district,
461 and 50 percent must be placed in a defined contribution plan to
462 fund special benefits.

463 (c) Additional premium tax revenues not described in
464 paragraph (b) must be used to fund benefits that are not
465 included in the minimum benefits. If the additional premium tax
466 revenues subject to this paragraph exceed the full annual cost
467 of benefits provided through the plan which are in excess of the
468 minimum benefits, any amount in excess of the full annual cost
469 must be used as provided in paragraph (b).

470 (d) Of any accumulations of additional premium tax revenues
471 which have not been allocated to fund benefits in excess of the
472 minimum benefits, 50 percent of the amount of the accumulations
473 must be used to fund special benefits, and 50 percent must be
474 applied to fund any unfunded actuarial liabilities of the plan;
475 provided that any amount of accumulations in excess of the



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476 amount required to fund the unfunded actuarial liabilities must
477 be used to fund special benefits ~~to pay extra benefits to the~~
478 ~~firefighters included in that pension plan; or~~

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

483 (e) For a plan created after March 1, 2015, 50 percent of
484 the insurance premium tax revenues must be used to fund defined
485 benefit plan component benefits, with the remainder used to fund
486 defined contribution plan component benefits.

487 (f) If a plan offers benefits in excess of the minimum
488 benefits, such benefits, excluding supplemental plan benefits in
489 effect as of September 30, 2014, may be reduced if the plan
490 continues to meet minimum benefits and minimum standards. The
491 amount of insurance premium tax revenues previously used to fund
492 benefits in excess of minimum benefits before the reduction,
493 excluding the amount of any additional premium tax revenues
494 distributed to a supplemental plan for the 2012 calendar year,
495 must be used as provided in paragraph (b). However, benefits in
496 excess of minimum benefits may not be reduced if a plan does not
497 meet the minimum percentage amount of 2.75 percent of the
498 average final compensation of a full-time firefighter, as
499 required by s. 175.162 (2) (a)1., or provides an effective benefit
500 that is below 2.75 percent as a result of a maximum benefit
501 limitation as described in s. 175.162 (2) (a)2.

502 (g) Notwithstanding paragraphs (a)-(f), the use of premium
503 tax revenues, including any accumulations of additional premium
504 tax revenues which have not been allocated to fund benefits in



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505 excess of minimum benefits, may deviate from the provisions of
506 this subsection by mutual consent of the members' collective
507 bargaining representative or, if there is no representative, by
508 a majority of the firefighter members of the fund, and by
509 consent of the municipality or special fire control district,
510 provided that the plan continues to meet minimum benefits and
511 minimum standards; however, a plan that operates pursuant to
512 this paragraph and does not meet minimum benefits as of October
513 1, 2012, may continue to provide the benefits that do not meet
514 the minimum benefits at the same level as was provided as of
515 October 1, 2012, and all other benefit levels must continue to
516 meet the minimum benefits. Such mutually agreed deviation must
517 continue until modified or revoked by subsequent mutual consent
518 of the members' collective bargaining representative or, if
519 none, by a majority of the firefighter members of the fund, and
520 the municipality or special fire control district. An existing
521 arrangement for the use of premium tax revenues contained within
522 a special act plan or a plan within a supplemental plan
523 municipality is considered, as of July 1, 2015, to be a
524 deviation for which mutual consent has been granted.

525 (2) The premium tax provided by this chapter ~~must shall in~~
526 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
527 benefits to firefighters, or to firefighters and police officers
528 if both are included. ~~However, local law plans in effect on~~
529 ~~October 1, 1998, must comply with the minimum benefit provisions~~
530 ~~of this chapter only to the extent that additional premium tax~~
531 ~~revenues become available to incrementally fund the cost of such~~
532 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
533 ~~compliance with such minimum benefit provisions, as subsequent~~



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534 ~~additional premium tax revenues become available, they must be~~
535 ~~used to provide extra benefits.~~ Local law plans created by
536 special act before May 27, 1939, are deemed to comply with this
537 chapter. ~~For the purpose of this chapter, the term:~~

538 ~~(a) "Additional premium tax revenues" means revenues~~
539 ~~received by a municipality or special fire control district~~
540 ~~pursuant to s. 175.121 which exceed that amount received for~~
541 ~~calendar year 1997.~~

542 ~~(b) "Extra benefits" means benefits in addition to or~~
543 ~~greater than those provided to general employees of the~~
544 ~~municipality and in addition to those in existence for~~
545 ~~firefighters on March 12, 1999.~~

546 (3) A retirement plan or amendment to a retirement plan may
547 not be proposed for adoption unless the proposed plan or
548 amendment contains an actuarial estimate of the costs involved.
549 Such proposed plan or proposed plan change may not be adopted
550 without the approval of the municipality, special fire control
551 district, or, where required ~~permitted~~, the Legislature. Copies
552 of the proposed plan or proposed plan change and the actuarial
553 impact statement of the proposed plan or proposed plan change
554 shall be furnished to the division before the last public
555 hearing on the proposal is held ~~thereon~~. Such statement must
556 also indicate whether the proposed plan or proposed plan change
557 is in compliance with s. 14, Art. X of the State Constitution
558 and those provisions of part VII of chapter 112 which are not
559 expressly provided in this chapter. Notwithstanding any other
560 provision, only those local law plans created by special act of
561 legislation before May 27, 1939, are deemed to meet ~~the~~ minimum
562 benefits and minimum standards ~~only in this chapter.~~



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563 (4) Notwithstanding any other provision, with respect to
564 any supplemental plan municipality:

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

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

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

575 (5) The retirement plan setting forth the benefits and the
576 trust agreement, if any, covering the duties and
577 responsibilities of the trustees and the regulations of the
578 investment of funds must be in writing, and copies made
579 available to the participants and to the general public.

