

1 A bill to be entitled

2 An act relating to local government pension reform;  
3 amending s. 175.021, F.S.; revising the legislative  
4 declaration to require that all firefighter pension  
5 plans meet the requirements of ch. 175, F.S., in order  
6 to receive insurance premium tax revenues; amending s.  
7 175.032, F.S.; revising definitions to conform to  
8 changes made by the act and providing new definitions;  
9 amending s. 175.071, F.S.; conforming a cross-  
10 reference; amending s. 175.091, F.S.; revising  
11 existing payment provisions and providing for an  
12 additional mandatory payment by the municipality or  
13 special fire control district to the firefighters'  
14 pension trust fund; amending s. 175.162, F.S.;  
15 deleting a provision basing the availability of  
16 additional benefits upon state funding; amending s.  
17 175.351, F.S., relating to municipalities and special  
18 fire control districts that have their own pension  
19 plans and want to participate in the distribution of a  
20 tax fund; revising criteria governing the use of  
21 income from the premium tax; authorizing a pension  
22 plan to reduce excess benefits if the plan continues  
23 to meet its required benefits and certain minimum  
24 standards; requiring plan sponsors to have a defined  
25 contribution plan in place by a certain date;  
26 authorizing a municipality to implement certain

27 changes to a local law plan which are contrary to ch.  
28 175, F.S., for a limited time; amending s. 185.01,  
29 F.S.; revising the legislative declaration to require  
30 that all police officer pension plans meet the  
31 requirements of ch. 185, F.S., in order to receive  
32 insurance premium tax revenues; amending s. 185.02,  
33 F.S.; revising definitions to conform to changes made  
34 by the act and adding new definitions; deleting a  
35 provision allowing a local law plan to limit the  
36 amount of overtime payments which can be used for  
37 retirement benefit calculations; amending s. 185.06,  
38 F.S.; conforming a cross-reference; amending s.  
39 185.07, F.S.; revising existing payment provisions and  
40 providing for an additional mandatory payment by the  
41 municipality to the police officers' retirement trust  
42 fund; amending s. 185.16, F.S.; deleting a provision  
43 basing the availability of additional benefits upon  
44 state funding; amending s. 185.35, F.S., relating to  
45 municipalities that have their own pension plans for  
46 police officers and want to participate in the  
47 distribution of a tax fund; conforming a cross-  
48 reference; revising criteria governing the use of  
49 income from the premium tax; authorizing a plan to  
50 reduce excess benefits if the plan continues to meet  
51 its required benefits and certain minimum standards;  
52 requiring plan sponsors to have a defined contribution

53 plan in place by a certain date; authorizing a  
 54 municipality to implement certain changes to a local  
 55 law plan which are contrary to ch. 185, F.S., for a  
 56 limited time; providing a declaration of important  
 57 state interest; providing an effective date.  
 58

59 Be It Enacted by the Legislature of the State of Florida:  
 60

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

63 175.021 Legislative declaration.—

64 (2) This chapter hereby establishes, for all municipal and  
 65 special district pension plans existing ~~now or hereafter~~ under  
 66 this chapter, including chapter plans and local law plans,  
 67 required minimum benefits and minimum standards for the  
 68 operation and funding of such plans, hereinafter referred to as  
 69 firefighters' pension trust funds, which must be met as a  
 70 condition precedent to the plan or plan sponsor receiving a  
 71 distribution of insurance premium tax revenues under s. 175.121.  
 72 The required minimum benefits and minimum standards for each  
 73 plan as set forth in this chapter may not be diminished by local  
 74 charter, ordinance, or resolution or by special act of the  
 75 Legislature and may not, ~~nor may the minimum benefits or minimum~~  
 76 ~~standards~~ be reduced or offset by any other local, state, or  
 77 federal law that includes ~~may include~~ firefighters in its  
 78 operation, except as provided under s. 112.65.

79 Section 2. Section 175.032, Florida Statutes, is amended  
 80 to read:

81 175.032 Definitions.—For any municipality, special fire  
 82 control district, chapter plan, local law municipality, local  
 83 law special fire control district, or local law plan under this  
 84 chapter, the term ~~following words and phrases have the following~~  
 85 ~~meanings:~~

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

89 ~~(2)(1)(a)~~ "Average final compensation" for:

90 (a) A full-time firefighter means one-twelfth of the  
 91 average annual compensation of the 5 best years of the last 10  
 92 years of creditable service before ~~prior to~~ retirement,  
 93 termination, or death, or the career average as a full-time  
 94 firefighter since July 1, 1953, whichever is greater. A year is  
 95 ~~shall be~~ 12 consecutive months or such other consecutive period  
 96 of time as is used and consistently applied.

97 ~~(b) "Average final compensation" for~~ A volunteer  
 98 firefighter means the average salary of the 5 best years of the  
 99 last 10 best contributing years before ~~prior to~~ change in status  
 100 to a permanent full-time firefighter or retirement as a  
 101 volunteer firefighter or the career average of a volunteer  
 102 firefighter, since July 1, 1953, whichever is greater.

103 (3) "Base benefits" means the level of benefits in  
 104 existence for firefighters on March 12, 1999.

105           (4) "Base premium tax revenues" means the revenues  
106 received by a municipality or special fire control district  
107 pursuant to s. 175.121 for calendar year 1997.

