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1
 2 An act relating to the West Palm Beach Police Pension
 3 Fund, Palm Beach County; amending chapter 24981
 4 (1947), Laws of Florida, as amended; revising
 5 definitions relating to the West Palm Beach Police
 6 Pension Fund; revising professional and clerical
 7 services; revising the fund membership; revising age
 8 and service requirements for retirement; revising
 9 retirement pension calculation; revising optional
 10 forms of retirement income; revising chapter 185 share
 11 accounts; revising supplemental pension distributions;
 12 revising deferred retirement option plan (DROP);
 13 revising death benefits; revising investments;
 14 revising review procedures; revising lump sum payments
 15 of small retirement incomes; revising Internal Revenue
 16 Code limits; revising minimum distribution of
 17 benefits; revising rollovers from qualified plans;
 18 revising other police officer or military services;
 19 revising reemployment after retirement; providing an
 20 effective date.

21
 22 Be It Enacted by the Legislature of the State of Florida:

23
 24 Section 1. Paragraphs (b), (c), (h), (m), and (q) of
 25 subsection (2), paragraph (e) of subsection (4), subsection (6),

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26 paragraph (b) of subsection (8), paragraphs (a) and (d) of
 27 subsection (9), paragraphs (b) and (f) of subsection (11),
 28 paragraph (b) of subsection (12), paragraph (b) of subsection
 29 (13), paragraph (b) of subsection (17), paragraphs (a) and (d)
 30 of subsection (21), subsections (26) and (27), paragraph (a) of
 31 subsection (29), subsection (30), paragraph (a) of subsection
 32 (31), paragraph (a) of subsection (34), and paragraph (c) of
 33 subsection (35) of section 16 of chapter 24981 (1947), Laws of
 34 Florida, as amended, are amended, and paragraphs (f) and (g) are
 35 added of subsection (29) of that section, to read:

36 Section 16. West Palm Beach Police Pension Fund.—

37 (2) Definitions.—The following words or phrases, as used
 38 in this act, shall have the following meanings, unless a
 39 different meaning is clearly indicated by the context:

40 (b) "Actuarial equivalent value," "actuarial equivalence,"
 41 or "single sum value" means the stated determination using an
 42 interest rate ~~of 8.00 percent per year~~ and ~~the RP-2000~~ mortality
 43 table ~~for annuitants with future improvements in mortality~~
 44 projected with mortality improvement to the year of retirement
 45 ~~to 2017 using Scale BB~~, blending ninety percent (90%) male rates
 46 and ten percent (10%) female rates for the member and ten
 47 percent (10%) male rates and ninety percent (90%) female rates
 48 for the beneficiary. ~~For females, the base mortality rates~~
 49 ~~include a one hundred percent (100%) white collar adjustment.~~
 50 ~~For males, the base mortality rates include a ninety percent~~

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51 ~~(90%) blue collar adjustment and a ten percent (10%) white~~
52 ~~collar adjustment.~~

53 (c) "Beneficiary" means any person, designated as such
54 ~~except a retirant~~, who is entitled to receive a benefit from the
55 West Palm Beach Police Pension Fund or the West Palm Beach
56 Police Pension and Relief Fund, as applicable upon the death of
57 a retirant.

58 (h) "Final average salary" means the average of the
59 monthly salary paid to a member in the 3 best years of
60 employment. In no event shall any one year, beginning January 1,
61 2005, include more than 400 hours of overtime. Prior to January
62 1, 2005, individual years may include more than 400 hours of
63 overtime. Effective prospectively from January 1, 2013, the
64 overtime will be limited to 300 hours in any one year. As of
65 June 6, 2017 ~~the effective date of this act~~, for purposes of
66 determining final average salary, any lump sum payment made to a
67 member for retroactive pay, such amounts shall not be considered
68 as a lump sum but will be treated as if paid during the
69 retroactive pay periods.

70 (m) "Qualified health professional" means a person duly
71 and regularly engaged in the practice of his or her profession
72 who holds a professional degree from a university or college and
73 has special professional training or skill regarding the
74 physical or mental condition, disability, or lack thereof, upon
75 which he or she is to present evidence to the board. The board

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76 of trustees, in its sole discretion, will determine whether any
 77 individual provider meets this requirement.

78 (q) "Salary" means, ~~the fixed monthly compensation paid to~~
 79 ~~a member; compensation shall include those items as have been~~
 80 ~~included as compensation in accordance with past practice.~~
 81 ~~However, the term shall not be construed to include lump sum~~
 82 ~~payments for accumulated leave.~~ on and after January 1, 2003,
 83 ~~salary shall mean~~ payment for total cash remuneration paid by
 84 the City to a police officer for services rendered, excluding
 85 lump sum payments for accumulated leave such as accrued vacation
 86 leave, accrued sick leave, and accrued personal leave.

87 1. Effective January 1, 2005, overtime hours earned and
 88 paid in excess of four hundred (400) hours in any twenty-six
 89 (26) consecutive pay periods shall be excluded from the
 90 definition of salary. Prior to January 1, 2005, all overtime
 91 hours earned and paid shall be included in the definition of
 92 salary and shall not be limited by any cap.

93 2. Effective prospectively from January 1, 2013, overtime
 94 hours earned and paid in excess of three hundred (300) hours in
 95 any twenty-six (26) consecutive pay periods shall be excluded
 96 from the definition of salary. Prior to January 1, 2005, all
 97 overtime hours earned and paid shall be included in the
 98 definition of salary and shall not be limited by any cap.

99 3. This definition of compensation shall not include off-
 100 duty employment performed for vendors other than the City of

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101 West Palm Beach per Article 35 ~~30~~, ~~and Section 8~~ of the
 102 collective bargaining agreement between the City of West Palm
 103 Beach and the Florida State Lodge, Fraternal Order of Police,
 104 Inc., Certified Unit No 1985 and Certified Unit No 1986 and per
 105 Article 30, Section 4, of the collective bargaining agreement
 106 for Certified Unit No 2004, ~~and the City of West Palm Beach.~~

107 4. Beginning with salary paid after December 31, 2008, and
 108 pursuant to s. 414(u)(7) of the Internal Revenue Code, "salary"
 109 includes amounts paid by the city as differential wages to
 110 members who are absent from employment while in qualified
 111 military service.

112 (4) Professional and clerical services.—

113 (e) Certified public accountant.—The board shall employ,
 114 at its expense, a certified public accountant to conduct an
 115 independent audit of the fund. The certified public account
 116 shall be independent of the board and the city. Additionally,
 117 the board may employ a bookkeeper to create and maintain the
 118 financial statements for the fund.

119 (6) Membership.—All police officers in the employ of the
 120 Department shall be included in the membership of the fund, and
 121 all persons who hereafter become police officers in the employ
 122 of the city shall thereupon become members of the fund.

