

1 A bill to be entitled

2 An act relating to local government pension reform;  
3 amending s. 175.021, F.S.; requiring that firefighter  
4 pension plans meet the requirements of ch. 175, F.S.,  
5 in order to receive certain insurance premium tax  
6 revenues; amending s. 175.032, F.S.; revising  
7 definitions to conform to changes made by the act and  
8 providing new definitions; amending s. 175.071, F.S.;  
9 conforming a cross-reference; amending s. 175.091,  
10 F.S.; revising the method of creating and maintaining  
11 a firefighters' pension trust fund; amending s.  
12 175.162, F.S.; deleting a provision basing the  
13 availability of additional benefits in a firefighter  
14 pension plan upon state funding; revising the  
15 calculation of monthly retirement income for a full-  
16 time firefighter; specifying the minimum benefits that  
17 must be maintained by certain firefighter pension  
18 plans after a specified date; amending s. 175.351,  
19 F.S.; exempting certain firefighter pension plans of a  
20 municipality or special fire control district from  
21 meeting certain minimum benefits in order to  
22 participate in the distribution of a premium tax;  
23 redesignating the term "pension plan" as "retirement  
24 plan"; revising criteria governing the use of revenues  
25 of the premium tax; authorizing a pension plan to  
26 reduce certain excess benefits if the plan continues

27 | to meet certain minimum benefits and standards;  
28 | providing that the use of premium tax revenues may  
29 | deviate from the requirements of ch. 175, F.S., under  
30 | certain circumstances; revising the conditions for  
31 | proposing the adoption of a pension plan or an  
32 | amendment to a pension plan; requiring plan sponsors  
33 | to have a defined contribution plan component in place  
34 | by a certain date; authorizing a municipality or  
35 | special fire control district to implement certain  
36 | changes to a local law plan which are contrary to ch.  
37 | 175, F.S., for a limited time, under certain  
38 | circumstances; amending s. 185.01, F.S.; requiring  
39 | that police officer pension plans meet the  
40 | requirements of ch. 185, F.S., in order to receive  
41 | certain insurance premium tax revenues; amending s.  
42 | 185.02, F.S.; revising definitions to conform to  
43 | changes made by the act and providing new definitions;  
44 | revising applicability of the limitation on the amount  
45 | of overtime payments that may be used for pension  
46 | benefit calculations; amending s. 185.06, F.S.;  
47 | conforming a cross-reference; amending s. 185.07,  
48 | F.S.; revising the method of creating and maintaining  
49 | a police officers' retirement trust fund; amending s.  
50 | 185.16, F.S.; deleting a provision basing the  
51 | availability of additional benefits in a police  
52 | officer pension plan upon state funding; revising the

53 calculation of monthly retirement income for a police  
54 officer; specifying the minimum benefits that must be  
55 maintained by certain police officer pension plans  
56 after a specified date; amending s. 185.35, F.S.;  
57 exempting certain municipal police officer pension  
58 plans from meeting certain minimum benefits in order  
59 to participate in the distribution of a premium tax;  
60 redesignating the term "pension plan" as "retirement  
61 plan"; revising criteria governing the use of revenues  
62 from the premium tax; authorizing a plan to reduce  
63 certain excess benefits if the plan continues to meet  
64 certain minimum benefits and minimum standards;  
65 providing that the use of premium tax revenues may  
66 deviate from the requirements of ch. 185, F.S., under  
67 specified circumstances; revising the conditions for  
68 proposing the adoption of a pension plan or amendment  
69 to a pension plan; conforming a cross-reference;  
70 requiring plan sponsors to have a defined contribution  
71 plan component in place by a certain date; authorizing  
72 a municipality to implement certain changes to a local  
73 law plan which are contrary to ch. 185, F.S., for a  
74 limited time; providing a declaration of important  
75 state interest; providing an effective date.

76  
77 Be It Enacted by the Legislature of the State of Florida:  
78

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

81 175.021 Legislative declaration.—

82 (2) This chapter ~~hereby~~ establishes, for all municipal and  
 83 special district pension plans existing ~~now or hereafter~~ under  
 84 this chapter, including chapter plans and local law plans,  
 85 minimum benefits and minimum standards for the operation and  
 86 funding of such plans, hereinafter referred to as firefighters'  
 87 pension trust funds, which must be met as a condition precedent  
 88 to the plan or plan sponsor receiving a distribution of  
 89 insurance premium tax revenues under s. 175.121. ~~The~~ Minimum  
 90 benefits and minimum standards for each plan ~~set forth in this~~  
 91 ~~chapter~~ may not be diminished by local charter, ordinance, or  
 92 resolution or by special act of the Legislature and may not, ~~nor~~  
 93 ~~may the minimum benefits or minimum standards~~ be reduced or  
 94 offset by any other local, state, or federal law that includes  
 95 ~~may include~~ firefighters in its operation, except as provided  
 96 under s. 112.65.

97 Section 2. Section 175.032, Florida Statutes, is amended  
 98 to read:

99 175.032 Definitions.—For any municipality, special fire  
 100 control district, chapter plan, local law municipality, local  
 101 law special fire control district, or local law plan under this  
 102 chapter, the term ~~following words and phrases have the following~~  
 103 ~~meanings:~~

104 (1) "Additional premium tax revenues" means revenues

105 received by a municipality or special fire control district  
 106 pursuant to s. 175.121 which exceed base premium tax revenues.

107 (2)-(1)-(a) "Average final compensation" for:

108 (a) A full-time firefighter means one-twelfth of the  
 109 average annual compensation of the 5 best years of the last 10  
 110 years of creditable service before ~~prior to~~ retirement,  
 111 termination, or death, or the career average as a full-time  
 112 firefighter since July 1, 1953, whichever is greater. A year is  
 113 ~~shall be~~ 12 consecutive months or such other consecutive period  
 114 of time as is used and consistently applied.

115 (b) ~~"Average final compensation"~~ for A volunteer  
 116 firefighter means the average salary of the 5 best years of the  
 117 last 10 best contributing years before ~~prior to~~ change in status  
 118 to a permanent full-time firefighter or retirement as a  
 119 volunteer firefighter or the career average of a volunteer  
 120 firefighter, since July 1, 1953, whichever is greater.

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

122 (a) For a local law plan in effect on October 1, 1998, the  
 123 revenues received by a municipality or special fire control  
 124 district pursuant to s. 175.121 for the 1997 calendar year.

125 (b) For a local law plan created between October 1, 1998,  
 126 and March 1, 2015, inclusive, the revenues received by a  
 127 municipality or special fire control district pursuant to s.  
 128 175.121 based upon the tax collections during the second  
 129 calendar year of participation.

130 (4)-(2) "Chapter plan" means a separate defined benefit

131 pension plan for firefighters which incorporates by reference  
132 the provisions of this chapter and has been adopted by the  
133 governing body of a municipality or special district. Except as  
134 ~~may be~~ specifically authorized in this chapter, the provisions  
135 of a chapter plan may not differ from the plan provisions set  
136 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial  
137 valuations of chapter plans shall be conducted by the division  
138 as provided by s. 175.261(1).

139 (5)~~(3)~~ "Compensation" or "salary" means, for  
140 noncollectively bargained service earned before July 1, 2011, or  
141 for service earned under collective bargaining agreements in  
142 place before July 1, 2011, the fixed monthly remuneration paid a  
143 firefighter. If remuneration is based on actual services  
144 rendered, as in the case of a volunteer firefighter, the term  
145 means the total cash remuneration received yearly for such  
146 services, prorated on a monthly basis. For noncollectively  
147 bargained service earned on or after July 1, 2011, or for  
148 service earned under collective bargaining agreements entered  
149 into on or after July 1, 2011, the term has the same meaning  
150 except that when calculating retirement benefits, up to 300  
151 hours per year in overtime compensation may be included as  
152 specified in the plan or collective bargaining agreement, but  
153 payments for accrued unused sick or annual leave may not be  
154 included.