108           ~~(5)(2)~~ "Chapter plan" means a separate defined benefit  
109 pension plan for firefighters which incorporates by reference  
110 the provisions of this chapter and has been adopted by the  
111 governing body of a municipality or special district. Except as  
112 ~~may be~~ specifically authorized in this chapter, the provisions  
113 of a chapter plan may not differ from the plan provisions set  
114 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial  
115 valuations of chapter plans shall be conducted by the division  
116 as provided by s. 175.261(1).

117           ~~(6)(3)~~ "Compensation" or "salary" means, for  
118 noncollectively bargained service earned before July 1, 2011, or  
119 for service earned under collective bargaining agreements in  
120 place before July 1, 2011, the fixed monthly remuneration paid a  
121 firefighter. If remuneration is based on actual services  
122 rendered, as in the case of a volunteer firefighter, the term  
123 means the total cash remuneration received yearly for such  
124 services, prorated on a monthly basis. For noncollectively  
125 bargained service earned on or after July 1, 2011, or for  
126 service earned under collective bargaining agreements entered  
127 into on or after July 1, 2011, the term has the same meaning  
128 except that when calculating retirement benefits, up to 300  
129 hours per year in overtime compensation may be included as  
130 specified in the plan or collective bargaining agreement, but

131 payments for accrued unused sick or annual leave may not be  
132 included.

133 (a) Any retirement trust fund or plan that meets the  
134 requirements of this chapter does not, solely by virtue of this  
135 subsection, reduce or diminish the monthly retirement income  
136 otherwise payable to each firefighter covered by the retirement  
137 trust fund or plan.

138 (b) The member's compensation or salary contributed as  
139 employee-elective salary reductions or deferrals to any salary  
140 reduction, deferred compensation, or tax-sheltered annuity  
141 program authorized under the Internal Revenue Code shall be  
142 deemed to be the compensation or salary the member would receive  
143 if he or she were not participating in such program and ~~shall be~~  
144 treated as compensation for retirement purposes under this  
145 chapter.

146 (c) For any person who first becomes a member in any plan  
147 year beginning on or after January 1, 1996, compensation for  
148 that plan year may not include any amounts in excess of the  
149 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
150 the Omnibus Budget Reconciliation Act of 1993, which limitation  
151 of \$150,000 shall be adjusted as required by federal law for  
152 qualified government plans and ~~shall be~~ further adjusted for  
153 changes in the cost of living in the manner provided by Internal  
154 Revenue Code s. 401(a)(17)(B). For any person who first became a  
155 member before the first plan year beginning on or after January  
156 1, 1996, the limitation on compensation may not be less than the

157 maximum compensation amount that was allowed to be taken into  
158 account under the plan in effect on July 1, 1993, which  
159 limitation shall be adjusted for changes in the cost of living  
160 since 1989 in the manner provided by Internal Revenue Code s.  
161 401(a)(17)(1991).

162 (7)~~(4)~~ "Creditable service" or "credited service" means  
163 the aggregate number of years of service~~7~~ and fractional parts  
164 of years of service~~7~~ of any firefighter, omitting intervening  
165 years and fractional parts of years when such firefighter may  
166 not have been employed by the municipality or special fire  
167 control district, subject to the following conditions:

168 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years  
169 or fractional parts of years of service if he or she has  
170 withdrawn his or her contributions to the fund for those years  
171 or fractional parts of years of service, unless the firefighter  
172 repays into the fund the amount he or she has withdrawn, plus  
173 interest determined by the board. The member shall have at least  
174 90 days after his or her reemployment to make repayment.

175 (b) A firefighter may voluntarily leave his or her  
176 contributions in the fund for ~~a period of~~ 5 years after leaving  
177 the employ of the fire department, pending the possibility of  
178 being rehired by the same department, without losing credit for  
179 the time he or she has participated actively as a firefighter.  
180 If the firefighter is not reemployed as a firefighter~~7~~ with the  
181 same department~~7~~ within 5 years, his or her contributions shall  
182 be returned without interest.

183 (c) Credited service under this chapter shall be provided  
 184 only for service as a firefighter, ~~as defined in subsection (8),~~  
 185 or for military service and does not include credit for any  
 186 other type of service. A municipality ~~may,~~ by local ordinance,  
 187 or a special fire control district ~~may,~~ by resolution, may  
 188 provide for the purchase of credit for military service prior to  
 189 employment as well as for prior service as a firefighter for  
 190 some other employer as long as a firefighter is not entitled to  
 191 receive a benefit for such prior service ~~as a firefighter~~. For  
 192 purposes of determining credit for prior service as a  
 193 firefighter, in addition to service as a firefighter in this  
 194 state, credit may be given for federal, other state, or county  
 195 service if the prior service is recognized by the Division of  
 196 State Fire Marshal as provided in ~~under~~ chapter 633, or the  
 197 firefighter provides proof to the board of trustees that his or  
 198 her service is equivalent to the service required to meet the  
 199 definition of a firefighter under subsection (12) ~~(8)~~.

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

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

208 2. The firefighter is entitled to reemployment under the



209 provisions of the Uniformed Services Employment and Reemployment  
 210 Rights Act.

