

1 A bill to be entitled

2 An act relating to local government pension reform;  
3 amending s. 175.021, F.S.; revising a legislative  
4 declaration to require that all firefighter pension  
5 plans meet the requirements of chapter 175, F.S., in  
6 order to receive insurance premium tax revenues;  
7 amending s. 175.032, F.S.; revising definitions to  
8 conform to changes made by the act and providing new  
9 definitions; amending s. 175.071, F.S.; conforming a  
10 cross-reference; amending s. 175.091, F.S.; revising  
11 the method of creating and maintaining a firefighters'  
12 pension trust fund; amending s. 175.162, F.S.;  
13 deleting a provision basing the availability of  
14 additional benefits in a firefighter pension plan upon  
15 state funding; revising the calculation of monthly  
16 retirement income for a full-time firefighter;  
17 providing that certain firefighter pension plans to  
18 maintain a certain minimum percentage of average final  
19 compensation after a specified date; amending s.  
20 175.351, F.S., relating to municipalities and special  
21 fire control districts that have their own pension  
22 plans and want to participate in the distribution of a  
23 tax fund; revising criteria governing the use of  
24 revenues from the premium tax revenues; authorizing a  
25 pension plan to reduce excess benefits if the plan  
26 continues to meet certain minimum benefits and

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

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53 amending s. 185.35, F.S., relating to municipalities  
54 that have their own pension plans for police officers  
55 and want to participate in the distribution of a tax  
56 fund; conforming a cross-reference; revising criteria  
57 governing the use of revenues from the premium tax;  
58 authorizing a plan to reduce excess benefits if the  
59 plan continues to meet certain minimum benefits and  
60 minimum standards; providing that the use of premium  
61 tax revenues may deviate from the requirements of  
62 chapter 185, F.S., under specified circumstances;  
63 requiring plan sponsors to have a defined contribution  
64 plan in place by a certain date; authorizing a  
65 municipality to implement certain changes to a local  
66 law plan which are contrary to chapter 185, F.S., for  
67 a limited time; providing a declaration of important  
68 state interest; providing an effective date.

69

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

71

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

74 175.021 Legislative declaration.—

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

79 funding of such plans, hereinafter referred to as firefighters'  
 80 pension trust funds, which must be met as a condition precedent  
 81 to the plan or plan sponsor receiving a distribution of  
 82 insurance premium tax revenues under s. 175.121. The minimum  
 83 benefits and minimum standards for each plan as set forth in  
 84 this chapter may not be diminished by local charter, ordinance,  
 85 or resolution or by special act of the Legislature and may not,  
 86 ~~nor may the minimum benefits or minimum standards~~ be reduced or  
 87 offset by any other local, state, or federal law that includes  
 88 ~~may include~~ firefighters in its operation, except as provided  
 89 under s. 112.65.

90 Section 2. Section 175.032, Florida Statutes, is amended  
 91 to read:

92 175.032 Definitions.—For any municipality, special fire  
 93 control district, chapter plan, local law municipality, local  
 94 law special fire control district, or local law plan under this  
 95 chapter, the term ~~following words and phrases have the following~~  
 96 ~~meanings:~~

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

100 ~~(2)(1)(a)~~ "Average final compensation" for:

101 (a) A full-time firefighter means one-twelfth of the  
 102 average annual compensation of the 5 best years of the last 10  
 103 years of creditable service before ~~prior to~~ retirement,  
 104 termination, or death, or the career average as a full-time

105 firefighter since July 1, 1953, whichever is greater. A year is  
 106 ~~shall be~~ 12 consecutive months or such other consecutive period  
 107 of time as is used and consistently applied.

108 (b) ~~"Average final compensation"~~ for A volunteer  
 109 firefighter means the average salary of the 5 best years of the  
 110 last 10 best contributing years before ~~prior to~~ change in status  
 111 to a permanent full-time firefighter or retirement as a  
 112 volunteer firefighter or the career average of a volunteer  
 113 firefighter, since July 1, 1953, whichever is greater.

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

117 (4)~~(2)~~ "Chapter plan" means a separate defined benefit  
 118 pension plan for firefighters which incorporates by reference  
 119 the provisions of this chapter and has been adopted by the  
 120 governing body of a municipality or special district. Except as  
 121 ~~may be~~ specifically authorized in this chapter, the provisions  
 122 of a chapter plan may not differ from the plan provisions set  
 123 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial  
 124 valuations of chapter plans shall be conducted by the division  
 125 as provided by s. 175.261(1).

126 (5)~~(3)~~ "Compensation" or "salary" means, for  
 127 noncollectively bargained service earned before July 1, 2011, or  
 128 for service earned under collective bargaining agreements in  
 129 place before July 1, 2011, the fixed monthly remuneration paid a  
 130 firefighter. If remuneration is based on actual services

131 rendered, as in the case of a volunteer firefighter, the term  
132 means the total cash remuneration received yearly for such  
133 services, prorated on a monthly basis. For noncollectively  
134 bargained service earned on or after July 1, 2011, or for  
135 service earned under collective bargaining agreements entered  
136 into on or after July 1, 2011, the term has the same meaning  
137 except that when calculating retirement benefits, up to 300  
138 hours per year in overtime compensation may be included as  
139 specified in the plan or collective bargaining agreement, but  
140 payments for accrued unused sick or annual leave may not be  
141 included.

142 (a) Any retirement trust fund or plan that meets the  
143 requirements of this chapter does not, solely by virtue of this  
144 subsection, reduce or diminish the monthly retirement income  
145 otherwise payable to each firefighter covered by the retirement  
146 trust fund or plan.

147 (b) The member's compensation or salary contributed as  
148 employee-elective salary reductions or deferrals to any salary  
149 reduction, deferred compensation, or tax-sheltered annuity  
150 program authorized under the Internal Revenue Code shall be  
151 deemed to be the compensation or salary the member would receive  
152 if he or she were not participating in such program and ~~shall be~~  
153 treated as compensation for retirement purposes under this  
154 chapter.

155 (c) For any person who first becomes a member in any plan  
156 year beginning on or after January 1, 1996, compensation for

157 that plan year may not include any amounts in excess of the  
158 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
159 the Omnibus Budget Reconciliation Act of 1993, which limitation  
160 of \$150,000 shall be adjusted as required by federal law for  
161 qualified government plans and ~~shall be~~ further adjusted for  
162 changes in the cost of living in the manner provided by Internal  
163 Revenue Code s. 401(a)(17)(B). For any person who first became a  
164 member before the first plan year beginning on or after January  
165 1, 1996, the limitation on compensation may not be less than the  
166 maximum compensation amount that was allowed to be taken into  
167 account under the plan in effect on July 1, 1993, which  
168 limitation shall be adjusted for changes in the cost of living  
169 since 1989 in the manner provided by Internal Revenue Code s.  
170 401(a)(17)(1991).