580 (6) In addition to the defined benefit plan component of
581 the local law plan, each plan sponsor must have a defined
582 contribution plan component within the local law plan by October
583 1, 2015, for noncollectively bargained service, upon entering
584 into a collective bargaining agreement on or after July 1, 2015,
585 or upon the creation date of a new participating plan. Depending
586 upon the application of subsection (1), a defined contribution
587 plan component may or may not receive any funding.

588 (7) Notwithstanding any other provision of this chapter, a
589 municipality or special fire control district that has
590 implemented or proposed changes to a local law plan based on the
591 municipality's or district's reliance on an interpretation of



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592 this chapter by the Department of Management Services on or
593 after August 14, 2012, and before March 3, 2015, may continue
594 the implemented changes or continue to implement proposed
595 changes. Such reliance must be evidenced by a written collective
596 bargaining proposal or agreement, or formal correspondence
597 between the municipality or district and the Department of
598 Management Services which describes the specific changes to the
599 local law plan, with the initial proposal, agreement, or
600 correspondence from the municipality or district dated before
601 March 3, 2015. Changes to the local law plan which are otherwise
602 contrary to minimum benefits and minimum standards may continue
603 in effect until the earlier of October 1, 2018, or the effective
604 date of a collective bargaining agreement that is contrary to
605 the changes to the local law plan.

606 Section 8. Subsection (2) of section 185.01, Florida
607 Statutes, is amended to read:

608 185.01 Legislative declaration.—

609 (2) This chapter hereby establishes, for all municipal
610 pension plans ~~now or hereinafter~~ provided for under this
611 chapter, including chapter plans and local law plans, minimum
612 benefits and minimum standards for the operation and funding of
613 such plans, hereinafter referred to as municipal police
614 officers' retirement trust funds, which must be met as
615 conditions precedent to the plan or plan sponsor's receiving a
616 distribution of insurance premium tax revenues under s. 185.10.
617 ~~The~~ Minimum benefits and minimum standards for each plan set
618 ~~forth in this chapter~~ may not be diminished by local ordinance
619 or by special act of the Legislature and may not, ~~nor may the~~
620 ~~minimum benefits or minimum standards~~ be reduced or offset by



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621 any other local, state, or federal plan that includes ~~may~~
622 ~~include~~ police officers in its operation, except as provided
623 under s. 112.65.

624 Section 9. Section 185.02, Florida Statutes, is amended to
625 read:

626 185.02 Definitions.—For any municipality, chapter plan,
627 local law municipality, or local law plan under this chapter,
628 the term following words and phrases as used in this chapter
629 ~~shall have the following meanings, unless a different meaning is~~
630 ~~plainly required by the context:~~

631 (1) "Additional premium tax revenues" means revenues
632 received by a municipality pursuant to s. 185.10 which exceed
633 base premium tax revenues.

634 (2)~~(1)~~ "Average final compensation" means one-twelfth of
635 the average annual compensation of the 5 best years of the last
636 10 years of creditable service before ~~prior to~~ retirement,
637 termination, or death.

638 (3) "Base premium tax revenues" means:

639 (a) For a local law plan in effect on October 1, 2003, the
640 revenues received by a municipality pursuant to s. 185.10 for
641 the 2002 calendar year.

642 (b) For a local law plan created between October 1, 2003,
643 and March 1, 2015, inclusive, the revenues received by a
644 municipality pursuant to s. 185.10 based upon the tax
645 collections during the second calendar year of participation.

646 (4)~~(2)~~ "Casualty insurance" means automobile public
647 liability and property damage insurance to be applied at the
648 place of residence of the owner, or if the subject is a
649 commercial vehicle, to be applied at the place of business of



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650 the owner; automobile collision insurance; fidelity bonds;
651 burglary and theft insurance; and plate glass insurance. The
652 term "multiple peril" means a combination or package policy that
653 includes both property coverage and casualty coverage for a
654 single premium.

655 (5)-(3) "Chapter plan" means a separate defined benefit
656 pension plan for police officers which incorporates by reference
657 the provisions of this chapter and has been adopted by the
658 governing body of a municipality as provided in s. 185.08.
659 Except as ~~may be~~ specifically authorized in this chapter, the
660 provisions of a chapter plan may not differ from the plan
661 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
662 185.39. Actuarial valuations of chapter plans shall be conducted
663 by the division as provided by s. 185.221(1)(b).