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

214 ~~(8)(5)~~ "Deferred Retirement Option Plan" or "DROP" means a  
 215 local law plan retirement option in which a firefighter may  
 216 elect to participate. A firefighter may retire for all purposes  
 217 of the plan and defer receipt of retirement benefits into a DROP  
 218 account while continuing employment with his or her employer.  
 219 However, a firefighter who enters ~~the~~ DROP and who is otherwise  
 220 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from  
 221 participation or continued participation ~~participating, or~~  
 222 ~~continuing to participate,~~ in a supplemental plan in existence  
 223 on, or created after, March 12, 1999 ~~the effective date of this~~  
 224 ~~act.~~

225 (9) "Defined contribution plan" means the component of a  
 226 local law plan to which deposits are made to provide benefits  
 227 for firefighters, or for firefighters and police officers if  
 228 both are included. Such component is an element of a local law  
 229 plan and exists in conjunction with the defined benefit  
 230 component that meets the required benefits and minimum standards  
 231 of this chapter. The retirement benefits of the defined  
 232 contribution plan shall be provided through individual member  
 233 accounts in accordance with the applicable provisions of the  
 234 Internal Revenue Code and related regulations and are limited to

235 the contributions made into each member's account and the actual  
236 accumulated earnings, net of expenses, earned on the member's  
237 account.

238 (10)-(6) "Division" means the Division of Retirement of the  
239 Department of Management Services.

240 (11)-(7) "Enrolled actuary" means an actuary who is  
241 enrolled under Subtitle C of Title III of the Employee  
242 Retirement Income Security Act of 1974 and who is a member of  
243 the Society of Actuaries or the American Academy of Actuaries.

244 (12)-(8) (a) "Firefighter" means a person employed solely by  
245 a constituted fire department of any municipality or special  
246 fire control district who is certified as a firefighter as a  
247 condition of employment in accordance with s. 633.408 and whose  
248 duty it is to extinguish fires, to protect life, or to protect  
249 property. The term includes all certified, supervisory, and  
250 command personnel whose duties include, in whole or in part, the  
251 supervision, training, guidance, and management responsibilities  
252 of full-time firefighters, part-time firefighters, or auxiliary  
253 firefighters but does not include part-time firefighters or  
254 auxiliary firefighters. However, for purposes of this chapter  
255 only, the term also includes public safety officers who are  
256 responsible for performing both police and fire services, who  
257 are certified as police officers or firefighters, and who are  
258 certified by their employers to the Chief Financial Officer as  
259 participating in this chapter before October 1, 1979. Effective  
260 October 1, 1979, public safety officers who have not been

261 certified as participating in this chapter are considered police  
 262 officers for retirement purposes and are eligible to participate  
 263 in chapter 185. Any plan may provide that the fire chief has an  
 264 option to participate, ~~or not,~~ in that plan.

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

277 ~~(13)(9)~~ "Firefighters' Pension Trust Fund" means a trust  
 278 fund, by whatever name known, as provided under s. 175.041, for  
 279 the purpose of assisting municipalities and special fire control  
 280 districts in establishing and maintaining a retirement plan for  
 281 firefighters.

282 ~~(14)(10)~~ "Local law municipality" is any municipality in  
 283 which ~~there exists~~ a local law plan exists.

284 ~~(15)(11)~~ "Local law plan" means a retirement defined  
 285 benefit pension plan, which includes both a defined benefit plan  
 286 component and a defined contribution plan component, for

287 firefighters, or for firefighters or police officers if both are  
 288 ~~where~~ included, as described in s. 175.351, established by  
 289 municipal ordinance, special district resolution, or special act  
 290 of the Legislature, which ~~enactment~~ sets forth all plan  
 291 provisions. Local law plan provisions may vary from the  
 292 provisions of this chapter if the, ~~provided that~~ required  
 293 ~~minimum~~ benefits and minimum standards of this chapter are met.  
 294 However, any such variance must ~~shall~~ provide a greater benefit  
 295 for firefighters. Actuarial valuations of local law plans shall  
 296 be conducted by an enrolled actuary as provided in s.  
 297 175.261(2).

298 (16) ~~(12)~~ "Local law special fire control district" means  
 299 ~~is~~ any special fire control district in which ~~there exists~~ a  
 300 local law plan exists.

301 (17) "Long-term funded ratio" or "funded ratio" means the  
 302 ratio of the actuarial value of assets of the plan to the  
 303 actuarial accrued liabilities of the plan, as reported in the  
 304 most recent actuarial valuation of the plan, deemed to be in  
 305 compliance with chapter 112 by the Department of Management  
 306 Services.

307 (18) "Minimum benefits" means the benefits set forth in  
 308 ss. 175.021-175.341 and ss. 175.361-175.401.

309 (19) "Minimum standards" means the standards set forth in  
 310 ss. 175.021-175.341 and ss. 175.361-175.401.

311 (20) ~~(13)~~ "Property insurance" means property insurance as  
 312 defined in s. 624.604 and covers real and personal property

313 within the corporate limits of a ~~any~~ municipality, or within the  
 314 boundaries of a ~~any~~ special fire control district, within the  
 315 state. "Multiple peril" means a combination or package policy  
 316 that includes both property and casualty coverage for a single  
 317 premium.