155 (a) Any retirement trust fund or plan that meets the  
156 requirements of this chapter does not, solely by virtue of this

157 subsection, reduce or diminish the monthly retirement income  
158 otherwise payable to each firefighter covered by the retirement  
159 trust fund or plan.

160 (b) The member's compensation or salary contributed as  
161 employee-elective salary reductions or deferrals to any salary  
162 reduction, deferred compensation, or tax-sheltered annuity  
163 program authorized under the Internal Revenue Code shall be  
164 deemed to be the compensation or salary the member would receive  
165 if he or she were not participating in such program and shall be  
166 treated as compensation for retirement purposes under this  
167 chapter.

168 (c) For ~~any~~ person who first becomes a member in any plan  
169 year beginning on or after January 1, 1996, compensation for  
170 that plan year may not include any amounts in excess of the  
171 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
172 the Omnibus Budget Reconciliation Act of 1993, which limitation  
173 of \$150,000 shall be adjusted as required by federal law for  
174 qualified government plans and ~~shall be~~ further adjusted for  
175 changes in the cost of living in the manner provided by Internal  
176 Revenue Code s. 401(a)(17)(B). For any person who first became a  
177 member before the first plan year beginning on or after January  
178 1, 1996, the limitation on compensation may not be less than the  
179 maximum compensation amount that was allowed to be taken into  
180 account under the plan in effect on July 1, 1993, which  
181 limitation shall be adjusted for changes in the cost of living  
182 since 1989 in the manner provided by Internal Revenue Code s.

183 401(a)(17)(1991).

184 (6)~~(4)~~ "Creditable service" or "credited service" means  
 185 the aggregate number of years of service~~7~~ and fractional parts  
 186 of years of service~~7~~ of any firefighter, omitting intervening  
 187 years and fractional parts of years when such firefighter may  
 188 not have been employed by the municipality or special fire  
 189 control district, subject to the following conditions:

190 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years  
 191 or fractional parts of years of service if he or she has  
 192 withdrawn his or her contributions to the fund for those years  
 193 or fractional parts of years of service, unless the firefighter  
 194 repays into the fund the amount he or she has withdrawn, plus  
 195 interest determined by the board. The member has ~~shall have~~ at  
 196 least 90 days after his or her reemployment to make repayment.

197 (b) A firefighter may voluntarily leave his or her  
 198 contributions in the fund for ~~a period of~~ 5 years after leaving  
 199 the employ of the fire department, pending the possibility of  
 200 being rehired by the same department, without losing credit for  
 201 the time he or she has participated actively as a firefighter.  
 202 If the firefighter is not reemployed as a firefighter~~7~~ with the  
 203 same department~~7~~ within 5 years, his or her contributions shall  
 204 be returned without interest.

205 (c) Credited service under this chapter shall be provided  
 206 only for service as a firefighter~~7~~, ~~as defined in subsection (8)7~~,  
 207 or for military service and does not include credit for any  
 208 other type of service. A municipality ~~may~~, by local ordinance,



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209 or a special fire control district ~~may~~, by resolution, may  
210 provide for the purchase of credit for military service prior to  
211 employment as well as for prior service as a firefighter for  
212 some other employer as long as a firefighter is not entitled to  
213 receive a benefit for such prior service ~~as a firefighter~~. For  
214 purposes of determining credit for prior service ~~as a~~  
215 ~~firefighter~~, in addition to service as a firefighter in this  
216 state, credit may be given for federal, other state, or county  
217 service if the prior service is recognized by the Division of  
218 State Fire Marshal as provided in ~~under~~ chapter 633, or the  
219 firefighter provides proof to the board of trustees that his or  
220 her service is equivalent to the service required to meet the  
221 definition of a firefighter under subsection (11) ~~(8)~~.

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

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

230 2. The firefighter is entitled to reemployment under ~~the~~  
231 ~~provisions of~~ the Uniformed Services Employment and Reemployment  
232 Rights Act.

233 3. The firefighter returns to his or her employment as a  
234 firefighter of the municipality or special fire control district

235 within 1 year after ~~from~~ the date of release from such active  
236 service.

237 (7)~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a  
238 local law plan retirement option in which a firefighter may  
239 elect to participate. A firefighter may retire for all purposes  
240 of the plan and defer receipt of retirement benefits into a DROP  
241 account while continuing employment with his or her employer.  
242 However, a firefighter who enters the DROP and who is otherwise  
243 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from  
244 participation or continued participation ~~participating, or~~  
245 ~~continuing to participate,~~ in a supplemental plan in existence  
246 on, or created after, March 12, 1999 ~~the effective date of this~~  
247 ~~act.~~

248 (8) "Defined contribution plan" means the component of a  
249 local law plan, as provided in s. 175.351(1), to which deposits,  
250 if any, are made to provide benefits for firefighters, or for  
251 firefighters and police officers if both are included. Such  
252 component is an element of a local law plan and exists in  
253 conjunction with the defined benefit component that meets  
254 minimum benefits and minimum standards. The retirement benefits,  
255 if any, of the defined contribution plan shall be provided  
256 through individual member accounts in accordance with the  
257 applicable provisions of the Internal Revenue Code and related  
258 regulations and are limited to the contributions, if any, made  
259 into each member's account and the actual accumulated earnings,  
260 net of expenses, earned on the member's account.

261        (9)~~(6)~~ "Division" means the Division of Retirement of the  
 262 Department of Management Services.

263        (10)~~(7)~~ "Enrolled actuary" means an actuary who is  
 264 enrolled under Subtitle C of Title III of the Employee  
 265 Retirement Income Security Act of 1974 and who is a member of  
 266 the Society of Actuaries or the American Academy of Actuaries.

267        (11) (a)~~(8) (a)~~ "Firefighter" means a person employed solely  
 268 by a constituted fire department of any municipality or special  
 269 fire control district who is certified as a firefighter as a  
 270 condition of employment in accordance with s. 633.408 and whose  
 271 duty it is to extinguish fires, to protect life, or to protect  
 272 property. The term includes all certified, supervisory, and  
 273 command personnel whose duties include, in whole or in part, the  
 274 supervision, training, guidance, and management responsibilities  
 275 of full-time firefighters, part-time firefighters, or auxiliary  
 276 firefighters but does not include part-time firefighters or  
 277 auxiliary firefighters. However, for purposes of this chapter  
 278 only, the term also includes public safety officers who are  
 279 responsible for performing both police and fire services, who  
 280 are certified as police officers or firefighters, and who are  
 281 certified by their employers to the Chief Financial Officer as  
 282 participating in this chapter before October 1, 1979. Effective  
 283 October 1, 1979, public safety officers who have not been  
 284 certified as participating in this chapter are considered police  
 285 officers for retirement purposes and are eligible to participate  
 286 in chapter 185. Any plan may provide that the fire chief has an

287 option to participate, ~~or not,~~ in that plan.

288 (b) "Volunteer firefighter" means any person whose name is  
 289 carried on the active membership roll of a constituted volunteer  
 290 fire department or a combination of a paid and volunteer fire  
 291 department of any municipality or special fire control district  
 292 and whose duty it is to extinguish fires, to protect life, and  
 293 to protect property. Compensation for services rendered by a  
 294 volunteer firefighter does ~~shall~~ not disqualify him or her as a  
 295 volunteer. A person may ~~shall~~ not be disqualified as a volunteer  
 296 firefighter solely because he or she has other gainful  
 297 employment. Any person who volunteers assistance at a fire but  
 298 is not an active member of a department described herein is not  
 299 a volunteer firefighter within the meaning of this paragraph.