664 (6)-(4) "Compensation" or "salary" means, for
665 noncollectively bargained service earned before July 1, 2011, or
666 for service earned under collective bargaining agreements in
667 place before July 1, 2011, the total cash remuneration including
668 "overtime" paid by the primary employer to a police officer for
669 services rendered, but not including any payments for extra duty
670 or special detail work performed on behalf of a second party
671 employer. Overtime may be limited before July 1, 2011, in a
672 local law plan by the plan provisions ~~A local law plan may limit~~
673 ~~the amount of overtime payments which can be used for retirement~~
674 ~~benefit calculation purposes; however, such overtime limit may~~
675 ~~not be less than 300 hours per officer per calendar year.~~ For
676 noncollectively bargained service earned on or after July 1,
677 2011, or for service earned under collective bargaining
678 agreements entered into on or after July 1, 2011, the term has



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679 the same meaning except that when calculating retirement
680 benefits, up to 300 hours per year in overtime compensation may
681 be included as specified in the plan or collective bargaining
682 agreement, but payments for accrued unused sick or annual leave
683 may not be included.

684 (a) Any retirement trust fund or plan that meets the
685 requirements of this chapter does not, solely by virtue of this
686 subsection, reduce or diminish the monthly retirement income
687 otherwise payable to each police officer covered by the
688 retirement trust fund or plan.

689 (b) The member's compensation or salary contributed as
690 employee-elective salary reductions or deferrals to any salary
691 reduction, deferred compensation, or tax-sheltered annuity
692 program authorized under the Internal Revenue Code shall be
693 deemed to be the compensation or salary the member would receive
694 if he or she were not participating in such program and shall be
695 treated as compensation for retirement purposes under this
696 chapter.

697 (c) For any person who first becomes a member in any plan
698 year beginning on or after January 1, 1996, compensation for
699 that plan year may not include any amounts in excess of the
700 Internal Revenue Code s. 401(a)(17) limitation, as amended by
701 the Omnibus Budget Reconciliation Act of 1993, which limitation
702 of \$150,000 shall be adjusted as required by federal law for
703 qualified government plans and ~~shall be~~ further adjusted for
704 changes in the cost of living in the manner provided by Internal
705 Revenue Code s. 401(a)(17)(B). For any person who first became a
706 member before the first plan year beginning on or after January
707 1, 1996, the limitation on compensation may not be less than the



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708 maximum compensation amount that was allowed to be taken into
709 account under the plan ~~as~~ in effect on July 1, 1993, which
710 limitation shall be adjusted for changes in the cost of living
711 since 1989 in the manner provided by Internal Revenue Code s.
712 401(a)(17) (1991).

713 (7) ~~(5)~~ "Creditable service" or "credited service" means the
714 aggregate number of years of service and fractional parts of
715 years of service of any police officer, omitting intervening
716 years and fractional parts of years when such police officer may
717 not have been employed by the municipality subject to the
718 following conditions:

719 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
720 years or fractional parts of years of service if he or she has
721 withdrawn his or her contributions to the fund for those years
722 or fractional parts of years of service, unless the police
723 officer repays into the fund the amount he or she has withdrawn,
724 plus interest as determined by the board. The member has ~~shall~~
725 ~~have~~ at least 90 days after his or her reemployment to make
726 repayment.

727 (b) A police officer may voluntarily leave his or her
728 contributions in the fund for ~~a period of~~ 5 years after leaving
729 the employ of the police department, pending the possibility of
730 his or her being rehired by the same department, without losing
731 credit for the time he or she has participated actively as a
732 police officer. If he or she is not reemployed as a police
733 officer with the same department within 5 years, his or her
734 contributions shall be returned ~~to him or her~~ without interest.

735 (c) Credited service under this chapter shall be provided
736 only for service as a police officer, ~~as defined in subsection~~



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737 ~~(11)~~, or for military service and may not include credit for any
738 other type of service. A municipality ~~may~~, by local ordinance,
739 may provide for the purchase of credit for military service
740 occurring before employment as well as prior service as a police
741 officer for some other employer as long as the police officer is
742 not entitled to receive a benefit for such ~~other~~ prior service
743 ~~as a police officer~~. For purposes of determining credit for
744 prior service, in addition to service as a police officer in
745 this state, credit may be given for federal, other state, or
746 county service as long as such service is recognized by the
747 Criminal Justice Standards and Training Commission within the
748 Department of Law Enforcement as provided in ~~under~~ chapter 943
749 or the police officer provides proof to the board of trustees
750 that such service is equivalent to the service required to meet
751 the definition of a police officer ~~under subsection (11)~~.

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

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

760 2. The police officer is entitled to reemployment under ~~the~~
761 ~~provisions of~~ the Uniformed Services Employment and Reemployment
762 Rights Act.

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



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766 (8)-(6) "Deferred Retirement Option Plan" or "DROP" means a
767 local law plan retirement option in which a police officer may
768 elect to participate. A police officer may retire for all
769 purposes of the plan and defer receipt of retirement benefits
770 into a DROP account while continuing employment with his or her
771 employer. However, a police officer who enters the DROP and who
772 is otherwise eligible to participate may shall not thereby be
773 precluded from participation or continued participation
774 participating, or continuing to participate, in a supplemental
775 plan in existence on, or created after, March 12, 1999 the
776 effective date of this act.