318 (21) "Required benefits" means the lesser of the minimum  
 319 benefits set forth in this chapter or the base benefits of the  
 320 plan. For local law plans created after March 1, 2013, the term  
 321 means the minimum benefits set forth in this chapter.

322 (22)~~(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 (23)~~(15)~~ "Retirement" means a firefighter's separation  
 333 from city or fire district employment as a firefighter with  
 334 immediate eligibility for ~~receipt of~~ benefits under the plan.  
 335 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 (24) "Special benefits" means benefits provided in a

339 defined contribution plan for firefighters.

340 ~~(25)-(16)~~ "Special fire control district" means a special  
341 district, as defined in s. 189.403~~(1)~~, established for the  
342 purposes of extinguishing fires, protecting life, and protecting  
343 property within the incorporated or unincorporated portions of a  
344 ~~any~~ county or combination of counties, or within any combination  
345 of incorporated and unincorporated portions of a ~~any~~ county or  
346 combination of counties. The term does not include any dependent  
347 or independent special district, as those terms are defined in  
348 s. 189.403 whose s. 189.403(2) and (3), respectively, the  
349 ~~employees of which~~ are members of the Florida Retirement System  
350 pursuant to s. 121.051(1) or (2).

351 ~~(26)-(17)~~ "Supplemental plan" means a plan to which  
352 deposits are made to provide extra benefits for firefighters, or  
353 for firefighters and police officers if both are ~~where~~ included  
354 ~~under this chapter~~. Such a plan is an element of a local law  
355 plan and exists in conjunction with a defined benefit component  
356 ~~plan~~ that meets the required ~~minimum~~ benefits and minimum  
357 standards of this chapter. Any supplemental plan in existence on  
358 March 1, 2014, shall be deemed to be a defined contribution plan  
359 in compliance with s. 175.351(8).

360 ~~(27)-(18)~~ "Supplemental plan municipality" means a ~~any~~  
361 local law municipality in which any ~~there existed a~~ supplemental  
362 plan existed, ~~of any type or nature~~, as of December 1, 2000.

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

365 175.071 General powers and duties of board of trustees.—  
 366 For any municipality, special fire control district, chapter  
 367 plan, local law municipality, local law special fire control  
 368 district, or local law plan under this chapter:

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

371 (a) Employ independent legal counsel at the pension fund's  
 372 expense.

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

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

378  
 379 If the board chooses to use the municipality's or special  
 380 district's legal counsel, ~~or~~ actuary, or ~~chooses to use any of~~  
 381 its ~~the municipality's or special district's other~~ professional,  
 382 technical, or other advisers, it must do so only under terms and  
 383 conditions acceptable to the board.

384 Section 4. Paragraphs (d) through (g) of subsection (1) of  
 385 section 175.091, Florida Statutes, are amended, and a new  
 386 paragraph (e) is added to that subsection, to read:

387 175.091 Creation and maintenance of fund.—For any  
 388 municipality, special fire control district, chapter plan, local  
 389 law municipality, local law special fire control district, or  
 390 local law plan under this chapter:

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

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

403 (e) For local law plans, in addition to the mandatory  
 404 payment specified in paragraph (d), by mandatory payment by the  
 405 municipality or special fire control district of the amount  
 406 specified in s. 175.351(3), if the long-term funded ratio of the  
 407 plan is less than 80 percent.

408 ~~(f)~~ By all gifts, bequests, and devises when donated to  
 409 the fund.

410 ~~(g)~~ By all accretions to the fund, such as ~~by way of~~  
 411 interest or dividends on bank deposits, ~~or otherwise.~~

412 ~~(h)~~ By all other sources or income now or hereafter  
 413 authorized by law for the augmentation of such firefighters'  
 414 pension trust fund.

415  
 416 Nothing in this section shall be construed to require adjustment



417 of member contribution rates in effect on the date this act  
418 becomes a law, including rates that exceed 5 percent of salary,  
419 provided that such rates are at least one-half of 1 percent of  
420 salary.

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

423 175.162 Requirements for retirement.—For any municipality,  
424 special fire control district, chapter plan, local law  
425 municipality, local law special fire control district, or local  
426 law plan under this chapter, any firefighter who completes 10 or  
427 more years of creditable service as a firefighter and attains  
428 age 55, or completes 25 years of creditable service as a  
429 firefighter and attains age 52, and who for such minimum period  
430 has been a member of the firefighters' pension trust fund  
431 operating under a chapter plan or local law plan, is eligible  
432 for normal retirement benefits. Normal retirement under the plan  
433 is retirement from the service of the municipality or special  
434 fire control district on or after the normal retirement date. In  
435 such event, payment of retirement income will be governed by the  
436 following provisions of this section:

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

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

448 Section 6. Section 175.351, Florida Statutes, is amended  
449 to read:

450 175.351 Municipalities and special fire control districts  
451 that have ~~having~~ their own pension plans for firefighters. ~~For~~  
452 ~~any municipality, special fire control district, local law~~  
453 ~~municipality, local law special fire control district, or local~~  
454 ~~law plan under this chapter,~~ In order for a municipality or  
455 ~~municipalities and special fire control~~ district that has its  
456 ~~districts with their own pension~~ plan ~~plans~~ for firefighters, or  
457 for firefighters and police officers if both are included, to  
458 participate in the distribution of the tax fund established  
459 under pursuant to s. 175.101, a local law plan and its plan  
460 sponsor plans must meet the required ~~minimum~~ benefits and  
461 minimum standards set forth in this chapter.