123 (a) New members to the fund are required to undergo a
 124 physical examination for purposes of determining preexisting
 125 conditions. This physical examination shall be conducted in

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126 conjunction with the city's post offer, preemployment physical
127 examination. The board's medical director shall review the
128 results of this physical examination and provide notice to the
129 board and the member of any abnormal findings of the
130 examination. This physical examination will be used for the
131 purposes of establishing a physical profile of the member for
132 determining preexisting conditions and presumptive illnesses as
133 provided for in subsections (14) and (15). After review, if
134 further physical examination is required by the board, such
135 examination shall be conducted at board expense.

136 (b) Except as otherwise provided in this act, should any
137 member cease to be a police officer in the employ of the
138 Department, he or she shall thereupon cease to be a member and
139 his or her credited service at that time shall be forfeited. In
140 the event such person is re-employed in the Department as a
141 police officer, he or she shall again become a member. His or
142 her forfeited service shall be restored to the member's credit,
143 provided that he or she returns to the fund the amount he or she
144 might have withdrawn, together with regular interest from the
145 date of withdrawal to the date of repayment. Members must begin
146 the process of returning the withdrawn contributions within one
147 (1) year after date of rehire or the time will only be eligible
148 for purchase within the provisions of subsection (34). Should a
149 member have withdrawn their contributions due to a termination
150 from employment and the member is subsequently reinstated

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151 through the grievance and arbitration process, such member must
 152 also begin the process of returning the withdrawn contributions
 153 within one (1) year after the date of reinstatement or the time
 154 will only be eligible for purchase within the provisions of
 155 subsection (34); however, a member who is reinstated through the
 156 grievance and arbitration process may repay the withdrawn
 157 contributions without interest if the repayment process is
 158 started within one (1) year after the date of reinstatement.

159 (c) Upon the member's retirement or death, he or she shall
 160 thereupon cease to be a member.

161 (8) Age and service requirements for retirement.—

162 (b) Vested deferred retirement.—A member who leaves the
 163 employ of the department with ten (10) or more years of credited
 164 service and who is not eligible for any other retirement benefit
 165 at the time of termination under this act shall be entitled to
 166 the pension provided for in this subsection. Payments of this
 167 pension shall begin the first day of the calendar month
 168 following the month in which his or her application is filed
 169 with and accepted by the board on or after attainment of age
 170 fifty (50) years. In order to avoid the early retirement
 171 reduction described in paragraph (c), a terminated vested member
 172 must be at least age fifty (50) and with at least twenty (20)
 173 years of credited service or has attained age fifty-five (55)
 174 and with at least ten (10) years of credited service. Otherwise
 175 ~~If applicable~~, the amount of the pension shall be determined in

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176 accordance with the early retirement provisions described in
 177 paragraph (c) below. ~~In the case of a retirement with twenty-~~
 178 ~~five (25) years of service, Normal Retirement Age is whatever~~
 179 ~~age a member has attained when retired at twenty-five (25) years~~
 180 ~~of service.~~

181 (9) Retirement pension calculation.—

182 (a) Upon retirement eligibility as provided in subsection
 183 (8), a member shall receive a monthly pension. The pension shall
 184 be the following, as applicable:

185 1.a. Effective for retirements on and after October 1,
 186 2026, notwithstanding any other benefit in this section, the
 187 benefit accrual rate is 3.2 percent for all years of service up
 188 to a total of 26 years, and then a benefit of 1 percent of the
 189 final average salary multiplied by the number of years, and
 190 fraction of a year, of credited service in excess of 26 years.
 191 This benefit is not available to members who terminated or
 192 retired, including entry into DROP prior to October 1, 2026. In
 193 all cases, members who were active on September 30, 2026, will
 194 receive at least the benefit accrued as of that day, and in no
 195 event shall the benefit be less than 2.75 percent per year of
 196 credited service.

197 b. For all years of service earned after October 1, 2017,
 198 the benefit accrual rate is ~~calculated using~~ 3 percent of final
 199 average salary per year and fractional parts of the years of
 200 service up to a total of 26 years, plus 1 percent of the final

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201 average salary multiplied by the number of years, and fraction
 202 of a year, of credited service in excess of 26 years. For all
 203 years of service earned after October 1, 2011, and before
 204 October 1, 2017, the benefit is calculated using 2.68 percent of
 205 final average salary per year and fractional parts of the years
 206 of service and is included in the 26-year limitation years. This
 207 change in the multiplier was due to the change in assumptions in
 208 a prior version of this special act. This reduction is required
 209 by this paragraph. For years of service earned before October 1,
 210 2011, the benefit will be calculated under the provisions of the
 211 applicable subparagraphs 2.-4. For purposes of determining the
 212 26-year limitation, the member's total number of years of
 213 credited service are used, regardless of whether the multiplier
 214 is 3 percent or 2.68 percent. In no event shall the benefit be
 215 less than 2.75 percent per year of credited service.

216 ~~c.b.~~ Beginning May 6, 2022 ~~upon the effective date of this~~
 217 ~~act,~~ the benefit accrual rate of 2.68 percent as described in
 218 sub-paragraph 1.a. will be retroactively restored to 3 percent
 219 for all years of a member's service between October 1, 2011, and
 220 October 1, 2017, provided that the member retires or enters DROP
 221 after May 5, 2022 ~~the effective date of this act~~. This benefit
 222 is not available to members who retired, including entry into
 223 DROP, prior to May 6, 2022 ~~the effective date of this act~~.

224 2. A member who has more than or equal to 12 years and 6
 225 months of service at October 1, 1999, and who was actively

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226 employed by the Department on or after October 1, 1999, shall
227 receive a benefit equal to 3 percent of final average salary
228 multiplied by the number of years, and fraction of a year, of
229 credited service earned from April 1, 1987, to September 30,
230 2011, plus 2.5 percent of final average salary multiplied by the
231 number of years, and fraction of a year, of credited service
232 earned prior to April 1, 1987, up to a total of 26 years, plus 1
233 percent of the final average salary multiplied by the number of
234 years, and fraction of a year, of credited service which is in
235 excess of 26 years. In no event shall the benefit be less than
236 2.75 percent per year of credited service. For all years of
237 service after October 1, 2011, the benefit will be calculated in
238 accordance with subparagraph 1.

239 3. A member who has less than 12 years and 6 months of
240 service on October 1, 1999, and who was actively employed by the
241 Department on or after October 1, 1999, shall receive a benefit
242 equal to 3 percent of final average salary multiplied by the
243 number of years, and fraction of a year, of credited service up
244 to September 30, 2011, plus 1 percent of the final average
245 salary multiplied by the number of years, and fraction of a
246 year, of credited service which is in excess of 26 years. In no
247 event shall the benefit be less than 2.75 percent per year of
248 credited service. For all years of service after October 1,
249 2011, the benefit will be calculated in accordance with
250 subparagraph 1.