777 (9) "Defined contribution plan" means the component of a
778 local law plan, as provided in s. 185.35(1), to which deposits,
779 if any, are made to provide benefits for police officers, or for
780 police officers and firefighters if both are included. Such
781 component is an element of a local law plan and exists in
782 conjunction with the defined benefit component that meets
783 minimum benefits and minimum standards. The retirement benefits,
784 if any, of the defined contribution plan shall be provided
785 through individual member accounts in accordance with the
786 applicable provisions of the Internal Revenue Code and related
787 regulations and are limited to the contributions, if any, made
788 into each member's account and the actual accumulated earnings,
789 net of expenses, earned on the member's account.

790 (10)-(7) "Division" means the Division of Retirement of the
791 Department of Management Services.

792 (11)-(8) "Enrolled actuary" means an actuary who is enrolled
793 under Subtitle C of Title III of the Employee Retirement Income
794 Security Act of 1974 and who is a member of the Society of



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795 Actuaries or the American Academy of Actuaries.

796 (12)-(9) "Local law municipality" means ~~is~~ any municipality
797 in which ~~there exists~~ a local law plan exists.

798 (13)-(10) "Local law plan" means a retirement defined
799 benefit pension plan that includes both a defined benefit plan
800 component and a defined contribution plan component for police
801 officers, or for police officers and firefighters if both are
802 ~~where~~ included, as described in s. 185.35, established by
803 municipal ordinance or special act of the Legislature, which
804 ~~enactment~~ sets forth all plan provisions. Local law plan
805 provisions may vary from the provisions of this chapter if
806 ~~provided that required~~ minimum benefits and minimum standards
807 are met. However, any such variance must ~~shall~~ provide a greater
808 benefit for police officers. Actuarial valuations of local law
809 plans shall be conducted by an enrolled actuary as provided in
810 s. 185.221(2)(b).

811 (14) "Minimum benefits" means the benefits specified in ss.
812 185.01-185.341 and ss. 185.37-185.50.

813 (15) "Minimum standards" means the standards specified in
814 ss. 185.01-185.50.

815 (16)-(11) "Police officer" means any person who is elected,
816 appointed, or employed full time by a ~~any~~ municipality, who is
817 certified or required to be certified as a law enforcement
818 officer in compliance with s. 943.1395, who is vested with
819 authority to bear arms and make arrests, and whose primary
820 responsibility is the prevention and detection of crime or the
821 enforcement of the penal, criminal, traffic, or highway laws of
822 the state. The term ~~This definition~~ includes all certified
823 supervisory and command personnel whose duties include, in whole



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824 or in part, the supervision, training, guidance, and management
825 responsibilities of full-time law enforcement officers, part-
826 time law enforcement officers, or auxiliary law enforcement
827 officers, but does not include part-time law enforcement
828 officers or auxiliary law enforcement officers as those terms
829 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For
830 the purposes of this chapter only, the term also includes
831 ~~"police officer"~~ also shall include a public safety officer who
832 is responsible for performing both police and fire services. Any
833 plan may provide that the police chief shall have an option to
834 participate, ~~or not,~~ in that plan.

835 (17) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
836 trust fund, by whatever name known, as provided under s. 185.03
837 for the purpose of assisting municipalities in establishing and
838 maintaining a retirement plan for police officers.

839 (18) ~~(13)~~ "Retiree" or "retired police officer" means a
840 police officer who has entered retirement status. For the
841 purposes of a plan that includes a Deferred Retirement Option
842 Plan (DROP), a police officer who enters the DROP is ~~shall be~~
843 considered a retiree for all purposes of the plan. However, a
844 police officer who enters the DROP and who is otherwise eligible
845 to participate may ~~shall~~ not ~~thereby~~ be precluded from
846 participation or continued participation ~~participating, or~~
847 ~~continuing to participate,~~ in a supplemental plan in existence
848 on, or created after, March 12, 1999 ~~the effective date of this~~
849 ~~act.~~

850 (19) ~~(14)~~ "Retirement" means a police officer's separation
851 from municipal ~~city~~ employment as a police officer with
852 immediate eligibility for ~~receipt of~~ benefits under the plan.



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853 For purposes of a plan that includes a Deferred Retirement
854 Option Plan (DROP), "retirement" means the date a police officer
855 enters the DROP.

856 (20) "Special act plan" means a plan subject to the
857 provisions of this chapter which was created by an act of the
858 Legislature and continues to require an act of the Legislature
859 to alter plan benefits.

860 (21) "Special benefits" means benefits provided in a
861 defined contribution plan component for police officers.

862 (22)-(15) "Supplemental plan" means a plan to which deposits
863 of the premium tax moneys as provided in s. 185.08 are made to
864 provide special ~~extra~~ benefits to police officers, or police
865 officers and firefighters if both are ~~where included, under this~~
866 ~~chapter~~. Such a plan is an element of a local law plan and
867 exists in conjunction with a defined benefit plan component that
868 meets ~~the~~ minimum benefits and minimum standards ~~of this~~
869 ~~chapter~~. Any supplemental plan in existence on March 1, 2015,
870 shall be deemed to be a defined contribution plan in compliance
871 with s. 185.35(6).