462 (1) If a municipality has a pension plan for firefighters,  
463 ~~or a pension plan~~ for firefighters and police officers if both  
464 are included, which in the opinion of the division meets the  
465 required ~~minimum~~ benefits and minimum standards set forth in  
466 this chapter, the board of trustees of the pension plan must, ~~as~~  
467 ~~approved by a majority of firefighters of the municipality, may:~~

468 (a) place the income from the premium tax in s. 175.101 in

469 such ~~pension~~ plan for the sole and exclusive use of its  
470 firefighters, or for firefighters and police officers if both  
471 are included, where it shall become an integral part of that  
472 ~~pension~~ plan and ~~shall~~ be used to fund benefits as follows:

473 (a) The base premium tax revenues must be used to fund  
474 required benefits. To the extent the base premium tax revenues  
475 exceed the annual actuarial cost of the plan's required  
476 benefits, such excess revenues must be used as directed in  
477 paragraph (b).

478 (b) Of the additional premium tax revenues received which  
479 are in excess of the amount received for the 2012 calendar year  
480 and any accumulations of additional tax revenues which have not  
481 been applied to fund benefits in excess of the plan's base  
482 benefits:

483 1. If the plan has a supplemental plan in effect as of  
484 September 30, 2013, whereby all premium tax revenues received in  
485 excess of the amount received for the 2012 calendar year are  
486 scheduled to be used to fund defined contribution plan benefits  
487 and:

488 a. If the plan has a long-term funded ratio of less than  
489 80 percent, 50 percent of the additional premium tax revenues  
490 subject to this paragraph must be used as additional  
491 contributions to pay the plan's actuarial deficiency and 50  
492 percent must be used to fund special benefits; or

493 b. If the plan has a long-term funded ratio of 80 percent  
494 or greater, the additional premium tax revenues subject to this

495 paragraph must be used to fund special benefits.

496 2. If subparagraph 1. is not applicable and the plan has a  
497 long-term funded ratio of less than 80 percent:

498 a. Fifty percent of the additional premium tax revenues  
499 subject to this paragraph must be used as additional  
500 contributions to pay the plan's actuarial deficiency;

501 b. Twenty-five percent of the additional premium tax  
502 revenues subject to this paragraph must be used to fund required  
503 benefits; and

504 c. Twenty-five percent of the additional premium tax  
505 revenues subject to this paragraph must be placed in a defined  
506 contribution plan to fund special benefits.

507 3. If subparagraph 1. is not applicable and the plan has a  
508 long-term funded ratio of 80 percent or greater:

509 a. Fifty percent of the additional premium tax revenues  
510 subject to this paragraph must be used to fund required  
511 benefits; and

512 b. Fifty percent of the additional premium tax revenues  
513 subject to this paragraph must be placed in a defined  
514 contribution plan to fund special benefits.

515  
516 Any additional premium tax revenues used to fund the plan's  
517 actuarial deficiency pursuant to this paragraph may not be  
518 considered in determining the mandatory payment described in s.  
519 175.091(1)(d).

520 (c) Additional premium tax revenues not described in

521 paragraph (b) must be used to fund benefits that were not  
522 included in the required benefits to pay extra benefits to the  
523 firefighters included in that pension plan; or

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

528 (2) Insurance premium tax revenues may not be used to fund  
529 benefits provided in a defined benefit plan which were not  
530 provided by the plan as of March 1, 2014. However, for a local  
531 law plan created after March 1, 2014, up to 50 percent of the  
532 insurance premium tax revenues may be used to fund defined  
533 benefit plan component benefits, with the remainder used to fund  
534 defined contribution plan component benefits.

535 (3) If a plan offers benefits in excess of its required  
536 benefits, such excess benefits may be reduced if the plan  
537 continues to meet the required benefits of the plan and the  
538 minimum standards set forth in this chapter. The amount of  
539 insurance premium tax revenues previously used to fund excess  
540 benefits must be used as provided in paragraph (1) (b). Twenty-  
541 five percent of the amount of any mandatory contribution paid by  
542 the municipality or special fire control district which was  
543 previously used to fund excess benefits must be used as  
544 additional contributions as specified in s. 175.091 to fund the  
545 plan's actuarial deficiency.