300 (12) ~~(9)~~ "Firefighters' Pension Trust Fund" means a trust  
 301 fund, by whatever name known, as provided under s. 175.041, for  
 302 the purpose of assisting municipalities and special fire control  
 303 districts in establishing and maintaining a retirement plan for  
 304 firefighters.

305 (13) ~~(10)~~ "Local law municipality" means ~~is~~ any  
 306 municipality in which ~~there exists~~ a local law plan exists.

307 (14) ~~(11)~~ "Local law plan" means a retirement defined  
 308 benefit pension plan, which includes both a defined benefit plan  
 309 component and a defined contribution plan component, for  
 310 firefighters, or for firefighters and ~~or~~ police officers if both  
 311 are ~~where~~ included, as described in s. 175.351, established by  
 312 municipal ordinance, special district resolution, or special act

313 of the Legislature, which enactment sets forth all plan  
314 provisions. Local law plan provisions may vary from the  
315 provisions of this chapter ~~if, provided that required~~ minimum  
316 benefits and minimum standards are met. However, any such  
317 variance must ~~shall~~ provide a greater benefit for firefighters.  
318 Actuarial valuations of local law plans shall be conducted by an  
319 enrolled actuary as provided in s. 175.261(2).

320 ~~(15)-(12)~~ "Local law special fire control district" means  
321 ~~is~~ any special fire control district in which ~~there exists~~ a  
322 local law plan exists.

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

325 (17) "Minimum standards" means the standards specified in  
326 ss. 175.021-175.401.

327 ~~(18)-(13)~~ "Property insurance" means property insurance as  
328 defined in s. 624.604 and covers real and personal property  
329 within the corporate limits of a ~~any~~ municipality, or within the  
330 boundaries of a ~~any~~ special fire control district, within the  
331 state. The term "multiple peril" means a combination or package  
332 policy that includes both property and casualty coverage for a  
333 single premium.

334 ~~(19)-(14)~~ "Retiree" or "retired firefighter" means a  
335 firefighter who has entered retirement status. For the purposes  
336 of a plan that includes a Deferred Retirement Option Plan  
337 (DROP), a firefighter who enters the DROP is ~~shall be~~ considered  
338 a retiree for all purposes of the plan. However, a firefighter

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

344 (20)-(15) "Retirement" means a firefighter's separation  
 345 from municipal ~~city~~ or fire district employment as a firefighter  
 346 with immediate eligibility for ~~receipt of~~ benefits under the  
 347 plan. For purposes of a plan that includes a Deferred Retirement  
 348 Option Plan (DROP), "retirement" means the date a firefighter  
 349 enters the DROP.

350 (21) "Special act plan" means a plan subject to the  
 351 provisions of this chapter which was created by an act of the  
 352 Legislature and continues to require an act of the Legislature  
 353 to alter plan benefits.

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

356 (23)-(16) "Special fire control district" means a special  
 357 district, as defined in s. 189.012, established for the purposes  
 358 of extinguishing fires, protecting life, and protecting property  
 359 within the incorporated or unincorporated portions of a ~~any~~  
 360 county or combination of counties, or within any combination of  
 361 incorporated and unincorporated portions of a ~~any~~ county or  
 362 combination of counties. The term does not include any dependent  
 363 or independent special district, as those terms are defined in  
 364 s. 189.012, the employees of which are members of the Florida

365 Retirement System pursuant to s. 121.051(1) or (2).

366 ~~(24)-(17)~~ "Supplemental plan" means a plan to which  
 367 deposits are made to provide special ~~extra~~ benefits for  
 368 firefighters, or for firefighters and police officers if both  
 369 are ~~where~~ included ~~under this chapter~~. Such a plan is an element  
 370 of a local law plan and exists in conjunction with a defined  
 371 benefit component ~~plan~~ that meets ~~the~~ minimum benefits and  
 372 minimum standards ~~of this chapter~~. Any supplemental plan in  
 373 existence on March 1, 2015, shall be deemed to be a defined  
 374 contribution plan in compliance with s. 175.351(6).

375 ~~(25)-(18)~~ "Supplemental plan municipality" means a ~~any~~  
 376 local law municipality in which ~~there existed~~ a supplemental  
 377 plan existed, ~~of any type or nature~~, as of December 1, 2000.

378 Section 3. Subsection (7) of section 175.071, Florida  
 379 Statutes, is amended to read:

380 175.071 General powers and duties of board of trustees.—  
 381 For any municipality, special fire control district, chapter  
 382 plan, local law municipality, local law special fire control  
 383 district, or local law plan under this chapter:

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

386 (a) Employ independent legal counsel at the pension fund's  
 387 expense.

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

390 (c) Employ such independent professional, technical, or

391 other advisers as it deems necessary at the pension fund's  
 392 expense.

393  
 394 If the board chooses to use the municipality's or special  
 395 district's legal counsel or actuary, or chooses to use any of  
 396 the municipality's or special district's other professional,  
 397 technical, or other advisers, it must do so only under terms and  
 398 conditions acceptable to the board.

399 Section 4. Paragraph (d) of subsection (1) of section  
 400 175.091, Florida Statutes, is amended to read:

401 175.091 Creation and maintenance of fund.—For any  
 402 municipality, special fire control district, chapter plan, local  
 403 law municipality, local law special fire control district, or  
 404 local law plan under this chapter:

405 (1) The firefighters' pension trust fund in each  
 406 municipality and ~~in each~~ special fire control district shall be  
 407 created and maintained in the following manner:

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

416



417 Nothing in this section shall be construed to require adjustment  
 418 of member contribution rates in effect on the date this act  
 419 becomes a law, including rates that exceed 5 percent of salary,  
 420 provided that such rates are at least one-half of 1 percent of  
 421 salary.

422 Section 5. Paragraph (a) of subsection (2) of section  
 423 175.162, Florida Statutes, is amended to read:

424 175.162 Requirements for retirement.—For any municipality,  
 425 special fire control district, chapter plan, local law  
 426 municipality, local law special fire control district, or local  
 427 law plan under this chapter, any firefighter who completes 10 or  
 428 more years of creditable service as a firefighter and attains  
 429 age 55, or completes 25 years of creditable service as a  
 430 firefighter and attains age 52, and who for such minimum period  
 431 has been a member of the firefighters' pension trust fund  
 432 operating under a chapter plan or local law plan, is eligible  
 433 for normal retirement benefits. Normal retirement under the plan  
 434 is retirement from the service of the municipality or special  
 435 fire control district on or after the normal retirement date. In  
 436 such event, payment of retirement income will be governed by the  
 437 following provisions of this section:

438 (2) (a) 1. The amount of monthly retirement income payable  
 439 to a full-time firefighter who retires on or after his or her  
 440 normal retirement date shall be an amount equal to the number of  
 441 his or her years of credited service multiplied by 2.75 ~~2~~  
 442 percent of his or her average final compensation as a full-time

443 ~~firefighter. However, if current state contributions pursuant to~~  
444 ~~this chapter are not adequate to fund the additional benefits to~~  
445 ~~meet the minimum requirements in this chapter, only such~~  
446 ~~incremental increases shall be required as state moneys are~~  
447 ~~adequate to provide. Such increments shall be provided as state~~  
448 ~~moneys become available.~~

449 2. Effective July 1, 2015, a plan that is in compliance  
450 with this chapter except that the plan provides a benefit that  
451 is less than 2.75 percent of the average final compensation of a  
452 full-time firefighter for all years of credited service or  
453 provides an effective benefit that is less than 2.75 percent as  
454 a result of a maximum benefit limitation:

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

460 b. If the plan changes the percentage amount or maximum  
461 benefit limitation to 2.75 percent, or more, of the average  
462 final compensation of a full-time firefighter for all years of  
463 credited service, the plan may not thereafter decrease the  
464 percentage amount or maximum benefit limitation to less than  
465 2.75 percent of the average final compensation of a full-time  
466 firefighter for all years of credited service.