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251 4. A member who terminated employment, retired on a vested
 252 deferred benefit, or retired on or before October 1, 1999, shall
 253 receive a benefit equal to the greater of the following:

254 a. Two and one-half percent of final average salary
 255 multiplied by the number of years, and fraction of a year, of
 256 credited service not to exceed 26 years, plus 1 percent of the
 257 final average salary multiplied by the number of years, and
 258 fraction of a year, of credited service which is in excess of 26
 259 years; or

260 b. The sum of the following:

261 (I) Two and one-half percent of final average salary
 262 multiplied by the number of years, and fraction of a year, of
 263 credited service earned through September 30, 1988; and

264 (II) Two percent of final average salary multiplied by the
 265 number of years, and fraction of a year, of credited service
 266 earned on and after October 1, 1988.

267 To the extent that the benefit accrual factor is less than 3
 268 percent for active members with less than 12 years and 6 months
 269 of service on October 1, 1999, the supplemental pension
 270 distribution calculation under subparagraph (12)(a)2. shall be
 271 adjusted for employees who retire or enter the DROP after
 272 October 1, 1999. The adjustment shall be to decrease the minimum
 273 return of 8.25 percent needed to afford the supplemental pension
 274 distribution, where the amount of the reduction is zero if an
 275 employee has been credited with 12 years and 6 months of service

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276 or more with the 3-percent benefit accrual factor or 1.25
 277 percent if an employee has been credited with no more than a
 278 2.5-percent benefit accrual factor. If an employee has been
 279 credited with less than 12 years and 6 months of service at the
 280 3-percent benefit accrual factor, then the accumulated amount
 281 over 2.5 percent for each year of service divided by one-half
 282 percent divided by 12.5 subtracted from 1 multiplied by 1.25
 283 percent is the reduction from 8.25 percent. An example of the
 284 calculation of the minimum return for the supplemental pension
 285 distribution as herein described is set forth in the collective
 286 bargaining agreement between the City of West Palm Beach and the
 287 Florida State Lodge, Fraternal Order of Police, Inc., Certified
 288 Unit No 1985 and Certified Unit No 1986, October 1, 2021, to
 289 September 30, 2024.

290 Effective October 1, 2011, the assumed investment rate of return
 291 was lowered from 8.25 percent to 8 percent, which resulted in a
 292 reduction in the benefit multiplier to 2.68 percent for all
 293 prospective years of service, up to 26 years of service in
 294 total, and 1 percent for each year of service after 26.
 295 Additionally, for any supplemental pension distributions
 296 subsequent to October 1, 2011, the revised factors in this
 297 paragraph will be applied.

298 (d) Optional forms of retirement income.

299 1.a. In the event of normal, early, or disability
 300 retirement, in lieu of the normal form of retirement income

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301 payable as specified in paragraph (c), and in lieu of the death
302 benefits as specified in subsection (17), a member, upon written
303 request to the board and subject to the approval of the board,
304 may elect to receive a retirement income of equivalent actuarial
305 value payable in accordance with one of the following options:

306 (I) Lifetime option. A retirement income of a larger
307 monthly amount, payable to the member for his or her lifetime
308 only.

309 (II) Joint and survivor option. A retirement income of a
310 modified monthly amount, payable to the member during the joint
311 lifetime of the member and a dependent joint pensioner
312 designated by the member, and following the death of either of
313 them the member, one hundred (100) percent, seventy-five (75)
314 percent, sixty-six and two-thirds ($66\frac{2}{3}$) percent, or fifty (50)
315 percent of such monthly amounts, payable to the survivor for the
316 lifetime of the survivor.

317 (III) Ten-year certain option. A retirement income of the
318 normal form of benefit but in lieu of the survivor benefits as
319 provided for in subsection (17), the member may elect to
320 designate a beneficiary to receive the remainder of one hundred
321 twenty (120) payments, in the event that the member dies before
322 receiving one hundred twenty (120) payments. In the event that
323 the member/retiree receives one hundred twenty (120) or more
324 payments, no benefit is ever paid to a beneficiary.

325 b. The member, upon electing any option of this paragraph,

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326 shall designate the joint pensioner or beneficiary (or
327 beneficiaries) to receive the benefit, if any, payable in the
328 event of his or her death, and will have the power to change
329 such designation from time to time; but any such change shall be
330 deemed a new election and shall be subject to approval by the
331 board. Such designation shall name a joint pensioner or one (1)
332 or more primary beneficiaries where applicable. If a member has
333 elected an option with a joint pensioner or beneficiary and his
334 or her retirement income benefits have commenced, he or she may
335 thereafter change the designated joint pensioner or beneficiary
336 only twice. Any retired member who desires to change his or her
337 joint pensioner or beneficiary shall file with the board a
338 notarized notice of such change. Upon receipt of a completed
339 change of joint pensioner form or such other notice, the board
340 shall adjust the member's monthly benefit by the application of
341 actuarial tables and calculations developed to ensure that the
342 benefit paid is the actuarial equivalent of the present value of
343 the member's current benefit and there is no impact to the plan.

344 c. The consent of a member's joint pensioner or
345 beneficiary to any such change shall not be required.

346 d. For any other changes in beneficiaries, the board may
347 request such evidence of the good health of the joint pensioner
348 who is being removed as it may require; and the amount of the
349 retirement income payable to the member upon the designation of
350 a new joint pensioner shall be actuarially redetermined, taking

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351 into account the ages and sex of the former joint pensioner, the
352 new joint pensioner, and the member. Each such designation shall
353 be made in writing on a form prepared by the board and, on
354 completion, shall be filed with the board. In the event that no
355 designated beneficiary survives the member, such benefits as are
356 payable in the event of the death of the member subsequent to
357 his or her retirement shall be paid as provided in paragraph
358 (c)2.

359 2. Retirement income payments shall be made under the
360 option elected in accordance with the provisions of this
361 paragraph and shall be subject to the following limitations:

362 a. If a member dies prior to his or her normal retirement
363 date or early retirement date, whichever first occurs,
364 retirement benefits shall be paid in accordance with subsection
365 (17).

366 b. If the designated beneficiary (or beneficiaries) or
367 joint pensioner dies before the member's retirement, the option
368 elected shall be canceled automatically and a retirement income
369 of the normal form and amount shall be payable to the member
370 upon his or her retirement as if the election had not been made,
371 unless a new election is made in accordance with the provisions
372 of this paragraph or a new beneficiary is designated by the
373 member prior to his or her retirement.

374 c. If a member continues in the employ of the department
375 after meeting the age and service requirements set forth in

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376 paragraph (8) (a) and dies prior to retirement and while an
 377 option provided for in this paragraph is in effect, monthly
 378 retirement income payments shall be paid, under the option, to a
 379 beneficiary (or beneficiaries) designated by the member in the
 380 amount or amounts computed as if the member has retired under
 381 the option on the date on which his or her death occurred.

382 3. No member may make any change in his or her retirement
 383 option after the date of the earliest to occur of the first DROP
 384 deposit or the cashing or deposit of ~~depositing~~ the first
 385 retirement check.