872 (23)-(16) "Supplemental plan municipality" means a ~~any~~ local
873 law municipality in which any ~~there existed~~ a supplemental plan
874 existed as of December 1, 2000.

875 Section 10. Subsection (8) is added to section 185.05,
876 Florida Statutes, to read:

877 185.05 Board of trustees; members; terms of office;
878 meetings; legal entity; costs; attorney's fees.—For any
879 municipality, chapter plan, local law municipality, or local law
880 plan under this chapter:

881 (8) (a) The board of trustees shall:



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882 1. Provide a detailed accounting report of its expenses for
883 each fiscal year to the plan sponsor and the Department of
884 Management Services and make the report available to each member
885 of the plan and post the report on the board's website, if the
886 board has a website. The report must include all administrative
887 expenses that, for purposes of this subsection, are expenses
888 relating to any legal counsel, actuary, plan administrator, and
889 all other consultants, and all travel and other expenses paid to
890 or on behalf of the members of the board of trustees or anyone
891 else on behalf of the plan.

892 2. Operate under an administrative expense budget for each
893 fiscal year, provide a copy of the budget to the plan sponsor,
894 and make available a copy of the budget to plan members before
895 the beginning of the fiscal year. If the board of trustees
896 amends the administrative expense budget, the board must provide
897 a copy of the amended budget to the plan sponsor and make
898 available a copy of the amended budget to plan members.

899 (b) Notwithstanding s. 185.35(2) and (3), a local law plan
900 created by special act before May 27, 1939, must comply with the
901 provisions of this subsection.

902 Section 11. Subsection (6) of section 185.06, Florida
903 Statutes, is amended to read:

904 185.06 General powers and duties of board of trustees.—For
905 any municipality, chapter plan, local law municipality, or local
906 law plan under this chapter:

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

909 (a) Employ independent legal counsel at the pension fund's
910 expense.



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

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

916

917 If the board chooses to use the municipality's or special
918 district's legal counsel or actuary, or chooses to use any of
919 the municipality's other professional, technical, or other
920 advisers, it must do so only under terms and conditions
921 acceptable to the board.

922 Section 12. Paragraph (d) of subsection (1) of section
923 185.07, Florida Statutes, is amended to read:

924 185.07 Creation and maintenance of fund.—For any
925 municipality, chapter plan, local law municipality, or local law
926 plan under this chapter:

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

930 (d) By payment by the municipality or other sources of a
931 sum equal to the normal cost and the amount required to fund any
932 actuarial deficiency shown by an actuarial valuation conducted
933 under as provided in part VII of chapter 112 after taking into
934 account the amounts described in paragraphs (b), (c), (e), (f),
935 and (g) and the tax proceeds described in paragraph (a) which
936 are used to fund benefits provided in a defined benefit plan
937 component.

938

939 Nothing in this section shall be construed to require adjustment



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940 of member contribution rates in effect on the date this act
941 becomes a law, including rates that exceed 5 percent of salary,
942 provided that such rates are at least one-half of 1 percent of
943 salary.

944 Section 13. Subsection (2) of section 185.16, Florida
945 Statutes, is amended to read:

946 185.16 Requirements for retirement.—For any municipality,
947 chapter plan, local law municipality, or local law plan under
948 this chapter, any police officer who completes 10 or more years
949 of creditable service as a police officer and attains age 55, or
950 completes 25 years of creditable service as a police officer and
951 attains age 52, and for such period has been a member of the
952 retirement fund is eligible for normal retirement benefits.
953 Normal retirement under the plan is retirement from the service
954 of the city on or after the normal retirement date. In such
955 event, for chapter plans and local law plans, payment of
956 retirement income will be governed by the following provisions
957 of this section:

958 (2) (a) The amount of the monthly retirement income payable
959 to a police officer who retires on or after his or her normal
960 retirement date shall be an amount equal to the number of the
961 police officer's years of credited service multiplied by 2.75 ~~2~~
962 percent of his or her average final compensation. ~~However, if~~
963 ~~current state contributions pursuant to this chapter are not~~
964 ~~adequate to fund the additional benefits to meet the minimum~~
965 ~~requirements in this chapter, only increment increases shall be~~
966 ~~required as state moneys are adequate to provide. Such~~
967 ~~increments shall be provided as state moneys become available.~~

968 (b) Effective July 1, 2015, a plan that is in compliance



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969 with this chapter except that the plan provides a benefit that
970 is less than 2.75 percent of the average final compensation of a
971 police officer for all years of credited service or provides an
972 effective benefit that is less than 2.75 percent as a result of
973 a maximum benefit limitation:

974 1. Must maintain, at a minimum, the percentage amount or
975 maximum benefit limitation in effect on July 1, 2015, and is not
976 required to increase the benefit to 2.75 percent of the average
977 final compensation of a police officer for all years of credited
978 service; or

979 2. If the plan changes the percentage amount or maximum
980 benefit limitation to 2.75 percent or more of the average final
981 compensation of a police officer for all years of credited
982 service, the plan may not thereafter decrease the percentage
983 amount or the maximum benefit limitation to less than 2.75
984 percent of the average final compensation of a police officer
985 for all years of credited service.