171 ~~(6)-(4)~~ "Creditable service" or "credited service" means  
172 the aggregate number of years of service, and fractional parts  
173 of years of service, of any firefighter, omitting intervening  
174 years and fractional parts of years when such firefighter may  
175 not have been employed by the municipality or special fire  
176 control district, subject to the following conditions:

177 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years  
178 or fractional parts of years of service if he or she has  
179 withdrawn his or her contributions to the fund for those years  
180 or fractional parts of years of service, unless the firefighter  
181 repays into the fund the amount he or she has withdrawn, plus  
182 interest determined by the board. The member shall have at least

183 90 days after his or her reemployment to make repayment.

184 (b) A firefighter may voluntarily leave his or her  
185 contributions in the fund for ~~a period of~~ 5 years after leaving  
186 the employ of the fire department, pending the possibility of  
187 being rehired by the same department, without losing credit for  
188 the time he or she has participated actively as a firefighter.  
189 If the firefighter is not reemployed as a firefighter~~,~~ with the  
190 same department~~,~~ within 5 years, his or her contributions shall  
191 be returned without interest.

192 (c) Credited service under this chapter shall be provided  
193 only for service as a firefighter~~, as defined in subsection (8),~~  
194 or for military service and does not include credit for any  
195 other type of service. A municipality ~~may,~~ by local ordinance,  
196 or a special fire control district ~~may,~~ by resolution, may  
197 provide for the purchase of credit for military service prior to  
198 employment as well as for prior service as a firefighter for  
199 some other employer as long as a firefighter is not entitled to  
200 receive a benefit for such prior service ~~as a firefighter~~. For  
201 purposes of determining credit for prior service as a  
202 firefighter, in addition to service as a firefighter in this  
203 state, credit may be given for federal, other state, or county  
204 service if the prior service is recognized by the Division of  
205 State Fire Marshal as provided in ~~under~~ chapter 633, or the  
206 firefighter provides proof to the board of trustees that his or  
207 her service is equivalent to the service required to meet the  
208 definition of a firefighter under subsection (11) ~~(8)~~.



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

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

217 2. The firefighter is entitled to reemployment under the  
 218 provisions of the Uniformed Services Employment and Reemployment  
 219 Rights Act.

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

223 (7)~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a  
 224 local law plan retirement option in which a firefighter may  
 225 elect to participate. A firefighter may retire for all purposes  
 226 of the plan and defer receipt of retirement benefits into a DROP  
 227 account while continuing employment with his or her employer.  
 228 However, a firefighter who enters ~~the~~ DROP and who is otherwise  
 229 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from  
 230 participation or continued participation ~~participating, or~~  
 231 ~~continuing to participate,~~ in a supplemental plan in existence  
 232 on, or created after, March 12, 1999 ~~the effective date of this~~  
 233 ~~act.~~

234 (8) "Defined contribution plan" means the component of a

235 local law plan, as provided in s. 175.351(1), to which deposits,  
236 if any, are made to provide benefits for firefighters, or for  
237 firefighters and police officers if both are included. Such  
238 component is an element of a local law plan and exists in  
239 conjunction with the defined benefit component that meets the  
240 minimum benefits and minimum standards of this chapter. The  
241 retirement benefits, if any, of the defined contribution plan  
242 shall be provided through individual member accounts in  
243 accordance with the applicable provisions of the Internal  
244 Revenue Code and related regulations and are limited to the  
245 contributions, if any, made into each member's account and the  
246 actual accumulated earnings, net of expenses, earned on the  
247 member's account.

248 (9)-(6) "Division" means the Division of Retirement of the  
249 Department of Management Services.

250 (10)-(7) "Enrolled actuary" means an actuary who is  
251 enrolled under Subtitle C of Title III of the Employee  
252 Retirement Income Security Act of 1974 and who is a member of  
253 the Society of Actuaries or the American Academy of Actuaries.

254 (11)-(8) (a) "Firefighter" means a person employed solely by  
255 a constituted fire department of any municipality or special  
256 fire control district who is certified as a firefighter as a  
257 condition of employment in accordance with s. 633.408 and whose  
258 duty it is to extinguish fires, to protect life, or to protect  
259 property. The term includes all certified, supervisory, and  
260 command personnel whose duties include, in whole or in part, the

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261 supervision, training, guidance, and management responsibilities  
262 of full-time firefighters, part-time firefighters, or auxiliary  
263 firefighters but does not include part-time firefighters or  
264 auxiliary firefighters. However, for purposes of this chapter  
265 only, the term also includes public safety officers who are  
266 responsible for performing both police and fire services, who  
267 are certified as police officers or firefighters, and who are  
268 certified by their employers to the Chief Financial Officer as  
269 participating in this chapter before October 1, 1979. Effective  
270 October 1, 1979, public safety officers who have not been  
271 certified as participating in this chapter are considered police  
272 officers for retirement purposes and are eligible to participate  
273 in chapter 185. Any plan may provide that the fire chief has an  
274 option to participate, ~~or not,~~ in that plan.

275 (b) "Volunteer firefighter" means any person whose name is  
276 carried on the active membership roll of a constituted volunteer  
277 fire department or a combination of a paid and volunteer fire  
278 department of any municipality or special fire control district  
279 and whose duty it is to extinguish fires, to protect life, and  
280 to protect property. Compensation for services rendered by a  
281 volunteer firefighter does ~~shall~~ not disqualify him or her as a  
282 volunteer. A person may ~~shall~~ not be disqualified as a volunteer  
283 firefighter solely because he or she has other gainful  
284 employment. Any person who volunteers assistance at a fire but  
285 is not an active member of a department described herein is not  
286 a volunteer firefighter within the meaning of this paragraph.

287        (12)~~(9)~~ "Firefighters' Pension Trust Fund" means a trust  
 288 fund, by whatever name known, as provided under s. 175.041, for  
 289 the purpose of assisting municipalities and special fire control  
 290 districts in establishing and maintaining a retirement plan for  
 291 firefighters.

292        (13)~~(10)~~ "Local law municipality" is any municipality in  
 293 which ~~there exists~~ a local law plan exists.

294        (14)~~(11)~~ "Local law plan" means a retirement defined  
 295 benefit pension plan, which includes both a defined benefit plan  
 296 component and a defined contribution plan component, for  
 297 firefighters, or for firefighters and ~~or~~ police officers if both  
 298 are ~~where~~ included, as described in s. 175.351, established by  
 299 municipal ordinance, special district resolution, or special act  
 300 of the Legislature, which ~~enactment~~ sets forth all plan  
 301 provisions. Local law plan provisions may vary from the  
 302 provisions of this chapter if the, ~~provided that required~~  
 303 minimum benefits and minimum standards of this chapter are met.  
 304 However, any such variance must ~~shall~~ provide a greater benefit  
 305 for firefighters. Actuarial valuations of local law plans shall  
 306 be conducted by an enrolled actuary as provided in s.  
 307 175.261(2).

308        (15)~~(12)~~ "Local law special fire control district" means  
 309 ~~is~~ any special fire control district in which ~~there exists~~ a  
 310 local law plan exists.

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

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

315           ~~(18)(13)~~ "Property insurance" means property insurance as  
316 defined in s. 624.604 and covers real and personal property  
317 within the corporate limits of a any municipality, or within the  
318 boundaries of a any special fire control district, within the  
319 state. The term "multiple peril" means a combination or package  
320 policy that includes both property and casualty coverage for a  
321 single premium.