386 (11) Chapter 185 share accounts.—

387 (b) Share account funding.—

388 1. Chapter 185 money. Each individual member account shall
 389 be credited with the moneys received from F.S. ch. 185 tax
 390 revenues in June 1988 and thereafter. Of the Chapter 185 moneys
 391 received in calendar years 2011 and 2012, the full amount will
 392 be used to reduce the employee contributions to eleven percent
 393 (11%) as provided for in subparagraphs (19)(1)1. This is for
 394 calendar years 2011, 2012 and 2014 only. Effective for the
 395 fiscal year ending September 30, 2013, and beginning again
 396 October 1, 2104, the employee contribution will be eleven
 397 percent (11%), and all of the Chapter 185 moneys received in
 398 calendar years 2013 and 2015 each calendar year thereafter will
 399 be allocated to the shared accounts.

400 2. Forfeitures. In addition, any forfeitures as provided

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401 in paragraph (e) shall be credited to the individual member
 402 accounts in accordance with the formula set forth in paragraph
 403 (c). In the event that a member is rehired or reinstated to
 404 employment as a police officer after forfeiture of the benefit
 405 for terminating service without vesting and the member is
 406 entitled to reinstatement of the share account, the share
 407 account balance will be reinstated from the next distribution of
 408 185 money before the allocation provided for in subparagraph 1.

409 (f) Payment of benefits.—The normal form of benefit
 410 payment shall be a lump sum payment of the entire balance of the
 411 member's individual member account or upon the written election
 412 of the member, upon a form provided by the board; and payment
 413 shall be made:

- 414 1. Over three (3) years in annual installments; or
- 415 2. In monthly installments over the lifetime of the member
 416 or until the entire balance is exhausted. The monthly amount
 417 paid will be determined by the fund's actuary in accordance with
 418 selections made by the member on a form provided by the board of
 419 trustees.

420 3. In periodic partial lump sum withdrawals until the
 421 entire balance is exhausted.

422 (12) Supplemental pension distribution.—

423 (b) The actuary shall determine whether there may be a
 424 supplemental pension distribution based on the following
 425 factors:

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426 1. The actuary for the pension fund shall determine the
427 rate of investment return earned on the pension fund assets
428 during the 12-month period ending each September 30. The rate
429 determined shall be the rate reported in the most recent
430 actuarial report submitted pursuant to F.S. ch. 112, pt. VII.

431 2. The actuary for the pension fund shall, as of September
432 30, determine the actuarial present value of future pension
433 payments to current pensioners. The actuarial present values
434 shall be calculated using an interest rate ~~of 7 percent a year~~
435 ~~compounded annually~~ and a mortality table ~~as approved by the~~
436 ~~board of trustees and~~ as used in the most recent actuarial
437 report submitted pursuant to F.S. ch. 112, pt. VII.

438 3. The supplemental pension distribution amount shall not
439 exceed accumulated net actuarial experience from all pension
440 liabilities and assets. If the net actuarial experience is
441 favorable, cumulatively, commencing with the experience for the
442 year ended September 30, 1991, after offset for all prior
443 supplemental distributions, the supplemental distribution may be
444 made. If the net actuarial experience is unfavorable,
445 cumulatively, commencing with the experience for the year ended
446 September 30, 1991, after offset for all prior supplemental
447 distributions, no supplemental distribution may be made, and the
448 city must amortize the loss until it is offset by cumulative
449 favorable experience.

450 If an actuarial report submitted as provided in this paragraph

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451 is not state accepted prior to distribution, and if a deficiency
452 to the pension fund results, the deficiency shall be made up
453 from the next available supplemental pension distribution,
454 unless sooner made up by agreement between the board of trustees
455 and the city. No such deficiency shall be permitted to continue
456 for a period greater than 3 years from the date of payment of
457 the supplemental pension distribution which resulted in the
458 deficiency.

459 (13) Deferred retirement option plan (DROP).—

460 (b) Amounts payable upon election to participate in DROP.—

461 1. Monthly retirement benefits that would have been
462 payable had the member terminated employment with the Department
463 and elected to receive monthly pension payments shall be paid
464 into the DROP and credited to the retirant. Payments into the
465 DROP shall be made monthly over the period the retirant
466 participates in the DROP, up to a maximum of 60 months.

467 2. Effective October 1, 2002, DROP Participants have the
468 option to select between two methods to credit investment
469 earnings to their account. The method may be changed each year
470 effective October 1; however, the method must be elected prior
471 to October 1. The methods are:

472 a. Earnings using the rate of investment return earned (or
473 lost) on Pension Fund assets as reported by the Fund's
474 investment monitor. DROP assets are commingled with the Pension
475 Fund assets for investment purposes.

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476 b. A fixed rate of 8.25 percent for members who reached
477 normal retirement age on or before October 1, 2012. Effective
478 October 1, 2012, the fixed rate is 8 percent for members who
479 retire or enter the DROP on or after October 1, 2012. In any
480 fiscal year, if the amount paid in investment earnings under
481 this paragraph creates a deficiency as compared to the gross
482 earnings of the pension fund as a whole (using the rate
483 determined by the Fund's investment monitor), then the rate will
484 be reduced to 4 percent effective the next October 1 until the
485 deficiency is satisfied. When the deficiency is satisfied, the
486 rate will return to 8 percent, effective the next October 1.
487 Beginning October 1, 2012, the cumulative amounts paid in
488 earnings for the fixed rate will be maintained in the actuarial
489 valuation.

490 However, if a police officer does not terminate employment at
491 the end of participation in the DROP, interest credits shall
492 cease on the balance.

493 3. No payments shall be made from the DROP until the
494 member terminates employment with the Department.

495 4. Upon termination of employment, participants in the
496 DROP shall receive the balance of the DROP account in accordance
497 with the following rules:

498 a. Members may elect to begin to receive payment upon
499 termination of employment or defer payment of the DROP until the
500 latest day as provided under sub-subparagraph c.

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501 b. Payments shall be made in either:

502 (I) Lump sum. The entire account balance shall be paid to

503 the retirant upon approval of the Board of Trustees.

504 (II) Installments. The account balance shall be paid out

505 to the retirant in three equal payments paid over 3 years, the

506 first payment to be made upon approval of the Board of Trustees.

507 (III) Annuity. The account balance shall be paid out in

508 monthly installments over the lifetime of the member or until

509 the entire balance is exhausted. Monthly amount paid shall be

510 determined by the Fund's actuary in accordance with selections

511 made by the member on a form provided by the Board of Trustees.

512 (IV) Periodic partial lump sums. The account balance shall

513 be paid in periodic partial lump sum withdrawals.

514 c. Any form of payment selected by a police officer must

515 comply with the minimum distribution requirements of s.

516 401(A)(9) of the Internal Revenue Code and is subject to the

517 requirements of subsection (30) of this act; e.g., payments must

518 commence by the required minimum distribution age ~~70-1/2~~.