986 Section 14. Section 185.35, Florida Statutes, is amended to
987 read:

988 185.35 Municipalities that have ~~having~~ their own retirement
989 pension plans for police officers. ~~For any municipality, chapter~~
990 ~~plan, local law municipality, or local law plan under this~~
991 ~~chapter,~~ In order for a municipality that has its municipalities
992 with their own retirement plan pension plans for police
993 officers, or for police officers and firefighters if both are
994 included, to participate in the distribution of the tax fund
995 established under ~~pursuant to~~ s. 185.08, a local law plan plans
996 must meet ~~the~~ minimum benefits and minimum standards, except as
997 provided in the mutual consent provisions in paragraph (1)(g)



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998 with respect to the minimum benefits not met as of October 1,
999 2012. ~~set forth in this chapter:~~

1000 (1) If a municipality has a retirement ~~pension~~ plan for
1001 police officers, or for police officers and firefighters if both
1002 are included, which, in the opinion of the division, meets ~~the~~
1003 minimum benefits and minimum standards ~~set forth in this~~
1004 ~~chapter,~~ the board of trustees of the retirement ~~pension~~ plan
1005 ~~must, as approved by a majority of police officers of the~~
1006 ~~municipality, may:~~

1007 ~~(a)~~ place the income from the premium tax in s. 185.08 in
1008 such ~~pension~~ plan for the sole and exclusive use of its police
1009 officers, or its police officers and firefighters if both are
1010 included, where it shall become an integral part of that ~~pension~~
1011 plan and ~~shall~~ be used to fund benefits as provided herein.
1012 Effective October 1, 2015, for noncollectively bargained service
1013 or upon entering into a collective bargaining agreement on or
1014 after July 1, 2015:

1015 (a) The base premium tax revenues must be used to fund
1016 minimum benefits or other retirement benefits in excess of the
1017 minimum benefits as determined by the municipality.

1018 (b) Of the additional premium tax revenues received that
1019 are in excess of the amount received for the 2012 calendar year,
1020 50 percent must be used to fund minimum benefits or other
1021 retirement benefits in excess of the minimum benefits as
1022 determined by the municipality, and 50 percent must be placed in
1023 a defined contribution plan component to fund special benefits.

1024 (c) Additional premium tax revenues not described in
1025 paragraph (b) must be used to fund benefits that are not
1026 included in the minimum benefits. If the additional premium tax



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1027 revenues subject to this paragraph exceed the full annual cost
1028 of benefits provided through the plan which are in excess of the
1029 minimum benefits, any amount in excess of the full annual cost
1030 must be used as provided in paragraph (b).

1031 (d) Of any accumulations of additional premium tax revenues
1032 which have not been allocated to fund benefits in excess of the
1033 minimum benefits, 50 percent of the amount of the accumulations
1034 must be used to fund special benefits and 50 percent must be
1035 applied to fund any unfunded actuarial liabilities of the plan;
1036 provided that any amount of accumulations in excess of the
1037 amount required to fund the unfunded actuarial liabilities must
1038 be used to fund special benefits ~~pay extra benefits to the~~
1039 ~~police officers included in that pension plan; or~~

1040 ~~(b) May place the income from the premium tax in s. 185.08~~
1041 ~~in a separate supplemental plan to pay extra benefits to the~~
1042 ~~police officers, or police officers and firefighters if~~
1043 ~~included, participating in such separate supplemental plan.~~

1044 (e) For a plan created after March 1, 2015, 50 percent of
1045 the insurance premium tax revenues must be used to fund defined
1046 benefit plan component benefits, with the remainder used to fund
1047 defined contribution plan component benefits.

1048 (f) If a plan offers benefits in excess of the minimum
1049 benefits, such benefits, excluding supplemental plan benefits in
1050 effect as of September 30, 2014, may be reduced if the plan
1051 continues to meet minimum benefits and the minimum standards.
1052 The amount of insurance premium tax revenues previously used to
1053 fund benefits in excess of the minimum benefits before the
1054 reduction, excluding the amount of any additional premium tax
1055 revenues distributed to a supplemental plan for the 2012



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1056 calendar year, must be used as provided in paragraph (b).
1057 However, benefits in excess of the minimum benefits may not be
1058 reduced if a plan does not meet the minimum percentage amount of
1059 2.75 percent of the average final compensation of a police
1060 officer or provides an effective benefit that is less than 2.75
1061 percent as a result of a maximum benefit limitation, as
1062 described in s. 185.16(2) (b).