322           ~~(19)(14)~~ "Retiree" or "retired firefighter" means a  
323 firefighter who has entered retirement status. For the purposes  
324 of a plan that includes a Deferred Retirement Option Plan  
325 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered  
326 a retiree for all purposes of the plan. However, a firefighter  
327 who enters ~~the~~ DROP and who is otherwise eligible to participate  
328 may shall not ~~thereby~~ be precluded from participation or  
329 continued participation ~~participating, or continuing to~~  
330 ~~participate,~~ in a supplemental plan in existence on, or created  
331 after, March 12, 1999 ~~the effective date of this act.~~

332           ~~(20)(15)~~ "Retirement" means a firefighter's separation  
333 from municipal ~~city~~ or fire district employment as a firefighter  
334 with immediate eligibility for ~~receipt of~~ benefits under the  
335 plan. For purposes of a plan that includes a Deferred Retirement  
336 Option Plan (DROP), "retirement" means the date a firefighter  
337 enters ~~the~~ DROP.

338           (21) "Special act plan" means a plan subject to the

339 provisions of this chapter which was created by an act of the  
 340 Legislature and continues to require an act of the Legislature  
 341 to alter plan benefits.

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

344 (23)~~(16)~~ "Special fire control district" means a special  
 345 district, as defined in s. 189.403~~(1)~~, established for the  
 346 purposes of extinguishing fires, protecting life, and protecting  
 347 property within the incorporated or unincorporated portions of a  
 348 ~~any~~ county or combination of counties, or within any combination  
 349 of incorporated and unincorporated portions of a ~~any~~ county or  
 350 combination of counties. The term does not include any dependent  
 351 or independent special district, as those terms are defined in  
 352 s. 189.403, whose s. 189.403(2) and (3), respectively, the  
 353 employees of which are members of the Florida Retirement System  
 354 pursuant to s. 121.051(1) or (2).

355 (24)~~(17)~~ "Supplemental plan" means a plan to which  
 356 deposits are made to provide extra benefits for firefighters, or  
 357 for firefighters and police officers if both are ~~where~~ included  
 358 ~~under this chapter~~. Such a plan is an element of a local law  
 359 plan and exists in conjunction with a defined benefit component  
 360 ~~plan~~ that meets the minimum benefits and minimum standards of  
 361 this chapter. Any supplemental plan in existence on March 1,  
 362 2014, shall be deemed to be a defined contribution plan in  
 363 compliance with s. 175.351(6).

364 (25)~~(18)~~ "Supplemental plan municipality" means a ~~any~~

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

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

369 175.071 General powers and duties of board of trustees.—  
 370 For any municipality, special fire control district, chapter  
 371 plan, local law municipality, local law special fire control  
 372 district, or local law plan under this chapter:

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

375 (a) Employ independent legal counsel at the pension fund's  
 376 expense.

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

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

382  
 383 If the board chooses to use the municipality's or special  
 384 district's legal counsel or actuary, or chooses to use any of  
 385 the municipality's or special district's other professional,  
 386 technical, or other advisers, it must do so only under terms and  
 387 conditions acceptable to the board.

388 Section 4. Paragraph (d) of subsection (1) of section  
 389 175.091, Florida Statutes, is amended to read:

390 175.091 Creation and maintenance of fund.—For any

391 municipality, special fire control district, chapter plan, local  
392 law municipality, local law special fire control district, or  
393 local law plan under this chapter:

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

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

405  
406 Nothing in this section shall be construed to require adjustment  
407 of member contribution rates in effect on the date this act  
408 becomes a law, including rates that exceed 5 percent of salary,  
409 provided that such rates are at least one-half of 1 percent of  
410 salary.

411 Section 5. Paragraph (a) of subsection (2) of section  
412 175.162, Florida Statutes, is amended to read:

413 175.162 Requirements for retirement.—For any municipality,  
414 special fire control district, chapter plan, local law  
415 municipality, local law special fire control district, or local  
416 law plan under this chapter, any firefighter who completes 10 or



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417 more years of creditable service as a firefighter and attains  
418 age 55, or completes 25 years of creditable service as a  
419 firefighter and attains age 52, and who for such minimum period  
420 has been a member of the firefighters' pension trust fund  
421 operating under a chapter plan or local law plan, is eligible  
422 for normal retirement benefits. Normal retirement under the plan  
423 is retirement from the service of the municipality or special  
424 fire control district on or after the normal retirement date. In  
425 such event, payment of retirement income will be governed by the  
426 following provisions of this section:

427       (2) (a) 1. The amount of monthly retirement income payable  
428 to a full-time firefighter who retires on or after his or her  
429 normal retirement date shall be an amount equal to the number of  
430 his or her years of credited service multiplied by 2.75 ~~2~~  
431 percent of his or her average final compensation as a full-time  
432 firefighter. ~~However, if current state contributions pursuant to~~  
433 ~~this chapter are not adequate to fund the additional benefits to~~  
434 ~~meet the minimum requirements in this chapter, only such~~  
435 ~~incremental increases shall be required as state moneys are~~  
436 ~~adequate to provide. Such increments shall be provided as state~~  
437 ~~moneys become available.~~

438       2. Effective July 1, 2014, a plan that is in compliance  
439 with this chapter except that the plan provides a benefit that  
440 is less than 2.75 percent of the average final compensation of a  
441 full-time firefighter must maintain, at a minimum, the  
442 percentage amount in effect on July 1, 2014, and is not required

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443 to increase the benefit to 2.75 percent of the average final  
444 compensation of a full-time firefighter.

445 3. Effective July 1, 2014, a plan that is in compliance  
446 with this chapter except that the plan provides a benefit that  
447 is less than 2.75 percent of the average final compensation of a  
448 full-time firefighter and that changes its accrual rate to 2.75  
449 percent, or greater, of the average final compensation of a  
450 full-time firefighter may not thereafter decrease the accrual  
451 rate to less than 2.75 percent of the average final compensation  
452 of a full-time firefighter.

453 Section 6. Section 175.351, Florida Statutes, is amended  
454 to read:

455 175.351 Municipalities and special fire control districts  
456 that have ~~having~~ their own pension plans for firefighters. ~~For~~  
457 ~~any municipality, special fire control district, local law~~  
458 ~~municipality, local law special fire control district, or local~~  
459 ~~law plan under this chapter,~~ In order for a municipality or  
460 ~~municipalities and special fire control~~ district that has its  
461 ~~districts with their own pension~~ plan plans for firefighters, or  
462 for firefighters and police officers if both are included, to  
463 participate in the distribution of the tax fund established  
464 under ~~pursuant to~~ s. 175.101, a local law plan plans must meet  
465 the minimum benefits and minimum standards set forth in this  
466 chapter.