519 d. If a member dies and is eligible for benefits from the

520 DROP account, the entire balance of the DROP account shall be

521 converted to the name of the beneficiary designated in

522 accordance with subsection (9)(e). The entire balance shall be

523 paid out in a lump sum to the beneficiary, at the discretion of

524 the beneficiary. If the designated beneficiary is the surviving

525 spouse, the account may remain with the Fund until the latest

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526 | period specified under subsection (30). These DROP accounts
527 | shall not be eligible for any further DROP distributions but are
528 | eligible for earnings. If a member fails to designate a
529 | beneficiary, or if the beneficiary predeceases the member, the
530 | entire balance shall be converted, in the following order, to
531 | the name or names of:

- 532 | 1. The member's surviving children on a pro rata basis;
- 533 | 2. If no children are alive, the member's spouse;
- 534 | 3. If no spouse is alive, the member's surviving parents
535 | on a pro rata basis; or
- 536 | 4. If none are alive, the estate of the member.

537 | The accounts which are converted to the names of the
538 | beneficiaries shall have the right to name a successor
539 | beneficiary. Any designated beneficiary, other than the
540 | surviving spouse of the member, must take a distribution of the
541 | entire DROP account balance by the end of 5 years after the
542 | death of the member. Installment distributions which begin in
543 | the calendar year of the member's death shall be treated as
544 | complying with this 5-year distribution requirement, even though
545 | the installments are not completed within 5 years after the
546 | member's death.

547 | e. Costs, fees, and expenses of administration shall be
548 | debited from the individual member accounts on a proportionate
549 | basis, taking the cost, fees, and expenses of administration of
550 | the Fund as a whole, multiplied by a fraction, the numerator of

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551 | which is the total assets in all individual member accounts and
552 | the denominator of which is the total assets of the Fund as a
553 | whole.

554 | (17) Death benefits.—

555 | (b) Duty death.—In the event a member dies and the board
556 | finds his or her death to be the natural and proximate result of
557 | a personal injury or disease arising out of and in the course of
558 | his or her actual performance of the duties as a police officer
559 | in the employ of the city, the ~~following~~ applicable pensions in
560 | subparagraphs 1.-6. shall be paid. The duty-related presumptions
561 | provided in subparagraph (15) (a)2. apply to the determination of
562 | whether the death arises out of the performance of duty.‡

563 | 1. Effective October 1, 2003, The surviving spouse shall
564 | receive a pension equal to two-thirds ($\frac{2}{3}$) of the member's
565 | highest twelve (12) consecutive months' salary or the current
566 | top step police officer pay, whichever is greater. Upon the
567 | surviving spouse's death, the pension shall terminate. Any
568 | pension payable under this paragraph shall be subject to the
569 | provisions of subsection (18).

570 | 2. If, in addition to a surviving spouse, the deceased
571 | member leaves an unmarried child or children under age eighteen
572 | (18), each child shall receive a pension of \$150.00 per month.
573 | Upon any child's adoption, marriage, death, or attainment of age
574 | eighteen (18), the child's pension shall terminate. Any pension
575 | payable under this paragraph shall be subject to the provisions

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576 of subsection (18).

577 3. In the event the deceased member does not leave a
578 surviving spouse, or if the surviving spouse dies, and the
579 member leaves an unmarried child or children under age eighteen
580 (18), each child shall receive a pension of an equal share of
581 one-third of the deceased member's final average salary. Upon
582 any child's adoption, marriage, death, or attainment of age
583 eighteen (18), the child's pensions shall terminate and it shall
584 be apportioned to the pensions payable to the deceased member's
585 remaining eligible children under age eighteen (18). Any pension
586 payable under this paragraph shall be subject to the provisions
587 of subsection (18).

588 4. Any pensions payable, under subparagraphs 2. and 3.
589 above, to any child under age eighteen (18) shall be paid to his
590 or her legal guardian.

591 5. In the event the deceased member does not leave a
592 surviving spouse, nor children under age eighteen (18) eligible
593 to receive a pension provided for in subparagraph 1.,
594 subparagraph 2. or subparagraph 3., and the member leaves a
595 parent or parents who the board finds are dependent upon the
596 member for at least fifty (50) percent of his, her, or their
597 financial support, then each parent shall receive a pension of
598 an equal share of one-third ($\frac{1}{3}$) of the deceased member's final
599 average salary. Upon any such parent's remarriage or death, his
600 or her pension shall terminate. Any pension payable under this

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601 paragraph shall be subject to the provisions of subsection (18).

602 6. In the event the deceased member does not leave a
603 surviving spouse, children, or parents eligible to receive a
604 pension, then the death benefit, if any, shall be paid to the
605 estate of the deceased member. Any retirement income payments
606 due after the death of a vested member may, in the discretion of
607 the board, be paid to the member's designated beneficiary or
608 beneficiaries.

609 (21) Investments.—

610 (a) Power and authority of Board to invest and reinvest
611 moneys.—The board shall have the power and authority to invest
612 and reinvest the moneys of the fund and to hold, purchase, sell,
613 assign, transfer, and dispose of any securities and investments
614 held in the fund, including the power and authority to employ
615 counseling or investment management services. The aim of the
616 investment policies shall be to preserve the integrity and
617 security of fund principal, to maintain a balanced investment
618 portfolio, to maintain and enhance the value of the fund
619 principal, and to secure the maximum total return on investments
620 that is consonant with safety of principal, provided that such
621 investments and reinvestments shall be limited only by the
622 investments permitted by the investment policy guidelines
623 adopted by the board in accordance with Florida law.
624 Notwithstanding the foregoing, investments in foreign
625 investments are limited in accordance with section

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626 | 185.06(1)(b)4, Florida Statutes.

627 | 1. The board members must discharge these duties with
628 | respect to the plan solely in the interest of the participants
629 | and beneficiaries and:

630 | a. For the exclusive purpose of providing benefits to
631 | participants and their beneficiaries and defraying reasonable
632 | expenses of administering the plan;

633 | b. With the care, skill, prudence, and diligence under the
634 | circumstances then prevailing that a prudent person acting in
635 | like capacity and familiar with such matters would use in the
636 | conduct of an enterprise of a like character and with like aims;
637 | and

638 | c. By diversifying the investments of the plan so as to
639 | minimize the risk of large losses, unless under the
640 | circumstances it is clearly prudent not to do so.