1063 (g) Notwithstanding paragraphs (a)-(f), the use of premium
1064 tax revenues, including any accumulations of additional premium
1065 tax revenues which have not been allocated to fund benefits in
1066 excess of the minimum benefits, may deviate from the provisions
1067 of this subsection by mutual consent of the members' collective
1068 bargaining representative or, if none, by a majority of the
1069 police officer members of the fund, and by consent of the
1070 municipality, provided that the plan continues to meet minimum
1071 benefits and minimum standards; however, a plan that operates
1072 pursuant to this paragraph and does not meet the minimum
1073 benefits as of October 1, 2012, may continue to provide the
1074 benefits that do not meet the minimum benefits at the same level
1075 as was provided as of October 1, 2012, and all other benefit
1076 levels must continue to meet the minimum benefits. Such mutually
1077 agreed deviation must continue until modified or revoked by
1078 subsequent mutual consent of the members' collective bargaining
1079 representative or, if none, by a majority of the police officer
1080 members of the fund, and the municipality. An existing
1081 arrangement for the use of premium tax revenues contained within
1082 a special act plan or a plan within a supplemental plan
1083 municipality is considered, as of July 1, 2015, to be a
1084 deviation for which mutual consent has been granted.



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1085 (2) The premium tax provided by this chapter ~~must shall in~~
1086 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
1087 benefits to police officers, or to police officers and
1088 firefighters if both are included. ~~However, local law plans in~~
1089 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1090 ~~provisions of this chapter only to the extent that additional~~
1091 ~~premium tax revenues become available to incrementally fund the~~
1092 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
1093 ~~is in compliance with such minimum benefit provisions, as~~
1094 ~~subsequent additional tax revenues become available, they shall~~
1095 ~~be used to provide extra benefits.~~ Local law plans created by
1096 special act before May 27, 1939, shall be deemed to comply with
1097 this chapter. ~~For the purpose of this chapter, the term:~~

1098 ~~(a) "Additional premium tax revenues" means revenues~~
1099 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1100 ~~the amount received for calendar year 1997.~~

1101 ~~(b) "Extra benefits" means benefits in addition to or~~
1102 ~~greater than those provided to general employees of the~~
1103 ~~municipality and in addition to those in existence for police~~
1104 ~~officers on March 12, 1999.~~

1105 (3) A retirement plan or amendment to a retirement plan may
1106 not be proposed for adoption unless the proposed plan or
1107 amendment contains an actuarial estimate of the costs involved.
1108 Such proposed plan or proposed plan change may not be adopted
1109 without the approval of the municipality or, where required
1110 ~~permitted~~, the Legislature. Copies of the proposed plan or
1111 proposed plan change and the actuarial impact statement of the
1112 proposed plan or proposed plan change shall be furnished to the
1113 division before the last public hearing on the proposal is held



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1114 ~~thereon~~. Such statement must also indicate whether the proposed
1115 plan or proposed plan change is in compliance with s. 14, Art. X
1116 of the State Constitution and those provisions of part VII of
1117 chapter 112 which are not expressly provided in this chapter.
1118 Notwithstanding any other provision, only those local law plans
1119 created by special act of legislation before May 27, 1939, are
1120 deemed to meet the minimum benefits and minimum standards only
1121 in this chapter.

1122 (4) Notwithstanding any other provision, with respect to
1123 any supplemental plan municipality:

1124 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and a
1125 local law plan and a supplemental plan may continue to use their
1126 definition of compensation or salary in existence on March 12,
1127 1999.

1128 (b) A local law plan and a supplemental plan must continue
1129 to be administered by a board or boards of trustees numbered,
1130 constituted, and selected as the board or boards were numbered,
1131 constituted, and selected on December 1, 2000.

1132 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
1133 ~~have been made.~~

1134 (5) The retirement plan setting forth the benefits and the
1135 trust agreement, if any, covering the duties and
1136 responsibilities of the trustees and the regulations of the
1137 investment of funds must be in writing and copies made available
1138 to the participants and to the general public.

1139 (6) In addition to the defined benefit component of the
1140 local law plan, each plan sponsor must have a defined
1141 contribution plan component within the local law plan by October
1142 1, 2015, for noncollectively bargained service, upon entering



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1143 into a collective bargaining agreement on or after July 1, 2015,
1144 or upon the creation date of a new participating plan. Depending
1145 upon the application of subsection (1), a defined contribution
1146 component may or may not receive any funding.

1147 (7) Notwithstanding any other provision of this chapter, a
1148 municipality that has implemented or proposed changes to a local
1149 law plan based on the municipality's reliance on an
1150 interpretation of this chapter by the Department of Management
1151 Services on or after August 14, 2012, and before March 3, 2015,
1152 may continue the implemented changes or continue to implement
1153 proposed changes. Such reliance must be evidenced by a written
1154 collective bargaining proposal or agreement, or formal
1155 correspondence between the municipality and the Department of
1156 Management Services which describes the specific changes to the
1157 local law plan, with the initial proposal, agreement, or
1158 correspondence from the municipality dated before March 3, 2015.
1159 Changes to the local law plan which are otherwise contrary to
1160 minimum benefits and minimum standards may continue in effect
1161 until the earlier of October 1, 2018, or the effective date of a
1162 collective bargaining agreement that is contrary to the changes
1163 to the local law plan.