467 Section 6. Section 175.351, Florida Statutes, is amended  
468 to read:

469           175.351 Municipalities and special fire control districts  
470 that have ~~having~~ their own retirement pension plans for  
471 firefighters. ~~For any municipality, special fire control~~  
472 ~~district, local law municipality, local law special fire control~~  
473 ~~district, or local law plan under this chapter,~~ In order for a  
474 municipality or municipalities and special fire control district  
475 that has its districts with their own retirement plan pension  
476 plans for firefighters, or for firefighters and police officers  
477 if both are included, to participate in the distribution of the  
478 tax fund established under ~~pursuant to~~ s. 175.101, a local law  
479 plan plans must meet ~~the~~ minimum benefits and minimum standards,  
480 except as provided in the mutual consent provisions in paragraph  
481 (1) (g) with respect to the minimum benefits not met as of  
482 October 1, 2012 set forth in this chapter.

483           (1) If a municipality has a retirement pension plan for  
484 firefighters, or a ~~pension plan~~ for firefighters and police  
485 officers if both are included, which in the opinion of the  
486 division meets ~~the~~ minimum benefits and minimum standards ~~set~~  
487 ~~forth in this chapter,~~ the board of trustees of the retirement  
488 pension plan must, ~~as approved by a majority of firefighters of~~  
489 ~~the municipality, may:~~

490           ~~(a)~~ place the income from the premium tax in s. 175.101 in  
491 such pension plan for the sole and exclusive use of its  
492 firefighters, or for firefighters and police officers if both  
493 are included, where it shall become an integral part of that  
494 pension plan and shall be used to fund benefits as provided

495 herein. Effective October 1, 2015, for noncollectively bargained  
496 service or upon entering into a collective bargaining agreement  
497 on or after July 1, 2015:

498 (a) The base premium tax revenues must be used to fund  
499 minimum benefits or other retirement benefits in excess of the  
500 minimum benefits as determined by the municipality or special  
501 fire control district.

502 (b) Of the additional premium tax revenues received which  
503 are in excess of the amount received for the 2012 calendar year,  
504 50 percent must be used to fund minimum benefits or other  
505 retirement benefits in excess of the minimum benefits as  
506 determined by the municipality or special fire control district,  
507 and 50 percent must be placed in a defined contribution plan to  
508 fund special benefits.

509 (c) Additional premium tax revenues not described in  
510 paragraph (b) must be used to fund benefits that are not  
511 included in the minimum benefits. If the additional premium tax  
512 revenues subject to this paragraph exceed the full annual cost  
513 of benefits provided through the plan which are in excess of the  
514 minimum benefits, any amount in excess of the full annual cost  
515 must be used as provided in paragraph (b).

516 (d) Of any accumulations of additional premium tax  
517 revenues which have not been allocated to fund benefits in  
518 excess of the minimum benefits, 50 percent of the amount of the  
519 accumulations must be used to fund special benefits, and 50  
520 percent must be applied to fund any unfunded actuarial

521 liabilities of the plan; provided that any amount of  
522 accumulations in excess of the amount required to fund the  
523 unfunded actuarial liabilities must be used to fund special  
524 benefits to pay extra benefits to the firefighters included in  
525 that pension plan; or

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

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

534 (f) If a plan offers benefits in excess of the minimum  
535 benefits, such benefits, excluding supplemental plan benefits in  
536 effect as of September 30, 2014, may be reduced if the plan  
537 continues to meet minimum benefits and minimum standards. The  
538 amount of insurance premium tax revenues previously used to fund  
539 benefits in excess of minimum benefits, excluding the amount of  
540 any additional premium tax revenues distributed to a  
541 supplemental plan for the 2012 calendar year, before the  
542 reduction must be used as provided in paragraph (b). However,  
543 benefits in excess of minimum benefits may not be reduced if a  
544 plan does not meet the minimum percentage amount of 2.75 percent  
545 of the average final compensation of a full-time firefighter, as  
546 required by s. 175.162(2)(a)1., or provides an effective benefit

547 that is below 2.75 percent as a result of a maximum benefit  
548 limitation as described in s. 175.162(2)(a)2.

549 (g) Notwithstanding paragraphs (a)-(f), the use of premium  
550 tax revenues, including any accumulations of additional premium  
551 tax revenues which have not been allocated to fund benefits in  
552 excess of minimum benefits, may deviate from the provisions of  
553 this subsection by mutual consent of the members' collective  
554 bargaining representative or, if there is no representative, by  
555 a majority of the firefighter members of the fund, and by  
556 consent of the municipality or special fire control district,  
557 provided that the plan continues to meet minimum benefits and  
558 minimum standards; however, a plan that operates pursuant to  
559 this paragraph which does not meet minimum benefits as of  
560 October 1, 2012, may continue to provide the benefits that do  
561 not meet the minimum benefits at the same level as was provided  
562 as of October 1, 2012, and all other benefit levels must  
563 continue to meet the minimum benefits. Such mutually agreed  
564 deviation must continue until modified or revoked by subsequent  
565 mutual consent of the members' collective bargaining  
566 representative or, if none, by a majority of the firefighter  
567 members of the fund, and the municipality or special fire  
568 control district. An existing arrangement for the use of premium  
569 tax revenues contained within a special act plan or a plan  
570 within a supplemental plan municipality is considered, as of  
571 July 1, 2015, to be a deviation for which mutual consent has  
572 been granted.

573           (2) The premium tax provided by this chapter must ~~shall in~~  
574 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~  
575 benefits to firefighters, or to firefighters and police officers  
576 if both are included. ~~However, local law plans in effect on~~  
577 ~~October 1, 1998, must comply with the minimum benefit provisions~~  
578 ~~of this chapter only to the extent that additional premium tax~~  
579 ~~revenues become available to incrementally fund the cost of such~~  
580 ~~compliance as provided in s. 175.162(2) (a). If a plan is in~~  
581 ~~compliance with such minimum benefit provisions, as subsequent~~  
582 ~~additional premium tax revenues become available, they must be~~  
583 ~~used to provide extra benefits.~~ Local law plans created by  
584 special act before May 27, 1939, are deemed to comply with this  
585 chapter. ~~For the purpose of this chapter, the term:~~

586           ~~(a) "Additional premium tax revenues" means revenues~~  
587 ~~received by a municipality or special fire control district~~  
588 ~~pursuant to s. 175.121 which exceed that amount received for~~  
589 ~~calendar year 1997.~~

590           ~~(b) "Extra benefits" means benefits in addition to or~~  
591 ~~greater than those provided to general employees of the~~  
592 ~~municipality and in addition to those in existence for~~  
593 ~~firefighters on March 12, 1999.~~

594           (3) A retirement plan or amendment to a retirement plan  
595 may not be proposed for adoption unless the proposed plan or  
596 amendment contains an actuarial estimate of the costs involved.  
597 Such proposed plan or proposed plan change may not be adopted  
598 without the approval of the municipality, special fire control

599 district, or, where required ~~permitted~~, the Legislature. Copies  
600 of the proposed plan or proposed plan change and the actuarial  
601 impact statement of the proposed plan or proposed plan change  
602 shall be furnished to the division before the last public  
603 hearing on the proposal is held ~~thereon~~. Such statement must  
604 also indicate whether the proposed plan or proposed plan change  
605 is in compliance with s. 14, Art. X of the State Constitution  
606 and those provisions of part VII of chapter 112 which are not  
607 expressly provided in this chapter. Notwithstanding any other  
608 provision, only those local law plans created by special act of  
609 legislation before May 27, 1939, are deemed to meet ~~the~~ minimum  
610 benefits and minimum standards ~~only in this chapter~~.