641 | 2. Notwithstanding any other provision of this subsection
642 | and as provided in sections 215.473 and 215.4725 ~~section~~
643 | ~~215.473~~, Florida Statutes, the board must identify and publicly
644 | report any direct or indirect holding it may have in any
645 | scrutinized company, as defined in sections 215.473 and 215.4725
646 | ~~section 215.473~~, Florida Statutes. In accordance with the
647 | requirements under sections 215.473 and 215.4725, Florida
648 | Statutes ~~Beginning January 1, 2010~~, the board must proceed to
649 | sell, redeem, divest, or withdraw all publicly traded securities
650 | it may have directly in any scrutinized company. ~~The divestiture~~

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651 ~~of any such security must be complete by September 10, 2010.~~ The
652 board and its named officers or investment advisors may not be
653 deemed to have breached their fiduciary duty in any action taken
654 to dispose of any such security, and the board shall have
655 satisfactorily discharged the fiduciary duties of loyalty,
656 prudence, and sole end exclusive benefit to the participants of
657 the Pension fund and their beneficiaries if the board's actions
658 are consistent with the duties imposed by section 215.473,
659 Florida Statutes, ~~as provided for in section 185.06(7), Florida~~
660 ~~Statutes,~~ and the manner of the disposition, if any, is
661 reasonable as to the means chosen. For purposes of determining
662 which companies are scrutinized companies, the board may use
663 ~~utilizes~~ the list of scrutinized companies as developed by the
664 State Board of Administration. No person may bring any civil,
665 criminal, or administrative action against the Board of Trustees
666 or any employee, officer, director, or advisor of such Pension
667 fund based upon the divestiture of any security pursuant to this
668 subparagraph.

669 (d) Performance evaluation and manager selection.—At least
670 once every three (3) years, the Board of Trustees shall retain
671 an independent consultant professionally qualified to evaluate
672 the performance of its professional money manager or investment
673 counsel. The independent consultant shall make recommendations
674 to the Board of Trustees regarding the selection of money
675 managers ~~for the next investment term.~~ These recommendations

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676 shall be considered by the Board of Trustees ~~at its next~~
 677 ~~regularly scheduled meeting. The date, time, place, and subject~~
 678 ~~of this meeting shall be advertised in a newspaper of general~~
 679 ~~circulation in the municipality at least ten (10) days prior to~~
 680 ~~the date of the hearing.~~

681 (26) Review procedures.—

682 (a) The applicant for benefits under this act may, within
 683 twenty (20) days after being informed of the denial of his
 684 request for pension benefits, appeal said denial by filing a
 685 reply to the proposed order with the pension's coordinator. If
 686 no appeal is filed within the time period, then the proposed
 687 order shall be final.

688 (b) The Board of Trustees shall hold a hearing within 90
 689 calendar ~~forty five (45)~~ days after ~~of the~~ receipt of the
 690 appeal, allowing for discovery of records and witnesses. Written
 691 notice of said hearing shall be sent by electronic delivery or
 692 certified mail to the applicant, at the address listed on his
 693 application or to his designated representative, no less than 10
 694 calendar ~~ten (10)~~ days prior to the hearing.

695 (c) The procedure at the hearing shall be as follows:

696 1. All parties shall have an opportunity to respond, to
 697 present physical and testimonial evidence and argument on all
 698 issues involved, to conduct cross examination, to submit
 699 rebuttal evidence, and to be represented by counsel. Medical
 700 reports and depositions may be accepted in lieu of live

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701 testimony, at the board's discretion.

702 2. All witnesses shall be sworn.

703 3. The applicant and the board shall have an opportunity
704 to question all witnesses.

705 4. While the Florida Rules of Civil Procedure and the
706 strict Florida Rules of Evidence do ~~Formal rules of evidence and~~
707 ~~formal rules of civil procedure shall not apply to these~~
708 proceedings, irrelevant and unduly repetitious evidence may be
709 excluded. Hearsay evidence may be used for the purpose of
710 supplementing or explaining other evidence, but it shall not be
711 sufficient in itself to support a finding unless it would be
712 admissible over objection in civil actions. The proceedings
713 shall comply with the essential requirements of due process and
714 law.

715 5. The record in a case governed by this subsection shall
716 consist only of:

717 a. A ~~tape~~ recording or transcript of the hearing, to be
718 ~~taped and~~ maintained as part of the official files of the Board
719 of Trustees by the plan's administrator ~~pension's secretary~~.

720 b. Evidence submitted for admission into the record
721 ~~received or considered~~.

722 c. All notices, pleadings, motions, and intermediate
723 rulings.

724 d. Any decisions, opinions, proposed or recommended
725 orders, or reports by the Board of Trustees.

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726 (d) Within 10 calendar ~~five (5)~~ days after the hearing,
 727 the board shall take one (1) of the following actions:

728 1. Grant the pension benefits by overturning the proposed
 729 order by majority vote.

730 2. Deny the benefits and approve the proposed order as a
 731 final order, after making any changes in the order that the
 732 board feels is necessary.

733 (e) Findings of fact by the board shall be based on
 734 competent, substantial evidence on the record.

735 (f) Upon ~~Within twenty (20) calendar days after~~ rendering
 736 its order, the Board of Trustees shall send the order to the
 737 applicant or applicant's representative by electronic or
 738 certified mail ~~a copy of said order to the applicant.~~

739 (g) The applicant may seek review of the order of the
 740 board of trustees by filing a petition for writ of certiorari
 741 with the circuit court within thirty (30) days.

742 (27) Lump sum payment of small retirement income.—
 743 Notwithstanding any provision of the fund to the contrary, if
 744 the monthly retirement income payable to any person entitled to
 745 benefits hereunder is less than thirty dollars (\$30.00) or if
 746 the single sum value of the accrued retirement income is less
 747 than seven ~~one~~ thousand dollars (\$7,000.00 ~~1,000.00~~) as of the
 748 date of retirement or termination of service, whichever is
 749 applicable, the Board of Trustees, in the exercise of its
 750 discretion, may specify that the actuarial equivalent of such

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751 retirement income be paid in lump sum.
 752 (29) Internal Revenue Code limits.—
 753 (a) In no event may a member's annual benefit exceed
 754 \$280,000 in 2025 which is adjusted ~~one hundred sixty thousand~~
 755 ~~dollars (\$160,000.00) (adjusted for cost of living in accordance~~
 756 ~~with Internal Revenue Code (IRC) Section 415(d))~~.
 757 (f)1.a. Effective for permissive service credit
 758 contributions made in limitation years beginning after December
 759 31, 1997, if a member makes one or more contributions to
 760 purchase permissive service credit under the system, as allowed
 761 in subsection (23), the requirements of this section will be
 762 treated as met only if:
 763 (I) The requirements of Code Section 415(b) are met,
 764 determined by treating the accrued benefit derived from all such
 765 contributions as an annual benefit for purposes of Code Section
 766 415(b); or
 767 (II) The requirements of Code Section 415(c) are met,
 768 determined by treating all such contributions as annual
 769 additions for purposes of Code Section 415(c).
 770 b. For purposes of applying sub-sub-subparagraph a.(I),
 771 the system will not fail to meet the reduced limit under Code
 772 Section 415(b)(2)(C) solely by reason of this sub-subparagraph,
 773 and for purposes of applying sub-sub-subparagraph a.(II), the
 774 system will not fail to meet the percentage limitation under
 775 Code Section 415(c)(1)(B) solely by reason of this sub-

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776 subparagraph.