1164 Section 15. The Legislature finds that a proper and
1165 legitimate state purpose is served when employees and retirees
1166 of this state and its political subdivisions, and the
1167 dependents, survivors, and beneficiaries of such employees and
1168 retirees, are extended the basic protections afforded by
1169 governmental retirement systems that provide fair and adequate
1170 benefits and that are managed, administered, and funded in an
1171 actuarially sound manner as required under s. 14, Article X of



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1172 the State Constitution and part VII of chapter 112, Florida
1173 Statutes. Therefore, the Legislature determines and declares
1174 that this act fulfills an important state interest.

1175 Section 16. This act shall take effect July 1, 2015.
1176

1177 ===== T I T L E A M E N D M E N T =====

1178 And the title is amended as follows:

1179 Delete everything before the enacting clause
1180 and insert:

1181 A bill to be entitled
1182 An act relating to local government pension reform;
1183 amending s. 175.021, F.S.; requiring that firefighter
1184 pension plans meet the requirements of chapter 175,
1185 F.S., in order to receive certain insurance premium
1186 tax revenues; amending s. 175.032, F.S.; revising
1187 definitions to conform to changes made by the act and
1188 providing new definitions; amending s. 175.061, F.S.;;
1189 requiring the board of trustees of the firefighters'
1190 pension trust fund to provide a detailed accounting
1191 report of its expenses and to make the report
1192 available; requiring the board to operate under an
1193 administrative expense budget; providing
1194 applicability; amending s. 175.071, F.S.; conforming a
1195 cross-reference; amending s. 175.091, F.S.; revising
1196 the method of creating and maintaining a firefighters'
1197 pension trust fund; amending s. 175.162, F.S.;;
1198 deleting a provision basing the availability of
1199 additional benefits in a firefighter pension plan upon
1200 state funding; revising the calculation of monthly



1201 retirement income for a full-time firefighter;
1202 specifying the minimum benefits that must be
1203 maintained by certain firefighter pension plans after
1204 a specified date; amending s. 175.351, F.S.; exempting
1205 certain firefighter pension plans of a municipality or
1206 special fire control district from meeting certain
1207 minimum benefits in order to participate in the
1208 distribution of a premium tax; redesignating the term
1209 "pension plan" as "retirement plan"; revising criteria
1210 governing the use of revenues of the premium tax;
1211 authorizing a pension plan to reduce certain excess
1212 benefits if the plan continues to meet certain minimum
1213 benefits and standards; providing that the use of
1214 premium tax revenues may deviate from the requirements
1215 of chapter 175, F.S., under certain circumstances;
1216 revising the conditions for proposing the adoption of
1217 a pension plan or an amendment to a pension plan;
1218 requiring plan sponsors to have a defined contribution
1219 plan component in place by a certain date; authorizing
1220 a municipality or special fire control district to
1221 implement certain changes to a local law plan which
1222 are contrary to chapter 175, F.S., for a limited time,
1223 under certain circumstances; amending s. 185.01, F.S.;
1224 requiring that police officer pension plans meet the
1225 requirements of chapter 185, F.S., in order to receive
1226 certain insurance premium tax revenues; amending s.
1227 185.02, F.S.; revising definitions to conform to
1228 changes made by the act and providing new definitions;
1229 revising applicability of the limitation on the amount



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1230 of overtime payments which may be used for pension
1231 benefit calculations; amending s. 185.05, F.S.;
1232 requiring the board of trustees of the municipal
1233 police officers' retirement trust fund to provide a
1234 detailed accounting report of its expenses and to make
1235 the report available; requiring the board to operate
1236 under an administrative expense budget; providing
1237 applicability; amending s. 185.06, F.S.; conforming a
1238 cross-reference; amending s. 185.07, F.S.; revising
1239 the method of creating and maintaining a police
1240 officers' retirement trust fund; amending s. 185.16,
1241 F.S.; deleting a provision basing the availability of
1242 additional benefits in a police officer pension plan
1243 upon state funding; revising the calculation of
1244 monthly retirement income for a police officer;
1245 specifying the minimum benefits that must be
1246 maintained by certain police officer pension plans
1247 after a specified date; amending s. 185.35, F.S.;
1248 exempting certain municipal police officer pension
1249 plans from meeting certain minimum benefits in order
1250 to participate in the distribution of a premium tax;
1251 redesignating the term "pension plan" as "retirement
1252 plan"; revising criteria governing the use of revenues
1253 from the premium tax; authorizing a plan to reduce
1254 certain excess benefits if the plan continues to meet
1255 certain minimum benefits and minimum standards;
1256 providing that the use of premium tax revenues may
1257 deviate from the requirements of chapter 185, F.S.,
1258 under specified circumstances; revising the conditions



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1259 for proposing the adoption of a pension plan or
1260 amendment to a pension plan; conforming a cross-
1261 reference; requiring plan sponsors to have a defined
1262 contribution plan component in place by a certain
1263 date; authorizing a municipality to implement certain
1264 changes to a local law plan which are contrary to
1265 chapter 185, F.S., for a limited time; providing a
1266 declaration of important state interest; providing an
1267 effective date.