611 (4) Notwithstanding any other provision, with respect to  
612 any supplemental plan municipality:

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

616 (b) Section 175.061(1)(b) does not apply, and a local law  
617 plan and a supplemental plan shall continue to be administered  
618 by a board or boards of trustees numbered, constituted, and  
619 selected as the board or boards were numbered, constituted, and  
620 selected on December 1, 2000.

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

623 (5) The retirement plan setting forth the benefits and the  
624 trust agreement, if any, covering the duties and



625 responsibilities of the trustees and the regulations of the  
626 investment of funds must be in writing, and copies made  
627 available to the participants and to the general public.

628 (6) In addition to the defined benefit component of the  
629 local law plan, each plan sponsor must have a defined  
630 contribution plan component within the local law plan by October  
631 1, 2015, for noncollectively bargained service, upon entering  
632 into a collective bargaining agreement on or after July 1, 2015,  
633 or upon the creation date of a new participating plan. Depending  
634 upon the application of subsection (1), a defined contribution  
635 component may or may not receive any funding.

636 (7) Notwithstanding any other provision of this chapter, a  
637 municipality or special fire control district that has  
638 implemented or proposed changes to a local law plan based on the  
639 municipality's or district's reliance on an interpretation of  
640 this chapter by the Department of Management Services on or  
641 after August 14, 2012, and before March 4, 2015, may continue  
642 the implemented changes or continue to implement proposed  
643 changes. Such reliance must be evidenced by a written collective  
644 bargaining proposal or agreement, or formal correspondence  
645 between the municipality or district and the Department of  
646 Management Services which describes the specific changes to the  
647 local law plan, with the initial proposal, agreement, or  
648 correspondence from the municipality or district dated before  
649 March 4, 2015. Changes to the local law plan which are otherwise  
650 contrary to minimum benefits and minimum standards may continue

651 in effect until the earlier of October 1, 2018, or the effective  
 652 date of a collective bargaining agreement that is contrary to  
 653 the changes to the local law plan.

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

656 185.01 Legislative declaration.—

657 (2) This chapter hereby establishes, for all municipal  
 658 pension plans ~~now or hereinafter~~ provided for under this  
 659 chapter, including chapter plans and local law plans, minimum  
 660 benefits and minimum standards for the operation and funding of  
 661 such plans, hereinafter referred to as municipal police  
 662 officers' retirement trust funds, which must be met as  
 663 conditions precedent to the plans or plan sponsors receiving a  
 664 distribution of insurance premium tax revenues under s. 185.10.  
 665 ~~The~~ Minimum benefits and minimum standards for each plan set  
 666 ~~forth in this chapter~~ may not be diminished by local ordinance  
 667 or by special act of the Legislature and may not, ~~nor may the~~  
 668 ~~minimum benefits or minimum standards~~ be reduced or offset by  
 669 any other local, state, or federal plan that includes ~~may~~  
 670 ~~include~~ police officers in its operation, except as provided  
 671 under s. 112.65.

672 Section 8. Section 185.02, Florida Statutes, is amended to  
 673 read:

674 185.02 Definitions.—For any municipality, chapter plan,  
 675 local law municipality, or local law plan under this chapter,  
 676 the term ~~following words and phrases as used in this chapter~~

677 ~~shall have the following meanings, unless a different meaning is~~  
678 ~~plainly required by the context:~~

679 (1) "Additional premium tax revenues" means revenues  
680 received by a municipality pursuant to s. 185.10 which exceed  
681 base premium tax revenues.

682 (2)~~(1)~~ "Average final compensation" means one-twelfth of  
683 the average annual compensation of the 5 best years of the last  
684 10 years of creditable service before ~~prior to~~ retirement,  
685 termination, or death.

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

687 (a) For a local law plan in effect on October 1, 1998, the  
688 revenues received by a municipality pursuant to s. 185.10 for  
689 the 1997 calendar year.

690 (b) For a local law plan created between October 1, 1998,  
691 and March 1, 2015, inclusive, the revenues received by a  
692 municipality pursuant to s. 185.10 based upon the tax  
693 collections during the second calendar year of participation.

694 (4)~~(2)~~ "Casualty insurance" means automobile public  
695 liability and property damage insurance to be applied at the  
696 place of residence of the owner, or if the subject is a  
697 commercial vehicle, to be applied at the place of business of  
698 the owner; automobile collision insurance; fidelity bonds;  
699 burglary and theft insurance; and plate glass insurance. The  
700 term "multiple peril" means a combination or package policy that  
701 includes both property coverage and casualty coverage for a  
702 single premium.

703            (5)~~(3)~~ "Chapter plan" means a separate defined benefit  
 704 pension plan for police officers which incorporates by reference  
 705 the provisions of this chapter and has been adopted by the  
 706 governing body of a municipality as provided in s. 185.08.  
 707 Except as ~~may be~~ specifically authorized in this chapter, the  
 708 provisions of a chapter plan may not differ from the plan  
 709 provisions set forth in ss. 185.01-185.341 and ss. 185.37-  
 710 185.39. Actuarial valuations of chapter plans shall be conducted  
 711 by the division as provided by s. 185.221(1) (b).

712            (6)~~(4)~~ "Compensation" or "salary" means, for  
 713 noncollectively bargained service earned before July 1, 2011, or  
 714 for service earned under collective bargaining agreements in  
 715 place before July 1, 2011, the total cash remuneration including  
 716 "overtime" paid by the primary employer to a police officer for  
 717 services rendered, but not including any payments for extra duty  
 718 or special detail work performed on behalf of a second party  
 719 employer. Overtime may be limited before July 1, 2011, in a  
 720 local law plan by the plan provisions ~~A local law plan may limit~~  
 721 ~~the amount of overtime payments which can be used for retirement~~  
 722 ~~benefit calculation purposes; however, such overtime limit may~~  
 723 ~~not be less than 300 hours per officer per calendar year. For~~  
 724 noncollectively bargained service earned on or after July 1,  
 725 2011, or for service earned under collective bargaining  
 726 agreements entered into on or after July 1, 2011, the term has  
 727 the same meaning except that when calculating retirement  
 728 benefits, up to 300 hours per year in overtime compensation may

729 be included as specified in the plan or collective bargaining  
730 agreement, but payments for accrued unused sick or annual leave  
731 may not be included.

732 (a) Any retirement trust fund or plan that meets the  
733 requirements of this chapter does not, solely by virtue of this  
734 subsection, reduce or diminish the monthly retirement income  
735 otherwise payable to each police officer covered by the  
736 retirement trust fund or plan.

737 (b) The member's compensation or salary contributed as  
738 employee-elective salary reductions or deferrals to any salary  
739 reduction, deferred compensation, or tax-sheltered annuity  
740 program authorized under the Internal Revenue Code shall be  
741 deemed to be the compensation or salary the member would receive  
742 if he or she were not participating in such program and shall be  
743 treated as compensation for retirement purposes under this  
744 chapter.