777 2. For purposes of this paragraph, the term "permissive
 778 service credit" means service credit:

779 a. Recognized by the system for purposes of calculating a
 780 member's benefit under the plan.

781 b. Which the member has not received under the plan; and

782 c. Which the member may receive only by making a voluntary
 783 additional contribution, in an amount determined under the
 784 system, which does not exceed the amount necessary to fund the
 785 benefit attributable to such service credit.

786

787 Effective for permissive service credit contributions made in
 788 limitation years beginning after December 31, 1997, such term
 789 may, if otherwise provided by the system, include service credit
 790 for periods for which there is no performance of service, and
 791 may include service credited in order to provide an increased
 792 benefit for service credit which a member is receiving under the
 793 system.

794 (g) If the plan accepts a direct rollover of an employee's
 795 or former employee's benefit from a defined contribution plan
 796 qualified under Code Section 401(a) which is maintained by the
 797 employer, any annuity resulting from the rollover amount that is
 798 determined using a more favorable actuarial basis than required
 799 under Code Section 417(e) shall be included in the annual
 800 benefit for purposes of the limit under Code Section 415(b).

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801 (30) Minimum distribution of benefits.—
 802 (a) General rules.—
 803 1. The plan will pay all benefits in accordance with good
 804 faith interpretation of the requirements of Code Section
 805 401(a)(9) and the regulations in effect under that section, as
 806 applicable to a governmental plan within the meaning of Code
 807 Section 414(d).
 808 2. Precedence. The requirements of this section will take
 809 precedence over any inconsistent provisions of the plan.
 810 (b) Time and manner of distribution.—
 811 1. Required beginning date.—
 812 a. The member's entire interest will be distributed, or
 813 begin to be distributed, to the member no later than the
 814 member's required beginning date. The member's required
 815 beginning date is April 1 of the calendar year following the
 816 later of the calendar year in which the member attains the
 817 applicable age or the calendar year in which the member
 818 terminates employment with the City.
 819 b. The applicable age is as follows:
 820 (I) For a member who attained age 70½ before December 31,
 821 2019, the applicable age is 70½.
 822 (II) For a member who attained age 72 before January 1,
 823 2023, the applicable age is 72.
 824 (III) For a member who attains age 72 after December 31,
 825 2022, the applicable age is 73.

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826 (IV) For a member who attains age 74 after December 31,
 827 2032, the applicable age is 75.

828 2. Death of member before distribution begins.—If the
 829 member dies before distribution begins, the member's entire
 830 interest will be distributed, or begin to be distributed, no
 831 later than as follows:

832 a. If the member's surviving spouse is the member's sole
 833 designated beneficiary, distributions to the surviving spouse
 834 will begin by December 31 of the calendar year immediately
 835 following the calendar year in which the member died, or by a
 836 date on or before December 31 of the calendar year in which the
 837 member would have attained the applicable age, as the surviving
 838 spouse elects. Effective for calendar years beginning after
 839 December 31, 2023, a surviving spouse who is the member's sole
 840 designated beneficiary may elect to be treated as if the
 841 surviving spouse were the employee as provided under Code
 842 Section 401(a)(9)(B)(iv).

843 b. If the member's surviving spouse is not the member's
 844 sole designated beneficiary, distributions to the designated
 845 beneficiary will begin by December 31 of the calendar year
 846 immediately following the calendar year in which the member
 847 died, unless the beneficiary qualifies as an eligible designated
 848 beneficiary, in which case the benefit can be distributed within
 849 5 years after the member died.

850 3. Death after distribution begins.—If the member dies

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851 after the required distribution of benefits has begun, the
852 remaining portion of the member's interest must be distributed
853 at least as rapidly as under the method of distribution before
854 the member's death.

855 4. Form of distribution.—Unless the member's interest is
856 distributed in the form of an annuity purchased from an
857 insurance company or in a single sum on or before the required
858 beginning date, as of the first distribution calendar year,
859 distributions will be made in accordance with this section. If
860 the member's interest is distributed in the form of an annuity
861 purchased from an insurance company, distributions thereunder
862 will be made in accordance with the requirements of Section
863 401(a) (9) of the Code and Treasury regulations. Any part of the
864 member's interest which is in the form of an individual account
865 described in Code Section 414(k) will be distributed in a manner
866 satisfying the requirements of Section 401(a) (9) of the Code and
867 Treasury regulations that apply to individual accounts.

868 (c) Determination of amount to be distributed each year.—

869 1. General requirements. If the member's interest is paid
870 in the form of annuity distributions under the plan, payments
871 under the annuity will satisfy the following requirements:

872 a. The annuity distributions will be paid in periodic
873 payments made at intervals not longer than 1 year.

874 b. The member's entire interest must be distributed
875 pursuant to this plan document and in any event over a period

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876 equal to or less than the member's life or the lives of the
877 member and a designated beneficiary, or over a period not
878 extending beyond the life expectancy of the member or of the
879 member and a designated beneficiary. The life expectancy of the
880 member, the member's spouse, or the member's beneficiary may not
881 be recalculated after the initial determination for purposes of
882 determining benefits.

883 2. Amount required to be distributed by required beginning
884 date. The amount that must be distributed on or before the
885 member's required beginning date is the payment that is required
886 for one payment interval. The second payment need not be made
887 until the end of the next payment interval even if that payment
888 interval ends in the next calendar year. Payment intervals are
889 the periods for which payments are received, e.g., monthly. All
890 of the member's benefit accruals as of the last day of the first
891 distribution calendar year will be included in the calculation
892 of the amount of the annuity payments for payment intervals
893 ending on or after the member's required beginning date.

894 3. Additional accruals after first distribution calendar
895 year. Any additional benefits accruing to the member in a
896 calendar year after the first distribution calendar year will be
897 distributed beginning with the first payment interval ending in
898 the calendar year immediately following the calendar year in
899 which such amount accrues.

900 (d) General distribution rules.-

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901 1. The amount of an annuity paid to a member's beneficiary
 902 may not exceed the maximum determined under the incidental death
 903 benefit requirement of Code Section 401 (a) (9) (G), and effective
 904 for any annuity commencing on or after January 1, 2008, the
 905 minimum distribution incidental benefit rule under Treasury
 906 Regulation Section 1.401(a) (9)-6, Q&A-2.

907 2. The death and disability benefits provided by the plan
 908 are limited by the incidental benefit rule set forth in Code
 909 Section 401 (a) (9) (G) and Treasury Regulation Section 1.401-
 910 1(b) (1) (I) or any successor regulation thereto. As a result, the
 911 total death or disability benefits payable may not exceed 25
 912 percent of the cost for all of the members' benefits received
 913 from the retirement system.

914 (e) Definitions.—As used in this subsection, the term:

915 1. "Designated beneficiary" means the individual who is
 916 designated as the beneficiary under the plan and is the
 917 designated beneficiary under Code Section 401(a) (9) and Treasury
 918 Regulation Section 1.401(a) (9)-1, Q&A-4.