467 (1) If a municipality has a pension plan for firefighters,  
468 ~~or a pension plan~~ for firefighters and police officers if both

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469 are included, which in the opinion of the division meets the  
470 minimum benefits and minimum standards set forth in this  
471 chapter, the board of trustees of the pension plan must, ~~as~~  
472 ~~approved by a majority of firefighters of the municipality, may:~~

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

481 (a) The base premium tax revenues must be used to fund  
482 minimum benefits or other retirement benefits in excess of the  
483 minimum benefits as determined by the municipality or special  
484 fire control district.

485 (b) Of the additional premium tax revenues received which  
486 are in excess of the amount received for the 2013 calendar year,  
487 50 percent must be used to fund minimum benefits or other  
488 retirement benefits in excess of the minimum benefits as  
489 determined by the municipality or special fire control district,  
490 and 50 percent must be placed in a defined contribution plan to  
491 fund special benefits.

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

495 revenues subject to this paragraph exceed the full cost of  
496 benefits provided through the plan which are in excess of the  
497 minimum benefits, any amount in excess of the full cost must be  
498 used as provided in paragraph (b).

499 (d) Any accumulations of additional premium tax revenues  
500 which have not been applied to fund benefits in excess of the  
501 minimum benefits may be allocated by mutual consent as provided  
502 in paragraph (g). If such accumulations are not allocated by  
503 mutual consent, 50 percent of the amount of the accumulations  
504 must be used to fund special benefits and 50 percent must be  
505 applied to fund any unfunded actuarial liabilities of the plan  
506 ~~to pay extra benefits to the firefighters included in that~~  
507 ~~pension plan; or~~

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

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

516 (f) If a plan offers benefits in excess of the minimum  
517 benefits, excluding supplemental plan benefits in effect as of  
518 September 30, 2013, such benefits may be reduced if the plan  
519 continues to meet the minimum benefits and the minimum standards  
520 set forth in this chapter. The amount of insurance premium tax

521 revenues previously used to fund benefits in excess of minimum  
522 benefits, excluding supplemental plan benefits in effect as of  
523 September 30, 2013, before the reduction must be used as  
524 provided in paragraph (b). However, benefits in excess of the  
525 minimum benefits may not be reduced if a plan does not meet the  
526 minimum accrual rate of 2.75 percent, or greater, of the average  
527 final compensation of a full-time firefighter.

528 (g) Notwithstanding any other provision of this  
529 subsection, the use of premium tax revenues, including any  
530 accumulations of additional tax revenues which have not been  
531 applied to fund benefits in excess of the minimum benefits, may  
532 deviate from the provisions of this subsection by mutual consent  
533 of the members' collective bargaining representative or, if  
534 none, by majority consent of the firefighter members of the  
535 fund, and by consent of the municipality or special fire control  
536 district, provided that the plan continues to meet the minimum  
537 benefits and minimum standards of this chapter; however, a plan  
538 operating pursuant to the provisions of this paragraph which  
539 does not meet a minimum benefit as of October 1, 2012, may  
540 continue to provide the benefit that does not meet the minimum  
541 benefit at the same level, but not less than that level, as was  
542 provided as of October 1, 2012, and all other benefit levels  
543 must continue to meet the minimum benefits. Such mutually agreed  
544 deviation shall continue until modified or revoked by subsequent  
545 mutual consent of the members' collective bargaining  
546 representative or, if none, by a majority of the firefighter

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547 members of the fund, and the municipality or special fire  
548 control district. A special act plan or a plan within a  
549 supplemental plan municipality shall be considered to have  
550 mutually consented to such deviation as of July 1, 2014,  
551 regarding the existing arrangement on the use of premium tax  
552 revenues.

553 (2) The premium tax provided by this chapter shall ~~in all~~  
554 ~~eases~~ be used in its entirety to provide retirement ~~extra~~  
555 benefits to firefighters, or to firefighters and police officers  
556 if both are included. ~~However, local law plans in effect on~~  
557 ~~October 1, 1998, must comply with the minimum benefit provisions~~  
558 ~~of this chapter only to the extent that additional premium tax~~  
559 ~~revenues become available to incrementally fund the cost of such~~  
560 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~  
561 ~~compliance with such minimum benefit provisions, as subsequent~~  
562 ~~additional premium tax revenues become available, they must be~~  
563 ~~used to provide extra benefits.~~ Local law plans created by  
564 special act before May 27, 1939, are deemed to comply with this  
565 chapter. ~~For the purpose of this chapter, the term:~~

566 ~~(a) "Additional premium tax revenues" means revenues~~  
567 ~~received by a municipality or special fire control district~~  
568 ~~pursuant to s. 175.121 which exceed that amount received for~~  
569 ~~calendar year 1997.~~

570 ~~(b) "Extra benefits" means benefits in addition to or~~  
571 ~~greater than those provided to general employees of the~~  
572 ~~municipality and in addition to those in existence for~~

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573 ~~firefighters on March 12, 1999.~~

574 (3) A retirement plan or amendment to a retirement plan  
575 may not be proposed for adoption unless the proposed plan or  
576 amendment contains an actuarial estimate of the costs involved.  
577 Such proposed plan or proposed plan change may not be adopted  
578 without the approval of the municipality, special fire control  
579 district, or, where required ~~permitted~~, the Legislature. Copies  
580 of the proposed plan or proposed plan change and the actuarial  
581 impact statement of the proposed plan or proposed plan change  
582 shall be furnished to the division before the last public  
583 hearing on the proposal is held ~~thereon~~. Such statement must  
584 also indicate whether the proposed plan or proposed plan change  
585 is in compliance with s. 14, Art. X of the State Constitution  
586 and those provisions of part VII of chapter 112 which are not  
587 expressly provided in this chapter. Notwithstanding any other  
588 provision, only those local law plans created by special act of  
589 legislation before May 27, 1939, are deemed to meet the minimum  
590 benefits and minimum standards only in this chapter.

591 (4) Notwithstanding any other provision, with respect to  
592 any supplemental plan municipality:

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

596 (b) Section 175.061(1)(b) does not apply, and a local law  
597 plan and a supplemental plan shall continue to be administered  
598 by a board or boards of trustees numbered, constituted, and

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599 selected as the board or boards were numbered, constituted, and  
600 selected on December 1, 2000.

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

603 (5) The retirement plan setting forth the benefits and the  
604 trust agreement, if any, covering the duties and  
605 responsibilities of the trustees and the regulations of the  
606 investment of funds must be in writing, and copies made  
607 available to the participants and to the general public.

608 (6) In addition to the defined benefit component of the  
609 local law plan, each plan sponsor must have a defined  
610 contribution plan component within the local law plan by October  
611 1, 2014, for noncollectively bargained service, upon entering  
612 into a collective bargaining agreement on or after July 1, 2014,  
613 or upon the creation date of a new participating plan. Depending  
614 upon the application of subsection (1), a defined contribution  
615 component may or may not receive any funding.