745 (c) For any person who first becomes a member in any plan  
746 year beginning on or after January 1, 1996, compensation for  
747 that plan year may not include any amounts in excess of the  
748 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
749 the Omnibus Budget Reconciliation Act of 1993, which limitation  
750 of \$150,000 shall be adjusted as required by federal law for  
751 qualified government plans and ~~shall be~~ further adjusted for  
752 changes in the cost of living in the manner provided by Internal  
753 Revenue Code s. 401(a)(17)(B). For any person who first became a  
754 member before the first plan year beginning on or after January

755 1, 1996, the limitation on compensation may not be less than the  
756 maximum compensation amount that was allowed to be taken into  
757 account under the plan ~~as~~ in effect on July 1, 1993, which  
758 limitation shall be adjusted for changes in the cost of living  
759 since 1989 in the manner provided by Internal Revenue Code s.  
760 401(a) (17) (1991).

761 (7)~~(5)~~ "Creditable service" or "credited service" means  
762 the aggregate number of years of service and fractional parts of  
763 years of service of any police officer, omitting intervening  
764 years and fractional parts of years when such police officer may  
765 not have been employed by the municipality subject to the  
766 following conditions:

767 (a) A ~~No~~ police officer may not ~~will~~ receive credit for  
768 years or fractional parts of years of service if he or she has  
769 withdrawn his or her contributions to the fund for those years  
770 or fractional parts of years of service, unless the police  
771 officer repays into the fund the amount he or she has withdrawn,  
772 plus interest as determined by the board. The member has ~~shall~~  
773 ~~have~~ at least 90 days after his or her reemployment to make  
774 repayment.

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

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

783 (c) Credited service under this chapter shall be provided  
 784 only for service as a police officer, ~~as defined in subsection~~  
 785 ~~(11)~~, or for military service and may not include credit for any  
 786 other type of service. A municipality ~~may~~, by local ordinance,  
 787 may provide for the purchase of credit for military service  
 788 occurring before employment as well as prior service as a police  
 789 officer for some other employer as long as the police officer is  
 790 not entitled to receive a benefit for such ~~other~~ prior service  
 791 ~~as a police officer~~. For purposes of determining credit for  
 792 prior service, in addition to service as a police officer in  
 793 this state, credit may be given for federal, other state, or  
 794 county service as long as such service is recognized by the  
 795 Criminal Justice Standards and Training Commission within the  
 796 Department of Law Enforcement as provided in ~~under~~ chapter 943  
 797 or the police officer provides proof to the board of trustees  
 798 that such service is equivalent to the service required to meet  
 799 the definition of a police officer under subsection (16) ~~(11)~~.

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

804 1. The police officer is in the active employ of the  
 805 municipality before ~~prior to~~ such service and leaves a position,  
 806 other than a temporary position, for the purpose of voluntary or

807 involuntary service in the Armed Forces of the United States.

808 2. The police officer is entitled to reemployment under  
 809 ~~the provisions of~~ the Uniformed Services Employment and  
 810 Reemployment Rights Act.

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

814 ~~(8)-(6)~~ "Deferred Retirement Option Plan" or "DROP" means a  
 815 local law plan retirement option in which a police officer may  
 816 elect to participate. A police officer may retire for all  
 817 purposes of the plan and defer receipt of retirement benefits  
 818 into a DROP account while continuing employment with his or her  
 819 employer. However, a police officer who enters the DROP and who  
 820 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be  
 821 precluded from participation or continued participation  
 822 ~~participating, or continuing to participate,~~ in a supplemental  
 823 plan in existence on, or created after, March 12, 1999 ~~the~~  
 824 ~~effective date of this act.~~

825 (9) "Defined contribution plan" means the component of a  
 826 local law plan, as provided in s. 185.35(1), to which deposits,  
 827 if any, are made to provide benefits for police officers, or for  
 828 police officers and firefighters if both are included. Such  
 829 component is an element of a local law plan and exists in  
 830 conjunction with the defined benefit component that meets  
 831 minimum benefits and minimum standards. The retirement benefits,  
 832 if any, of the defined contribution plan shall be provided



833 through individual member accounts in accordance with the  
834 applicable provisions of the Internal Revenue Code and related  
835 regulations and are limited to the contributions, if any, made  
836 into each member's account and the actual accumulated earnings,  
837 net of expenses, earned on the member's account.

838 (10)-(7) "Division" means the Division of Retirement of the  
839 Department of Management Services.

840 (11)-(8) "Enrolled actuary" means an actuary who is  
841 enrolled under Subtitle C of Title III of the Employee  
842 Retirement Income Security Act of 1974 and who is a member of  
843 the Society of Actuaries or the American Academy of Actuaries.

844 (12)-(9) "Local law municipality" means ~~is~~ any municipality  
845 in which ~~there exists~~ a local law plan exists.

846 (13)-(10) "Local law plan" means a retirement defined  
847 benefit pension plan, that includes both a defined benefit plan  
848 component and a defined contribution plan component, for police  
849 officers, or for police officers and firefighters if both are,  
850 ~~where~~ included, as described in s. 185.35, established by  
851 municipal ordinance or special act of the Legislature, which  
852 ~~enactment~~ sets forth all plan provisions. Local law plan  
853 provisions may vary from the provisions of this chapter if,  
854 ~~provided that required~~ minimum benefits and minimum standards  
855 are met. However, any such variance must ~~shall~~ provide a greater  
856 benefit for police officers. Actuarial valuations of local law  
857 plans shall be conducted by an enrolled actuary as provided in  
858 s. 185.221(2)(b).

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

861        (15) "Minimum standards" means the standards specified in  
862 ss. 185.01-185.50.

863        (16)~~(11)~~ "Police officer" means any person who is elected,  
864 appointed, or employed full time by a ~~any~~ municipality, who is  
865 certified or required to be certified as a law enforcement  
866 officer in compliance with s. 943.1395, who is vested with  
867 authority to bear arms and make arrests, and whose primary  
868 responsibility is the prevention and detection of crime or the  
869 enforcement of the penal, criminal, traffic, or highway laws of  
870 the state. The term ~~This definition~~ includes all certified  
871 supervisory and command personnel whose duties include, in whole  
872 or in part, the supervision, training, guidance, and management  
873 responsibilities of full-time law enforcement officers, part-  
874 time law enforcement officers, or auxiliary law enforcement  
875 officers, but does not include part-time law enforcement  
876 officers or auxiliary law enforcement officers as those terms  
877 ~~the same~~ are defined in s. 943.10~~(6) and (8)~~, respectively. For  
878 the purposes of this chapter only, the term also includes  
879 ~~"police officer"~~ also shall include a public safety officer who  
880 is responsible for performing both police and fire services. Any  
881 plan may provide that the police chief shall have an option to  
882 participate, ~~or not,~~ in that plan.

883        (17)~~(12)~~ "Police Officers' Retirement Trust Fund" means a  
884 trust fund, by whatever name known, as provided under s. 185.03

885 for the purpose of assisting municipalities in establishing and  
 886 maintaining a retirement plan for police officers.

887 (18)~~(13)~~ "Retiree" or "retired police officer" means a  
 888 police officer who has entered retirement status. For the  
 889 purposes of a plan that includes a Deferred Retirement Option  
 890 Plan (DROP), a police officer who enters the DROP is ~~shall be~~  
 891 considered a retiree for all purposes of the plan. However, a  
 892 police officer who enters the DROP and who is otherwise eligible  
 893 to participate may ~~shall~~ not ~~thereby~~ be precluded from  
 894 participation or continued participation ~~participating, or~~  
 895 ~~continuing to participate,~~ in a supplemental plan in existence  
 896 on, or created after, March 12, 1999 ~~the effective date of this~~  
 897 ~~act.~~

898 (19)~~(14)~~ "Retirement" means a police officer's separation  
 899 from municipal ~~city~~ employment as a police officer with  
 900 immediate eligibility for ~~receipt of~~ benefits under the plan.  
 901 For purposes of a plan that includes a Deferred Retirement  
 902 Option Plan (DROP), "retirement" means the date a police officer  
 903 enters the DROP.