546 (4)~~(2)~~ The premium tax provided by this chapter shall ~~in~~

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

559 ~~(a) "Additional premium tax revenues" means revenues~~  
560 ~~received by a municipality or special fire control district~~  
561 ~~pursuant to s. 175.121 which exceed that amount received for~~  
562 ~~calendar year 1997.~~

563 ~~(b) "Extra benefits" means benefits in addition to or~~  
564 ~~greater than those provided to general employees of the~~  
565 ~~municipality and in addition to those in existence for~~  
566 ~~firefighters on March 12, 1999.~~

567 (5)(3) A retirement plan or amendment to a retirement plan  
568 may not be proposed for adoption unless the proposed plan or  
569 amendment contains an actuarial estimate of the costs involved.  
570 Such proposed plan or proposed plan change may not be adopted  
571 without the approval of the municipality, special fire control  
572 district, or, where permitted, the Legislature. Copies of the

573 proposed plan or proposed plan change and the actuarial impact  
 574 statement of the proposed plan or proposed plan change shall be  
 575 furnished to the division before the last public hearing on the  
 576 proposal is held ~~thereon~~. Such statement must also indicate  
 577 whether the proposed plan or proposed plan change is in  
 578 compliance with s. 14, Art. X of the State Constitution and  
 579 those provisions of part VII of chapter 112 which are not  
 580 expressly provided in this chapter. Notwithstanding any other  
 581 provision, only those local law plans created by special act of  
 582 legislation before May 27, 1939, are deemed to meet the minimum  
 583 benefits and minimum standards only in this chapter.

584 (6)~~(4)~~ Notwithstanding any other provision, with respect  
 585 to any supplemental plan municipality:

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

589 (b) Section 175.061(1)(b) does not apply, and a local law  
 590 plan and a supplemental plan shall continue to be administered  
 591 by a board or boards of trustees numbered, constituted, and  
 592 selected as the board or boards were numbered, constituted, and  
 593 selected on December 1, 2000.

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

596 (7)~~(5)~~ The retirement plan setting forth the benefits and  
 597 the trust agreement, if any, covering the duties and  
 598 responsibilities of the trustees and the regulations of the

599 investment of funds must be in writing, and copies made  
600 available to the participants and to the general public.

601 (8) In addition to the defined benefit component of the  
602 local law plan, each plan sponsor must have a defined  
603 contribution plan component within the local law plan by October  
604 1, 2014, or upon the creation date of a new participating plan.  
605 However, the plan sponsor of any plan established by special act  
606 of the Legislature has until July 1, 2015, to create a defined  
607 contribution component within the plan.

608 (9) Notwithstanding any other provision of this chapter, a  
609 municipality or special fire control district that has  
610 implemented or proposed changes to a local law plan based on the  
611 municipality's or district's reliance on an interpretation of  
612 this chapter by the department on or after August 14, 2012, and  
613 before February 1, 2013, may continue the implemented changes or  
614 continue to implement proposed changes. Such reliance must be  
615 evidenced by a written collective bargaining proposal or  
616 agreement, or formal correspondence between the municipality or  
617 district and the department which describes the specific changes  
618 to the local law plan, with the initial proposal, agreement, or  
619 correspondence from the municipality or district dated before  
620 February 1, 2013. Changes to the local law plan which are  
621 otherwise contrary to this chapter may continue in effect until  
622 the earlier of October 1, 2017, or the effective date of a  
623 collective bargaining agreement that is contrary to the changes  
624 to the local law plan.



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

627 185.01 Legislative declaration.—

628 (2) This chapter hereby establishes, for all municipal  
 629 pension plans ~~now or hereinafter~~ provided for under this  
 630 chapter, including chapter plans and local law plans, required  
 631 ~~minimum~~ benefits and minimum standards for the operation and  
 632 funding of such plans, hereinafter referred to as municipal  
 633 police officers' retirement trust funds, which must be met as a  
 634 condition precedent to the plan or plan sponsor receiving a  
 635 distribution of insurance premium tax revenues under s. 185.10.  
 636 The required ~~minimum~~ benefits and minimum standards for each  
 637 plan as set forth in this chapter may not be diminished by local  
 638 ordinance or by special act of the Legislature and may not, ~~nor~~  
 639 ~~may the minimum benefits or minimum standards~~ be reduced or  
 640 offset by any other local, state, or federal plan that includes  
 641 ~~may include~~ police officers in its operation, except as provided  
 642 under s. 112.65.

643 Section 8. Section 185.02, Florida Statutes, is amended to  
 644 read:

645 185.02 Definitions.—For any municipality, chapter plan,  
 646 local law municipality, or local law plan under this chapter,  
 647 the term ~~following words and phrases as used in this chapter~~  
 648 ~~shall have the following meanings, unless a different meaning is~~  
 649 ~~plainly required by the context:~~

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

651 received by a municipality pursuant to s. 185.10 which exceed  
652 base premium tax revenues.

653 (2)~~(1)~~ "Average final compensation" means one-twelfth of  
654 the average annual compensation of the 5 best years of the last  
655 10 years of creditable service prior to retirement, termination,  
656 or death.

657 (3) "Base benefits" means the level of benefits in  
658 existence for police officers on March 12, 1999.

659 (4) "Base premium tax revenues" means the revenues  
660 received by a municipality pursuant to s. 185.10 for calendar  
661 year 1997.

662 (5)~~(2)~~ "Casualty insurance" means automobile public  
663 liability and property damage insurance to be applied at the  
664 place of residence of the owner, or if the subject is a  
665 commercial vehicle, to be applied at the place of business of  
666 the owner; automobile collision insurance; fidelity bonds;  
667 burglary and theft insurance; and plate glass insurance.  
668 "Multiple peril" means a combination or package policy that  
669 includes both property coverage and casualty coverage for a  
670 single premium.