616 (7) Notwithstanding any other provision of this chapter, a  
617 municipality or special fire control district that has  
618 implemented or proposed changes to a local law plan based on the  
619 municipality's or district's reliance on an interpretation of  
620 this chapter by the Department of Management Services on or  
621 after August 14, 2012, and before March 4, 2014, may continue  
622 the implemented changes or continue to implement proposed  
623 changes. Such reliance must be evidenced by a written collective  
624 bargaining proposal or agreement, or formal correspondence



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625 between the municipality or district and the Department of  
626 Management Services which describes the specific changes to the  
627 local law plan, with the initial proposal, agreement, or  
628 correspondence from the municipality or district dated before  
629 March 4, 2014. Changes to the local law plan which are otherwise  
630 contrary to the minimum benefits and minimum standards in this  
631 chapter may continue in effect until the earlier of October 1,  
632 2017, or the effective date of a collective bargaining agreement  
633 that is contrary to the changes to the local law plan.

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

636 185.01 Legislative declaration.-

637 (2) This chapter hereby establishes, for all municipal  
638 pension plans ~~now or hereinafter~~ provided for under this  
639 chapter, including chapter plans and local law plans, minimum  
640 benefits and minimum standards for the operation and funding of  
641 such plans, hereinafter referred to as municipal police  
642 officers' retirement trust funds, which must be met as  
643 conditions precedent to the plans or plan sponsors receiving a  
644 distribution of insurance premium tax revenues under s. 185.10.  
645 The minimum benefits and minimum standards for each plan as set  
646 forth in this chapter may not be diminished by local ordinance  
647 or by special act of the Legislature and may not, ~~nor may the~~  
648 ~~minimum benefits or minimum standards~~ be reduced or offset by  
649 any other local, state, or federal plan that includes ~~may~~  
650 ~~include~~ police officers in its operation, except as provided

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651 under s. 112.65.

652 Section 8. Section 185.02, Florida Statutes, is amended to  
653 read:

654 185.02 Definitions.—For any municipality, chapter plan,  
655 local law municipality, or local law plan under this chapter,  
656 the term ~~following words and phrases as used in this chapter~~  
657 ~~shall have the following meanings, unless a different meaning is~~  
658 ~~plainly required by the context:~~

659 (1) "Additional premium tax revenues" means revenues  
660 received by a municipality pursuant to s. 185.10 which exceed  
661 base premium tax revenues.

662 (2)~~(1)~~ "Average final compensation" means one-twelfth of  
663 the average annual compensation of the 5 best years of the last  
664 10 years of creditable service prior to retirement, termination,  
665 or death.

666 (3) "Base premium tax revenues" means the revenues  
667 received by a municipality pursuant to s. 185.10 for the  
668 calendar year 1997.

669 (4)~~(2)~~ "Casualty insurance" means automobile public  
670 liability and property damage insurance to be applied at the  
671 place of residence of the owner, or if the subject is a  
672 commercial vehicle, to be applied at the place of business of  
673 the owner; automobile collision insurance; fidelity bonds;  
674 burglary and theft insurance; and plate glass insurance. The  
675 term "multiple peril" means a combination or package policy that  
676 includes both property coverage and casualty coverage for a

677 single premium.

678 (5)~~(3)~~ "Chapter plan" means a separate defined benefit  
 679 pension plan for police officers which incorporates by reference  
 680 the provisions of this chapter and has been adopted by the  
 681 governing body of a municipality as provided in s. 185.08.  
 682 Except as ~~may be~~ specifically authorized in this chapter, the  
 683 provisions of a chapter plan may not differ from the plan  
 684 provisions set forth in ss. 185.01-185.341 and ss. 185.37-  
 685 185.39. Actuarial valuations of chapter plans shall be conducted  
 686 by the division as provided by s. 185.221(1)(b).

687 (6)~~(4)~~ "Compensation" or "salary" means, for  
 688 noncollectively bargained service earned before July 1, 2011, or  
 689 for service earned under collective bargaining agreements in  
 690 place before July 1, 2011, the total cash remuneration including  
 691 "overtime" paid by the primary employer to a police officer for  
 692 services rendered, but not including any payments for extra duty  
 693 or special detail work performed on behalf of a second party  
 694 employer. Overtime may be limited prior to July 1, 2011, in a  
 695 local law plan by the plan provisions. A local law plan may  
 696 ~~limit the amount of overtime payments which can be used for~~  
 697 ~~retirement benefit calculation purposes; however, such overtime~~  
 698 ~~limit may not be less than 300 hours per officer per calendar~~  
 699 ~~year.~~ For noncollectively bargained service earned on or after  
 700 July 1, 2011, or for service earned under collective bargaining  
 701 agreements entered into on or after July 1, 2011, the term has  
 702 the same meaning except that when calculating retirement

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703 benefits, up to 300 hours per year in overtime compensation may  
704 be included as specified in the plan or collective bargaining  
705 agreement, but payments for accrued unused sick or annual leave  
706 may not be included.

707 (a) Any retirement trust fund or plan that meets the  
708 requirements of this chapter does not, solely by virtue of this  
709 subsection, reduce or diminish the monthly retirement income  
710 otherwise payable to each police officer covered by the  
711 retirement trust fund or plan.

712 (b) The member's compensation or salary contributed as  
713 employee-elective salary reductions or deferrals to any salary  
714 reduction, deferred compensation, or tax-sheltered annuity  
715 program authorized under the Internal Revenue Code shall be  
716 deemed to be the compensation or salary the member would receive  
717 if he or she were not participating in such program and shall be  
718 treated as compensation for retirement purposes under this  
719 chapter.

720 (c) For any person who first becomes a member in any plan  
721 year beginning on or after January 1, 1996, compensation for  
722 that plan year may not include any amounts in excess of the  
723 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
724 the Omnibus Budget Reconciliation Act of 1993, which limitation  
725 of \$150,000 shall be adjusted as required by federal law for  
726 qualified government plans and ~~shall be~~ further adjusted for  
727 changes in the cost of living in the manner provided by Internal  
728 Revenue Code s. 401(a)(17)(B). For any person who first became a

729 member before the first plan year beginning on or after January  
 730 1, 1996, the limitation on compensation may not be less than the  
 731 maximum compensation amount that was allowed to be taken into  
 732 account under the plan ~~as~~ in effect on July 1, 1993, which  
 733 limitation shall be adjusted for changes in the cost of living  
 734 since 1989 in the manner provided by Internal Revenue Code s.  
 735 401(a) (17) (1991).

736 (7)~~(5)~~ "Creditable service" or "credited service" means  
 737 the aggregate number of years of service and fractional parts of  
 738 years of service of any police officer, omitting intervening  
 739 years and fractional parts of years when such police officer may  
 740 not have been employed by the municipality subject to the  
 741 following conditions:

742 (a) A ~~No~~ police officer may not ~~will~~ receive credit for  
 743 years or fractional parts of years of service if he or she has  
 744 withdrawn his or her contributions to the fund for those years  
 745 or fractional parts of years of service, unless the police  
 746 officer repays into the fund the amount he or she has withdrawn,  
 747 plus interest as determined by the board. The member has ~~shall~~  
 748 ~~have~~ at least 90 days after his or her reemployment to make  
 749 repayment.