904 (20) "Special act plan" means a plan subject to the  
 905 provisions of this chapter which was created by an act of the  
 906 Legislature and continues to require an act of the Legislature  
 907 to alter plan benefits.

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

910 (22)~~(15)~~ "Supplemental plan" means a plan to which

911 deposits of the premium tax moneys as provided in s. 185.08 are  
 912 made to provide special ~~extra~~ benefits to police officers, or  
 913 police officers and firefighters if both are ~~where~~ included,  
 914 ~~under this chapter~~. Such a plan is an element of a local law  
 915 plan and exists in conjunction with a defined benefit component  
 916 ~~plan~~ that meets ~~the~~ minimum benefits and minimum standards ~~of~~  
 917 ~~this chapter~~. Any supplemental plan in existence on March 1,  
 918 2015, shall be deemed to be a defined contribution plan in  
 919 compliance with s. 185.35(6).

920 ~~(23)(16)~~ "Supplemental plan municipality" means a ~~any~~  
 921 local law municipality in which ~~there existed~~ a supplemental  
 922 plan existed as of December 1, 2000.

923 Section 9. Subsection (6) of section 185.06, Florida  
 924 Statutes, is amended to read:

925 185.06 General powers and duties of board of trustees.—For  
 926 any municipality, chapter plan, local law municipality, or local  
 927 law plan under this chapter:

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

930 (a) Employ independent legal counsel at the pension fund's  
 931 expense.

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

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

937  
 938 If the board chooses to use the municipality's or special  
 939 district's legal counsel or actuary, or chooses to use any of  
 940 the municipality's other professional, technical, or other  
 941 advisers, it must do so only under terms and conditions  
 942 acceptable to the board.

943 Section 10. Paragraph (d) of subsection (1) of section  
 944 185.07, Florida Statutes, is amended to read:

945 185.07 Creation and maintenance of fund.—For any  
 946 municipality, chapter plan, local law municipality, or local law  
 947 plan under this chapter:

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

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

958  
 959 Nothing in this section shall be construed to require adjustment  
 960 of member contribution rates in effect on the date this act  
 961 becomes a law, including rates that exceed 5 percent of salary,  
 962 provided that such rates are at least one-half of 1 percent of

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963 salary.

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

966 185.16 Requirements for retirement.—For any municipality,  
967 chapter plan, local law municipality, or local law plan under  
968 this chapter, any police officer who completes 10 or more years  
969 of creditable service as a police officer and attains age 55, or  
970 completes 25 years of creditable service as a police officer and  
971 attains age 52, and for such period has been a member of the  
972 retirement fund is eligible for normal retirement benefits.  
973 Normal retirement under the plan is retirement from the service  
974 of the city on or after the normal retirement date. In such  
975 event, for chapter plans and local law plans, payment of  
976 retirement income will be governed by the following provisions  
977 of this section:

978 (2) (a) The amount of the monthly retirement income payable  
979 to a police officer who retires on or after his or her normal  
980 retirement date shall be an amount equal to the number of the  
981 police officer's years of credited service multiplied by 2.75 ~~2~~  
982 percent of his or her average final compensation. ~~However, if~~  
983 ~~current state contributions pursuant to this chapter are not~~  
984 ~~adequate to fund the additional benefits to meet the minimum~~  
985 ~~requirements in this chapter, only increment increases shall be~~  
986 ~~required as state moneys are adequate to provide. Such~~  
987 ~~increments shall be provided as state moneys become available.~~

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

989 with this chapter except that the plan provides a benefit that  
 990 is less than 2.75 percent of the average final compensation of a  
 991 police officer for all years of credited service or provides an  
 992 effective benefit that is less than 2.75 percent as a result of  
 993 a maximum benefit limitation:

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

999 2. If the plan changes the percentage amount or maximum  
 1000 benefit limitation to 2.75 percent, or more, of the average  
 1001 final compensation of a police officer for all years of credited  
 1002 service, the plan may not thereafter decrease the percentage  
 1003 amount or the maximum benefit limitation to less than 2.75  
 1004 percent of the average final compensation of a police officer  
 1005 for all years of credited service.

1006 Section 12. Section 185.35, Florida Statutes, is amended  
 1007 to read:

1008 185.35 Municipalities that have ~~having~~ their own  
 1009 retirement ~~pension~~ plans for police officers. ~~For any~~  
 1010 ~~municipality, chapter plan, local law municipality, or local law~~  
 1011 ~~plan under this chapter,~~ In order for a municipality that has  
 1012 its municipalities with their own retirement plan ~~pension plans~~  
 1013 for police officers, or for police officers and firefighters if  
 1014 both are included, to participate in the distribution of the tax

1015 fund established under ~~pursuant to~~ s. 185.08, a local law plan  
 1016 ~~plans~~ must meet ~~the~~ minimum benefits and minimum standards,  
 1017 except as provided in the mutual consent provisions in paragraph  
 1018 (1) (g) with respect to the minimum benefits not met as of  
 1019 October 1, 2012. set forth in this chapter:

1020 (1) If a municipality has a retirement ~~pension~~ plan for  
 1021 police officers, or for police officers and firefighters if both  
 1022 are included, which, in the opinion of the division, meets ~~the~~  
 1023 minimum benefits and minimum standards ~~set forth in this~~  
 1024 ~~chapter,~~ the board of trustees of the retirement ~~pension~~ plan  
 1025 must, ~~as approved by a majority of police officers of the~~  
 1026 ~~municipality, may:~~

1027 ~~(a)~~ place the income from the premium tax in s. 185.08 in  
 1028 such ~~pension~~ plan for the sole and exclusive use of its police  
 1029 officers, or its police officers and firefighters if both are  
 1030 included, where it shall become an integral part of that ~~pension~~  
 1031 plan and ~~shall~~ be used to fund benefits as provided herein.  
 1032 Effective October 1, 2015, for noncollectively bargained service  
 1033 or upon entering into a collective bargaining agreement on or  
 1034 after July 1, 2015:

1035 (a) The base premium tax revenues must be used to fund  
 1036 minimum benefits or other retirement benefits in excess of the  
 1037 minimum benefits as determined by the municipality.

1038 (b) Of the additional premium tax revenues received which  
 1039 are in excess of the amount received for the 2012 calendar year,  
 1040 50 percent must be used to fund minimum benefits or other



1041 retirement benefits in excess of the minimum benefits as  
 1042 determined by the municipality, and 50 percent must be placed in  
 1043 a defined contribution plan to fund special benefits.

1044 (c) Additional premium tax revenues not described in  
 1045 paragraph (b) must be used to fund benefits that are not  
 1046 included in the minimum benefits. If the additional premium tax  
 1047 revenues subject to this paragraph exceed the full annual cost  
 1048 of benefits provided through the plan which are in excess of the  
 1049 minimum benefits, any amount in excess of the full annual cost  
 1050 must be used as provided in paragraph (b).

1051 (d) Of any accumulations of additional premium tax  
 1052 revenues which have not been allocated to fund benefits in  
 1053 excess of the minimum benefits, 50 percent of the amount of the  
 1054 accumulations must be used to fund special benefits and 50  
 1055 percent must be applied to fund any unfunded actuarial  
 1056 liabilities of the plan; provided that any amount of  
 1057 accumulations in excess of the amount required to fund the  
 1058 unfunded actuarial liabilities must be used to fund special  
 1059 benefits ~~pay extra benefits to the police officers included in~~  
 1060 ~~that pension plan; or~~

1061 ~~(b) May place the income from the premium tax in s. 185.08~~  
 1062 ~~in a separate supplemental plan to pay extra benefits to the~~  
 1063 ~~police officers, or police officers and firefighters if~~  
 1064 ~~included, participating in such separate supplemental plan.~~

1065 (e) For a plan created after March 1, 2015, 50 percent of  
 1066 the insurance premium tax revenues must be used to fund defined

1067 benefit plan component benefits, with the remainder used to fund  
1068 defined contribution plan component benefits.