671 (6)~~(3)~~ "Chapter plan" means a separate defined benefit  
672 pension plan for police officers which incorporates by reference  
673 the provisions of this chapter and has been adopted by the  
674 governing body of a municipality as provided in s. 185.08.  
675 Except as ~~may be~~ specifically authorized in this chapter, the  
676 provisions of a chapter plan may not differ from the plan

677 provisions set forth in ss. 185.01-185.341 and ss. 185.37-  
678 185.39. Actuarial valuations of chapter plans shall be conducted  
679 by the division as provided by s. 185.221(1)(b).

680 (7)(4) "Compensation" or "salary" means, for  
681 noncollectively bargained service earned before July 1, 2011, or  
682 for service earned under collective bargaining agreements in  
683 place before July 1, 2011, the total cash remuneration including  
684 "overtime" paid by the primary employer to a police officer for  
685 services rendered, but not including any payments for extra duty  
686 or special detail work performed on behalf of a second party  
687 employer. ~~A local law plan may limit the amount of overtime~~  
688 ~~payments which can be used for retirement benefit calculation~~  
689 ~~purposes; however, such overtime limit may not be less than 300~~  
690 ~~hours per officer per calendar year.~~ For noncollectively  
691 bargained service earned on or after July 1, 2011, or for  
692 service earned under collective bargaining agreements entered  
693 into on or after July 1, 2011, the term has the same meaning  
694 except that when calculating retirement benefits, up to 300  
695 hours per year in overtime compensation may be included as  
696 specified in the plan or collective bargaining agreement, but  
697 payments for accrued unused sick or annual leave may not be  
698 included.

699 (a) Any retirement trust fund or plan that meets the  
700 requirements of this chapter does not, solely by virtue of this  
701 subsection, reduce or diminish the monthly retirement income  
702 otherwise payable to each police officer covered by the

703 retirement trust fund or plan.

704 (b) The member's compensation or salary contributed as  
705 employee-elective salary reductions or deferrals to any salary  
706 reduction, deferred compensation, or tax-sheltered annuity  
707 program authorized under the Internal Revenue Code shall be  
708 deemed to be the compensation or salary the member would receive  
709 if he or she were not participating in such program and shall be  
710 treated as compensation for retirement purposes under this  
711 chapter.

712 (c) For any person who first becomes a member in any plan  
713 year beginning on or after January 1, 1996, compensation for  
714 that plan year may not include any amounts in excess of the  
715 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
716 the Omnibus Budget Reconciliation Act of 1993, which limitation  
717 of \$150,000 shall be adjusted as required by federal law for  
718 qualified government plans and ~~shall be~~ further adjusted for  
719 changes in the cost of living in the manner provided by Internal  
720 Revenue Code s. 401(a)(17)(B). For any person who first became a  
721 member before the first plan year beginning on or after January  
722 1, 1996, the limitation on compensation may not be less than the  
723 maximum compensation amount that was allowed to be taken into  
724 account under the plan ~~as~~ in effect on July 1, 1993, which  
725 limitation shall be adjusted for changes in the cost of living  
726 since 1989 in the manner provided by Internal Revenue Code s.  
727 401(a)(17)(1991).

728 (8)~~(5)~~ "Creditable service" or "credited service" means

729 the aggregate number of years of service and fractional parts of  
 730 years of service of any police officer, omitting intervening  
 731 years and fractional parts of years when such police officer may  
 732 not have been employed by the municipality subject to the  
 733 following conditions:

734 (a) A ~~No~~ police officer may not ~~will~~ receive credit for  
 735 years or fractional parts of years of service if he or she has  
 736 withdrawn his or her contributions to the fund for those years  
 737 or fractional parts of years of service, unless the police  
 738 officer repays into the fund the amount he or she has withdrawn,  
 739 plus interest as determined by the board. The member has ~~shall~~  
 740 ~~have~~ at least 90 days after his or her reemployment to make  
 741 repayment.

742 (b) A police officer may voluntarily leave his or her  
 743 contributions in the fund for ~~a period of~~ 5 years after leaving  
 744 the employ of the police department, pending the possibility of  
 745 his or her being rehired by the same department, without losing  
 746 credit for the time he or she has participated actively as a  
 747 police officer. If he or she is not reemployed as a police  
 748 officer with the same department within 5 years, his or her  
 749 contributions shall be returned ~~to him or her~~ without interest.

750 (c) Credited service under this chapter shall be provided  
 751 only for service as a police officer, ~~as defined in subsection~~  
 752 ~~(11)~~, or for military service and may not include credit for any  
 753 other type of service. A municipality ~~may~~, by local ordinance,  
 754 may provide for the purchase of credit for military service

755 occurring before employment as well as prior service as a police  
756 officer for some other employer as long as the police officer is  
757 not entitled to receive a benefit for such ~~other~~ prior service  
758 ~~as a police officer~~. For purposes of determining credit for  
759 prior service, in addition to service as a police officer in  
760 this state, credit may be given for federal, other state, or  
761 county service as long as such service is recognized by the  
762 Criminal Justice Standards and Training Commission within the  
763 Department of Law Enforcement as provided in ~~under~~ chapter 943  
764 or the police officer provides proof to the board of trustees  
765 that such service is equivalent to the service required to meet  
766 the definition of a police officer under subsection (18) ~~(11)~~.