750 (b) A police officer may voluntarily leave his or her  
 751 contributions in the fund for ~~a period of~~ 5 years after leaving  
 752 the employ of the police department, pending the possibility of  
 753 his or her being rehired by the same department, without losing  
 754 credit for the time he or she has participated actively as a

755 | police officer. If he or she is not reemployed as a police  
 756 | officer with the same department within 5 years, his or her  
 757 | contributions shall be returned ~~to him or her~~ without interest.

758 | (c) Credited service under this chapter shall be provided  
 759 | only for service as a police officer, ~~as defined in subsection~~  
 760 | ~~(11)~~, or for military service and may not include credit for any  
 761 | other type of service. A municipality ~~may~~, by local ordinance,  
 762 | may provide for the purchase of credit for military service  
 763 | occurring before employment as well as prior service as a police  
 764 | officer for some other employer as long as the police officer is  
 765 | not entitled to receive a benefit for such ~~other~~ prior service  
 766 | ~~as a police officer~~. For purposes of determining credit for  
 767 | prior service, in addition to service as a police officer in  
 768 | this state, credit may be given for federal, other state, or  
 769 | county service as long as such service is recognized by the  
 770 | Criminal Justice Standards and Training Commission within the  
 771 | Department of Law Enforcement as provided in ~~under~~ chapter 943  
 772 | or the police officer provides proof to the board of trustees  
 773 | that such service is equivalent to the service required to meet  
 774 | the definition of a police officer under subsection (16) ~~(11)~~.

775 | (d) In determining the creditable service of a ~~any~~ police  
 776 | officer, credit for up to 5 years of the time spent in the  
 777 | military service of the Armed Forces of the United States shall  
 778 | be added to the years of actual service, if:

779 | 1. The police officer is in the active employ of the  
 780 | municipality before ~~prior to~~ such service and leaves a position,

781 other than a temporary position, for the purpose of voluntary or  
 782 involuntary service in the Armed Forces of the United States.

783 2. The police officer is entitled to reemployment under  
 784 ~~the provisions of~~ the Uniformed Services Employment and  
 785 Reemployment Rights Act.

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

789 ~~(8)(6)~~ "Deferred Retirement Option Plan" or "DROP" means a  
 790 local law plan retirement option in which a police officer may  
 791 elect to participate. A police officer may retire for all  
 792 purposes of the plan and defer receipt of retirement benefits  
 793 into a DROP account while continuing employment with his or her  
 794 employer. However, a police officer who enters ~~the~~ DROP and who  
 795 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be  
 796 precluded from participation or continued participation  
 797 ~~participating, or continuing to participate,~~ in a supplemental  
 798 plan in existence on, or created after, March 12, 1999 ~~the~~  
 799 ~~effective date of this act.~~

800 (9) "Defined contribution plan" means the component of a  
 801 local law plan, as provided in s. 185.35(1), to which deposits,  
 802 if any, are made to provide benefits for police officers, or for  
 803 police officers and firefighters if both are included. Such  
 804 component is an element of a local law plan and exists in  
 805 conjunction with the defined benefit component that meets the  
 806 minimum benefits and minimum standards of this chapter. The

807 retirement benefits, if any, of the defined contribution plan  
 808 shall be provided through individual member accounts in  
 809 accordance with the applicable provisions of the Internal  
 810 Revenue Code and related regulations and are limited to the  
 811 contributions, if any, made into each member's account and the  
 812 actual accumulated earnings, net of expenses, earned on the  
 813 member's account.

814 (10)-(7) "Division" means the Division of Retirement of the  
 815 Department of Management Services.

816 (11)-(8) "Enrolled actuary" means an actuary who is  
 817 enrolled under Subtitle C of Title III of the Employee  
 818 Retirement Income Security Act of 1974 and who is a member of  
 819 the Society of Actuaries or the American Academy of Actuaries.

820 (12)-(9) "Local law municipality" means ~~is~~ any municipality  
 821 in which ~~there exists~~ a local law plan exists.

822 (13)-(10) "Local law plan" means a retirement defined  
 823 ~~benefit pension~~ plan, which includes both a defined benefit plan  
 824 component and a defined contribution plan component, for police  
 825 officers, or for police officers and firefighters if both are,  
 826 ~~where~~ included, as described in s. 185.35, established by  
 827 municipal ordinance or special act of the Legislature, which  
 828 ~~enactment~~ sets forth all plan provisions. Local law plan  
 829 provisions may vary from the provisions of this chapter if the,  
 830 ~~provided that required~~ minimum benefits and minimum standards of  
 831 this chapter are met. However, any such variance must shall  
 832 provide a greater benefit for police officers. Actuarial



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833 valuations of local law plans shall be conducted by an enrolled  
834 actuary as provided in s. 185.221(2)(b).

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

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

839 (16)~~(11)~~ "Police officer" means any person who is elected,  
840 appointed, or employed full time by a ~~any~~ municipality, who is  
841 certified or required to be certified as a law enforcement  
842 officer in compliance with s. 943.1395, who is vested with  
843 authority to bear arms and make arrests, and whose primary  
844 responsibility is the prevention and detection of crime or the  
845 enforcement of the penal, criminal, traffic, or highway laws of  
846 the state. The term ~~This definition~~ includes all certified  
847 supervisory and command personnel whose duties include, in whole  
848 or in part, the supervision, training, guidance, and management  
849 responsibilities of full-time law enforcement officers, part-  
850 time law enforcement officers, or auxiliary law enforcement  
851 officers, but does not include part-time law enforcement  
852 officers or auxiliary law enforcement officers as those terms  
853 ~~the same~~ are defined in s. 943.10~~(6)~~ and ~~(8)~~, respectively. For  
854 the purposes of this chapter only, the term also includes  
855 ~~"police officer"~~ also shall include a public safety officer who  
856 is responsible for performing both police and fire services. Any  
857 plan may provide that the police chief shall have an option to  
858 participate, ~~or not,~~ in that plan.

859 (17)~~(12)~~ "Police Officers' Retirement Trust Fund" means a  
 860 trust fund, by whatever name known, as provided under s. 185.03  
 861 for the purpose of assisting municipalities in establishing and  
 862 maintaining a retirement plan for police officers.

863 (18)~~(13)~~ "Retiree" or "retired police officer" means a  
 864 police officer who has entered retirement status. For the  
 865 purposes of a plan that includes a Deferred Retirement Option  
 866 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~  
 867 considered a retiree for all purposes of the plan. However, a  
 868 police officer who enters ~~the~~ DROP and who is otherwise eligible  
 869 to participate may ~~shall~~ not ~~thereby~~ be precluded from  
 870 participating, or continuing to participate, in a supplemental  
 871 plan in existence on, or created after, March 12, 1999 ~~the~~  
 872 ~~effective date of this act.~~

873 (19)~~(14)~~ "Retirement" means a police officer's separation  
 874 from municipal ~~city~~ employment as a police officer with  
 875 immediate eligibility for ~~receipt of~~ benefits under the plan.  
 876 For purposes of a plan that includes a Deferred Retirement  
 877 Option Plan (DROP), "retirement" means the date a police officer  
 878 enters ~~the~~ DROP.