919 2. "Distribution calendar year" means a calendar year for
 920 which a minimum distribution is required. For distributions
 921 beginning before the member's death, the first distribution
 922 calendar year is the calendar year immediately preceding the
 923 calendar year which contains the member's required beginning
 924 date. For distributions beginning after the member's death, the
 925 first distribution calendar year is the calendar year in which

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926 distributions are required to begin pursuant to this plan
 927 document.

928 ~~(30) Required distributions.~~

929 ~~(a) In accordance with IRC Section 401(a)(9), all benefits~~
 930 ~~under this plan will be distributed, beginning not later than~~
 931 ~~the required beginning date set forth below, over a period not~~
 932 ~~extending beyond the life expectancy of the police officers or~~
 933 ~~the life expectancy of the police officer and a beneficiary~~
 934 ~~designated in accordance with subsection (9)(e).~~

935 ~~(b) Any and all benefit payments shall begin by the later~~
 936 ~~of:~~

937 ~~1. April 1 of the calendar year following the calendar~~
 938 ~~year of the member's retirement date; or~~

939 ~~2. April 1 of the calendar year following the calendar~~
 940 ~~year in which the member attains age 70½.~~

941 ~~(c) If an employee dies before his entire vested interest~~
 942 ~~has been distributed to him or her, the remaining portion of~~
 943 ~~such interest shall be distributed at least as rapidly as~~
 944 ~~provided for under subsection (17).~~

945 (31) (a) Rollovers from qualified plans.—An active A member
 946 may roll over all or a part of his or her interest in another
 947 qualified plan to the fund, provided all of the following
 948 requirements are met:

949 1. Some or all of the amount distributed from the other
 950 plan is rolled over to this plan no later than the 60th day

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951 after distribution was made from the plan or, if distributions
952 are made in installments, no later than the 60th day after the
953 last distribution was made.

954 2. The amount rolled over to this fund does not include
955 any amount contributed by the member to the plan on a post-tax
956 basis.

957 3. The rollover is made in cash.

958 4. The member certifies that the distribution is eligible
959 for a rollover.

960 5. Any amount which the trustees accept as a rollover to
961 this fund shall, along with any earnings allocated to them, be
962 fully vested at all times.

963 6. Effective October 1, 2012, the assets that are rolled
964 over may not be invested in the fixed rate option. The assets
965 may only be invested in the option for the plan returns, and the
966 rolled over assets shall be subject to paying the pro rata
967 administrative and investment expense of the plan.

968 A rollover may also be made to this plan from an individual
969 retirement account qualified under section 408 of the Internal
970 Revenue Code when the individual retirement account was merely
971 used as a conduit for funds from another qualified plan and the
972 rollover is made in accordance with the rules provided in
973 paragraphs (1)–(5). Amounts rolled over may be segregated from
974 other fund assets. The trustees shall separately account for
975 gains, losses, and administrative expenses of these rollovers as

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976 provided for in subsections (11) and (13). In addition, the fund
 977 may accept the direct transfer of a member's benefits from
 978 another qualified retirement plan or an Internal Revenue Code
 979 Section 457 plan. The fund shall account for direct transfers in
 980 the same manner as a rollover and shall obtain certification
 981 from the member that the amounts are eligible for a rollover or
 982 direct transfer to this fund.

983 (34) Other police officer or military service.—

984 (a) Prior police officer or military service.—Unless
 985 otherwise prohibited by law, the years, or fractional parts of
 986 years, that a member served as a police officer for any other
 987 municipal, county, state, or federal law enforcement office or
 988 any time served in the military service of the Armed Forces of
 989 the United States shall be added to the years of credited
 990 service, provided that the member contributes to the fund the
 991 sum that would have been contributed, based on the member's
 992 salary and the employee contribution rate in effect at the time
 993 that the credited service is requested, had the member been a
 994 member of this system for the years, or fractional parts of
 995 years, for which the credit is requested, plus the amount
 996 actuarially determined, such that the crediting of service does
 997 not result in any cost to the fund, plus payment of costs for
 998 all professional services rendered to the board in connection
 999 with the purchase of years of credited service. In all cases,
 1000 the member purchasing service shall make payment to the plan

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1001 which is at least equal to the then-current member contributions
 1002 for the amount of time being purchased.

1003 1. Payment by the member of the required amount may be
 1004 made within six (6) months after the request for credit and in
 1005 one (1) lump sum payment, or the member may buy back this time
 1006 over a period equal to the length of time being purchased or
 1007 five (5) years, whichever is greater, at an interest rate which
 1008 is equal to the fund's actuarial assumption. A member may
 1009 request to purchase some or all years of service.

1010 2. The credit purchased under this subsection shall count
 1011 for all purposes, except vesting.

1012 3. In no event, however, may credited service be purchased
 1013 pursuant to this section for prior service with any other
 1014 municipal, county, state, or federal law enforcement office, if
 1015 such prior service forms or will form the basis of a retirement
 1016 benefit or pension from another retirement system or plan.

1017 4. In the event that a member who is in the process of
 1018 purchasing service suffers a disability and is awarded a benefit
 1019 from the plan, the member shall not be required to complete the
 1020 buyback. However, contributions made prior to the date the
 1021 disability payment begins will be retained by the fund.

1022 5. If a member who has either completed the purchase of
 1023 service or is in the process of purchasing service terminates
 1024 before vesting, the member's contributions shall be refunded,
 1025 including the buyback contributions.

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1026 6. A request to purchase service may be made at any time
1027 during the course of employment; however, the buyback is a one-
1028 time opportunity.

1029 7. A member who previously served as a police officer with
1030 the city during a period of employment and for which accumulated
1031 contributions were withdrawn from the fund may recontribute such
1032 withdrawn contributions plus interest from the date of
1033 withdrawal to the date of repayment in accordance with
1034 subsection (6).

1035 8. A member may purchase up to five (5) years of credited
1036 service total for prior police or military service.

1037 (35) Reemployment after retirement.—

1038 (c) Reemployment after normal retirement in Police
1039 Department.—Any retiree who is retired after normal retirement
1040 pursuant to this plan shall not be reemployed by the City Police
1041 ~~Department~~ as a police officer or in any position that
1042 supervises police officers. The pension of a retiree who is
1043 reemployed by the City Police~~Department~~ as a police officer or
1044 in any position that supervises police officers shall stop until
1045 the member terminates employment. However, a retiree who is
1046 reemployed by the City Police~~Department~~ neither as a police
1047 officer nor in any position that supervises police officers is
1048 eligible to participate in the plan offered to new employees of
1049 that employee classification, and the retiree shall be deemed a
1050 new employee subject to any vesting and contribution

ENROLLED

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1051 | requirements of that plan. The benefit paid under this plan
1052 | shall not be changed in any way.

1053 | Section 2. This act shall take effect upon becoming a law.