1069 (f) If a plan offers benefits in excess of the minimum  
1070 benefits, such benefits, excluding supplemental plan benefits in  
1071 effect as of September 30, 2014, may be reduced if the plan  
1072 continues to meet minimum benefits and the minimum standards.

1073 The amount of insurance premium tax revenues previously used to  
1074 fund benefits in excess of the minimum benefits, excluding the  
1075 amount of any additional premium tax revenues distributed to a  
1076 supplemental plan for the 2012 calendar year, before the  
1077 reduction must be used as provided in paragraph (b). However,  
1078 benefits in excess of the minimum benefits may not be reduced if  
1079 a plan does not meet the minimum percentage amount of 2.75  
1080 percent of the average final compensation of a police officer or  
1081 provides an effective benefit that is less than 2.75 percent as  
1082 a result of a maximum benefit limitation, as described in s.  
1083 185.16(2) (b) .

1084 (g) Notwithstanding paragraphs (a)-(f), the use of premium  
1085 tax revenues, including any accumulations of additional premium  
1086 tax revenues which have not been allocated to fund benefits in  
1087 excess of the minimum benefits, may deviate from the provisions  
1088 of this subsection by mutual consent of the members' collective  
1089 bargaining representative or, if none, by a majority of the  
1090 police officer members of the fund, and by consent of the  
1091 municipality, provided that the plan continues to meet minimum  
1092 benefits and minimum standards; however, a plan that operates

1093 pursuant to this paragraph which does not meet the minimum  
 1094 benefits as of October 1, 2012, may continue to provide the  
 1095 benefits that do not meet the minimum benefits at the same level  
 1096 as was provided as of October 1, 2012, and all other benefit  
 1097 levels must continue to meet the minimum benefits. Such mutually  
 1098 agreed deviation must continue until modified or revoked by  
 1099 subsequent mutual consent of the members' collective bargaining  
 1100 representative or, if none, by a majority of the police officer  
 1101 members of the fund, and the municipality. An existing  
 1102 arrangement for the use of premium tax revenues contained within  
 1103 a special act plan or a plan within a supplemental plan  
 1104 municipality is considered, as of July 1, 2015, to be a  
 1105 deviation for which mutual consent has been granted.

1106 (2) The premium tax provided by this chapter must ~~shall in~~  
 1107 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~  
 1108 benefits to police officers, or to police officers and  
 1109 firefighters if both are included. ~~However, local law plans in~~  
 1110 ~~effect on October 1, 1998, must comply with the minimum benefit~~  
 1111 ~~provisions of this chapter only to the extent that additional~~  
 1112 ~~premium tax revenues become available to incrementally fund the~~  
 1113 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~  
 1114 ~~is in compliance with such minimum benefit provisions, as~~  
 1115 ~~subsequent additional tax revenues become available, they shall~~  
 1116 ~~be used to provide extra benefits.~~ Local law plans created by  
 1117 special act before May 27, 1939, shall be deemed to comply with  
 1118 this chapter. ~~For the purpose of this chapter, the term:~~

1119 ~~(a) "Additional premium tax revenues" means revenues~~  
 1120 ~~received by a municipality pursuant to s. 185.10 which exceed~~  
 1121 ~~the amount received for calendar year 1997.~~

1122 ~~(b) "Extra benefits" means benefits in addition to or~~  
 1123 ~~greater than those provided to general employees of the~~  
 1124 ~~municipality and in addition to those in existence for police~~  
 1125 ~~officers on March 12, 1999.~~

1126 (3) A retirement plan or amendment to a retirement plan  
 1127 may not be proposed for adoption unless the proposed plan or  
 1128 amendment contains an actuarial estimate of the costs involved.  
 1129 Such proposed plan or proposed plan change may not be adopted  
 1130 without the approval of the municipality or, where required  
 1131 ~~permitted~~, the Legislature. Copies of the proposed plan or  
 1132 proposed plan change and the actuarial impact statement of the  
 1133 proposed plan or proposed plan change shall be furnished to the  
 1134 division before the last public hearing on the proposal is held  
 1135 ~~thereon~~. Such statement must also indicate whether the proposed  
 1136 plan or proposed plan change is in compliance with s. 14, Art. X  
 1137 of the State Constitution and those provisions of part VII of  
 1138 chapter 112 which are not expressly provided in this chapter.  
 1139 Notwithstanding any other provision, only those local law plans  
 1140 created by special act of legislation before May 27, 1939, are  
 1141 deemed to meet the minimum benefits and minimum standards only  
 1142 in this chapter.

1143 (4) Notwithstanding any other provision, with respect to  
 1144 any supplemental plan municipality:

1145 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and  
1146 a local law plan and a supplemental plan may continue to use  
1147 their definition of compensation or salary in existence on March  
1148 12, 1999.

1149 (b) A local law plan and a supplemental plan must continue  
1150 to be administered by a board or boards of trustees numbered,  
1151 constituted, and selected as the board or boards were numbered,  
1152 constituted, and selected on December 1, 2000.

1153 ~~(c) The election set forth in paragraph (1)(b) is deemed~~  
1154 ~~to have been made.~~

1155 (5) The retirement plan setting forth the benefits and the  
1156 trust agreement, if any, covering the duties and  
1157 responsibilities of the trustees and the regulations of the  
1158 investment of funds must be in writing and copies made available  
1159 to the participants and to the general public.

1160 (6) In addition to the defined benefit component of the  
1161 local law plan, each plan sponsor must have a defined  
1162 contribution plan component within the local law plan by October  
1163 1, 2015, for noncollectively bargained service, upon entering  
1164 into a collective bargaining agreement on or after July 1, 2015,  
1165 or upon the creation date of a new participating plan. Depending  
1166 upon the application of subsection (1), a defined contribution  
1167 component may or may not receive any funding.

1168 (7) Notwithstanding any other provision of this chapter, a  
1169 municipality that has implemented or proposed changes to a local  
1170 law plan based on the municipality's reliance on an

1171 interpretation of this chapter by the Department of Management  
1172 Services on or after August 14, 2012, and before March 4, 2015,  
1173 may continue the implemented changes or continue to implement  
1174 proposed changes. Such reliance must be evidenced by a written  
1175 collective bargaining proposal or agreement, or formal  
1176 correspondence between the municipality and the Department of  
1177 Management Services which describes the specific changes to the  
1178 local law plan, with the initial proposal, agreement, or  
1179 correspondence from the municipality dated before March 4, 2015.  
1180 Changes to the local law plan which are otherwise contrary to  
1181 minimum benefits and minimum standards may continue in effect  
1182 until the earlier of October 1, 2018, or the effective date of a  
1183 collective bargaining agreement that is contrary to the changes  
1184 to the local law plan.

1185       Section 13. The Legislature finds that a proper and  
1186 legitimate state purpose is served when employees and retirees  
1187 of this state and its political subdivisions, and the  
1188 dependents, survivors, and beneficiaries of such employees and  
1189 retirees, are extended the basic protections afforded by  
1190 governmental retirement systems that provide fair and adequate  
1191 benefits and that are managed, administered, and funded in an  
1192 actuarially sound manner as required under s. 14, Article X of  
1193 the State Constitution and part VII of chapter 112, Florida  
1194 Statutes. Therefore, the Legislature determines and declares  
1195 that this act fulfills an important state interest.

1196       Section 14. This act shall take effect July 1, 2015.