879 (20) "Special act plan" means a plan subject to the  
 880 provisions of this chapter which was created by an act of the  
 881 Legislature and continues to require an act of the Legislature  
 882 to alter plan benefits.

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

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885        (22)~~(15)~~ "Supplemental plan" means a plan to which  
886 deposits of the premium tax moneys as provided in s. 185.08 are  
887 made to provide extra benefits to police officers, or police  
888 officers and firefighters if both are ~~where included, under this~~  
889 ~~chapter~~. Such a plan is an element of a local law plan and  
890 exists in conjunction with a defined benefit component ~~plan~~ that  
891 meets the minimum benefits and minimum standards of this  
892 chapter. Any supplemental plan in existence on March 1, 2014,  
893 shall be deemed to be a defined contribution plan in compliance  
894 with s. 185.35(6).

895        (23)~~(16)~~ "Supplemental plan municipality" means a ~~any~~  
896 local law municipality in which ~~there existed~~ a supplemental  
897 plan existed as of December 1, 2000.

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

900        185.06 General powers and duties of board of trustees.—For  
901 any municipality, chapter plan, local law municipality, or local  
902 law plan under this chapter:

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

905        (a) Employ independent legal counsel at the pension fund's  
906 expense.

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

909        (c) Employ such independent professional, technical, or  
910 other advisers as it deems necessary at the pension fund's

911 expense.

912

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

918 Section 10. Paragraph (d) of subsection (1) of section  
 919 185.07, Florida Statutes, is amended to read:

920 185.07 Creation and maintenance of fund.—For any  
 921 municipality, chapter plan, local law municipality, or local law  
 922 plan under this chapter:

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

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

933

934 Nothing in this section shall be construed to require adjustment  
 935 of member contribution rates in effect on the date this act  
 936 becomes a law, including rates that exceed 5 percent of salary,

937 provided that such rates are at least one-half of 1 percent of  
 938 salary.

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

941 185.16 Requirements for retirement.—For any municipality,  
 942 chapter plan, local law municipality, or local law plan under  
 943 this chapter, any police officer who completes 10 or more years  
 944 of creditable service as a police officer and attains age 55, or  
 945 completes 25 years of creditable service as a police officer and  
 946 attains age 52, and for such period has been a member of the  
 947 retirement fund is eligible for normal retirement benefits.  
 948 Normal retirement under the plan is retirement from the service  
 949 of the city on or after the normal retirement date. In such  
 950 event, for chapter plans and local law plans, payment of  
 951 retirement income will be governed by the following provisions  
 952 of this section:

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

963        (b) Effective July 1, 2014, a plan that is in compliance  
964 with this chapter except that the plan provides a benefit that  
965 is less than 2.75 percent of the average final compensation of a  
966 police officer must maintain, at a minimum, the percentage  
967 amount in effect on July 1, 2014, and is not required to  
968 increase the benefit to 2.75 percent of the average final  
969 compensation of a police officer.

970        (c) Effective July 1, 2014, a plan that is in compliance  
971 with this chapter except that the plan provides a benefit that  
972 is less than 2.75 percent of the average final compensation of a  
973 police officer and that changes its accrual rate to 2.75  
974 percent, or greater, of the average final compensation of a  
975 police officer may not thereafter decrease the accrual rate to  
976 less than 2.75 percent of the average final compensation of a  
977 police officer.

978        Section 12. Section 185.35, Florida Statutes, is amended  
979 to read:

980        185.35 Municipalities that have ~~having~~ their own  
981 retirement ~~pension~~ plans for police officers. ~~For any~~  
982 ~~municipality, chapter plan, local law municipality, or local law~~  
983 ~~plan under this chapter,~~ In order for a municipality that has  
984 its municipalities with their own retirement plan ~~pension plans~~  
985 for police officers, or for police officers and firefighters if  
986 both are included, to participate in the distribution of the tax  
987 fund established under ~~pursuant to~~ s. 185.08, a local law plan  
988 ~~plans~~ must meet the minimum benefits and minimum standards set

989 forth in this chapter:

990 (1) If a municipality has a retirement ~~pension~~ plan for  
 991 police officers, or for police officers and firefighters if both  
 992 are included, which, in the opinion of the division, meets the  
 993 minimum benefits and minimum standards set forth in this  
 994 chapter, the board of trustees of the pension plan must, ~~as~~  
 995 ~~approved by a majority of police officers of the municipality,~~  
 996 may:

997 (a) ~~place~~ the income from the premium tax in s. 185.08 in  
 998 such ~~pension~~ plan for the sole and exclusive use of its police  
 999 officers, or its police officers and firefighters if both are  
 1000 included, where it shall become an integral part of that ~~pension~~  
 1001 plan and ~~shall~~ be used to fund benefits as provided herein.  
 1002 Effective October 1, 2014, for noncollectively bargained service  
 1003 or upon entering into a collective bargaining agreement on or  
 1004 after July 1, 2014:

1005 (a) The base premium tax revenues must be used to fund  
 1006 minimum benefits or other retirement benefits in excess of the  
 1007 minimum benefits as determined by the municipality.

1008 (b) Of the additional premium tax revenues received which  
 1009 are in excess of the amount received for the 2013 calendar year,  
 1010 50 percent must be used to fund minimum benefits or other  
 1011 retirement benefits in excess of the minimum benefits as  
 1012 determined by the municipality, and 50 percent must be placed in  
 1013 a defined contribution plan to fund special benefits.

1014 (c) Additional premium tax revenues not described in

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1015 paragraph (b) must be used to fund benefits that are not  
1016 included in the minimum benefits. If the additional premium tax  
1017 revenues subject to this paragraph exceed the full cost of  
1018 benefits provided through the plan which are in excess of the  
1019 minimum benefits, any amount in excess of the full cost must be  
1020 used as provided in paragraph (b).

1021 (d) Any accumulations of additional premium tax revenues  
1022 which have not been applied to fund benefits in excess of the  
1023 minimum benefits may be allocated by mutual consent as provided  
1024 in paragraph (g). If such accumulations are not allocated by  
1025 mutual consent, 50 percent of the amount of the accumulations  
1026 must be used to fund special benefits and 50 percent must be  
1027 applied to fund any unfunded actuarial liabilities of the plan  
1028 ~~pay extra benefits to the police officers included in that~~  
1029 ~~pension plan; or~~

1030 ~~(b) May place the income from the premium tax in s. 185.08~~  
1031 ~~in a separate supplemental plan to pay extra benefits to the~~  
1032 ~~police officers, or police officers and firefighters if~~  
1033 ~~included, participating in such separate supplemental plan.~~

1034 (e) For a plan created after March 1, 2014, 50 percent of  
1035 the insurance premium tax revenues shall be used to fund defined  
1036 benefit plan component benefits, with the remainder used to fund  
1037 defined contribution plan component benefits.

1038 (f) If a plan offers benefits in excess of the minimum  
1039 benefits, excluding supplemental plan benefits in effect as of  
1040 September 30, 2013, such benefits may be reduced if the plan



1041 continues to meet the minimum benefits and the minimum standards  
1042 set forth in this chapter. The amount of insurance premium tax  
1043 revenues previously used to fund benefits in excess of the  
1044 minimum benefits, excluding supplemental plan benefits in effect  
1045 as of September 30, 2013, before the reduction must be used as  
1046 provided in paragraph (b). However, benefits in excess of the  
1047 minimum benefits may not be reduced if a plan does not meet the  
1048 minimum accrual rate of 2.75 percent, or greater, of the average  
1049 final compensation of a police officer.

1050 (g) Notwithstanding any other provisions of this  
1051 subsection, the use of premium tax revenues, including any  
1052 accumulations of additional tax revenues which have not been  
1053 applied to fund benefits in excess of the minimum benefits, may  
1054 deviate from the provisions of this subsection by mutual consent  
1055 of the members' collective bargaining representative or, if  
1056 none, by majority consent of the police office members of the  
1057 fund, and by consent of the municipality, provided that the plan  
1058 continues to meet the minimum benefits and minimum standards of  
1059 this chapter; however, a plan operating pursuant to the  
1060 provisions of this paragraph which does not meet a minimum  
1061 benefit as of October 1, 2012, may continue to provide the  
1062 benefit that does not meet the minimum benefit at the same  
1063 level, but not less than that level, as was provided as of  
1064 October 1, 2012, and all other benefits must continue to meet  
1065 the minimum benefits. Such mutually agreed deviation shall  
1066 continue until modified or revoked by subsequent mutual consent

1067 of the members' collective bargaining representative or, if  
 1068 none, by a majority of the police office members of the fund,  
 1069 and the municipality. A special act plan or a plan within a  
 1070 supplemental plan municipality shall be considered to have  
 1071 mutually consented to such deviation as of July 1 ,2014,  
 1072 regarding the existing arrangement on the use of premium tax  
 1073 revenues.

1074 (2) The premium tax provided by this chapter shall ~~in all~~  
 1075 ~~eases~~ be used in its entirety to provide retirement ~~extra~~  
 1076 benefits to police officers, or to police officers and  
 1077 firefighters if both are included. ~~However, local law plans in~~  
 1078 ~~effect on October 1, 1998, must comply with the minimum benefit~~  
 1079 ~~provisions of this chapter only to the extent that additional~~  
 1080 ~~premium tax revenues become available to incrementally fund the~~  
 1081 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~  
 1082 ~~is in compliance with such minimum benefit provisions, as~~  
 1083 ~~subsequent additional tax revenues become available, they shall~~  
 1084 ~~be used to provide extra benefits.~~ Local law plans created by  
 1085 special act before May 27, 1939, shall be deemed to comply with  
 1086 this chapter. ~~For the purpose of this chapter, the term:~~

1087 ~~(a) "Additional premium tax revenues" means revenues~~  
 1088 ~~received by a municipality pursuant to s. 185.10 which exceed~~  
 1089 ~~the amount received for calendar year 1997.~~

1090 ~~(b) "Extra benefits" means benefits in addition to or~~  
 1091 ~~greater than those provided to general employees of the~~  
 1092 ~~municipality and in addition to those in existence for police~~

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1093 ~~officers on March 12, 1999.~~

1094 (3) A retirement plan or amendment to a retirement plan  
1095 may not be proposed for adoption unless the proposed plan or  
1096 amendment contains an actuarial estimate of the costs involved.  
1097 Such proposed plan or proposed plan change may not be adopted  
1098 without the approval of the municipality or, where required  
1099 ~~permitted~~, the Legislature. Copies of the proposed plan or  
1100 proposed plan change and the actuarial impact statement of the  
1101 proposed plan or proposed plan change shall be furnished to the  
1102 division before the last public hearing on the proposal is held  
1103 ~~thereon~~. Such statement must also indicate whether the proposed  
1104 plan or proposed plan change is in compliance with s. 14, Art. X  
1105 of the State Constitution and those provisions of part VII of  
1106 chapter 112 which are not expressly provided in this chapter.  
1107 Notwithstanding any other provision, only those local law plans  
1108 created by special act of legislation before May 27, 1939, are  
1109 deemed to meet the minimum benefits and minimum standards only  
1110 in this chapter.

1111 (4) Notwithstanding any other provision, with respect to  
1112 any supplemental plan municipality:

1113 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and  
1114 a local law plan and a supplemental plan may continue to use  
1115 their definition of compensation or salary in existence on March  
1116 12, 1999.

1117 (b) A local law plan and a supplemental plan must continue  
1118 to be administered by a board or boards of trustees numbered,

1119 constituted, and selected as the board or boards were numbered,  
 1120 constituted, and selected on December 1, 2000.

1121 ~~(c) The election set forth in paragraph (1) (b) is deemed~~  
 1122 ~~to have been made.~~

1123 (5) The retirement plan setting forth the benefits and the  
 1124 trust agreement, if any, covering the duties and  
 1125 responsibilities of the trustees and the regulations of the  
 1126 investment of funds must be in writing and copies made available  
 1127 to the participants and to the general public.

1128 (6) In addition to the defined benefit component of the  
 1129 local law plan, each plan sponsor must have a defined  
 1130 contribution plan component within the local law plan by October  
 1131 1, 2014, upon entering into a collective bargaining agreement on  
 1132 or after July 1, 2014, or upon the creation date of a new  
 1133 participating plan. Depending upon the application of subsection  
 1134 (1), a defined contribution component may or may not receive any  
 1135 funding.

1136 (7) Notwithstanding any other provision of this chapter, a  
 1137 municipality that has implemented or proposed changes to a local  
 1138 law plan based on the municipality's reliance on an  
 1139 interpretation of this chapter by the Department of Management  
 1140 Services on or after August 14, 2012, and before March 4, 2014,  
 1141 may continue the implemented changes or continue to implement  
 1142 proposed changes. Such reliance must be evidenced by a written  
 1143 collective bargaining proposal or agreement, or formal  
 1144 correspondence between the municipality and the Department of

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1145 Management Services which describes the specific changes to the  
1146 local law plan, with the initial proposal, agreement, or  
1147 correspondence from the municipality dated before March 4, 2014.  
1148 Changes to the local law plan which are otherwise contrary to  
1149 the minimum benefits and minimum standards of this chapter may  
1150 continue in effect until the earlier of October 1, 2017, or the  
1151 effective date of a collective bargaining agreement that is  
1152 contrary to the changes to the local law plan.

1153       Section 13. The Legislature finds that a proper and  
1154 legitimate state purpose is served when employees and retirees  
1155 of this state and its political subdivisions, and the  
1156 dependents, survivors, and beneficiaries of such employees and  
1157 retirees, are extended the basic protections afforded by  
1158 governmental retirement systems that provide fair and adequate  
1159 benefits and that are managed, administered, and funded in an  
1160 actuarially sound manner as required under s. 14, Article X of  
1161 the State Constitution and part VII of chapter 112, Florida  
1162 Statutes. Therefore, the Legislature determines and declares  
1163 that this act fulfills an important state interest.

1164       Section 14. This act shall take effect July 1, 2014.