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

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

775 2. The police officer is entitled to reemployment under  
776 ~~the provisions of~~ the Uniformed Services Employment and  
777 Reemployment Rights Act.

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

781 (9)~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a  
 782 local law plan retirement option in which a police officer may  
 783 elect to participate. A police officer may retire for all  
 784 purposes of the plan and defer receipt of retirement benefits  
 785 into a DROP account while continuing employment with his or her  
 786 employer. However, a police officer who enters ~~the~~ DROP and who  
 787 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be  
 788 precluded from participation or continued participation  
 789 ~~participating, or continuing to participate,~~ in a supplemental  
 790 plan in existence on, or created after, March 12, 1999 ~~the~~  
 791 ~~effective date of this act.~~

792 (10) "Defined contribution plan" means the component of a  
 793 local law plan to which deposits are made to provide benefits  
 794 for police officers, or for police officers and firefighters if  
 795 both are included. Such component is an element of a local law  
 796 plan and exists in conjunction with the defined benefit  
 797 component that meets the required benefits and minimum standards  
 798 of this chapter. The retirement benefits of the defined  
 799 contribution plan shall be provided through individual member  
 800 accounts in accordance with the applicable provisions of the  
 801 Internal Revenue Code and related regulations and are limited to  
 802 the contributions made into each member's account and the actual  
 803 accumulated earnings, net of expenses, earned on the member's  
 804 account.

805 (11)~~(7)~~ "Division" means the Division of Retirement of the  
 806 Department of Management Services.

807        (12)~~(8)~~ "Enrolled actuary" means an actuary who is  
 808 enrolled under Subtitle C of Title III of the Employee  
 809 Retirement Income Security Act of 1974 and who is a member of  
 810 the Society of Actuaries or the American Academy of Actuaries.

811        (13)~~(9)~~ "Local law municipality" means ~~is~~ any municipality  
 812 in which ~~there exists~~ a local law plan exists.

813        (14)~~(10)~~ "Local law plan" means a retirement defined  
 814 benefit pension plan, which includes both a defined benefit plan  
 815 component and a defined contribution plan component, for police  
 816 officers, or for police officers and firefighters if both are,  
 817 ~~where~~ included, as described in s. 185.35, established by  
 818 municipal ordinance or special act of the Legislature, which  
 819 ~~enactment~~ sets forth all plan provisions. Local law plan  
 820 provisions may vary from the provisions of this chapter if the,  
 821 ~~provided that~~ required ~~minimum~~ benefits and minimum standards of  
 822 this chapter are met. However, any such variance must ~~shall~~  
 823 provide a greater benefit for police officers. Actuarial  
 824 valuations of local law plans shall be conducted by an enrolled  
 825 actuary as provided in s. 185.221(2)(b).

826        (15) "Long-term funded ratio" or "funded ratio" means the  
 827 ratio of the actuarial value of assets of the plan to the  
 828 actuarial accrued liabilities of the plan, as reported in the  
 829 most recent actuarial valuation of the plan, deemed to be in  
 830 compliance with chapter 112 by the Department of Management  
 831 Services.

832        (16) "Minimum benefits" means the benefits set forth in



833 ss. 185.01-185.341 and ss. 185.37-185.50.

834 (17) "Minimum standards" means the standards set forth in  
 835 ss. 185.01-185.341 and ss. 185.37-185.50.

836 (18)~~(11)~~ "Police officer" means any person who is elected,  
 837 appointed, or employed full time by a ~~any~~ municipality, who is  
 838 certified or required to be certified as a law enforcement  
 839 officer in compliance with s. 943.1395, who is vested with  
 840 authority to bear arms and make arrests, and whose primary  
 841 responsibility is the prevention and detection of crime or the  
 842 enforcement of the penal, criminal, traffic, or highway laws of  
 843 the state. The term ~~This definition~~ includes all certified  
 844 supervisory and command personnel whose duties include, in whole  
 845 or in part, the supervision, training, guidance, and management  
 846 responsibilities of full-time law enforcement officers, part-  
 847 time law enforcement officers, or auxiliary law enforcement  
 848 officers, but does not include part-time law enforcement  
 849 officers or auxiliary law enforcement officers as those terms  
 850 ~~the same~~ are defined in s. 943.10~~(6)~~ and ~~(8)~~, respectively. For  
 851 the purposes of this chapter only, the term also includes  
 852 ~~"police officer" also shall include~~ a public safety officer who  
 853 is responsible for performing both police and fire services. Any  
 854 plan may provide that the police chief shall have an option to  
 855 participate~~, or not,~~ in that plan.

856 (19)~~(12)~~ "Police Officers' Retirement Trust Fund" means a  
 857 trust fund, by whatever name known, as provided under s. 185.03  
 858 for the purpose of assisting municipalities in establishing and

859 maintaining a retirement plan for police officers.

860 (20) "Required benefits" means the lesser of the minimum  
861 benefits set forth in this chapter or the base benefits of the  
862 plan. For local law plans created after March 1, 2013, the term  
863 means the minimum benefits set forth in this chapter.

864 (21)-(13) "Retiree" or "retired police officer" means a  
865 police officer who has entered retirement status. For the  
866 purposes of a plan that includes a Deferred Retirement Option  
867 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~  
868 considered a retiree for all purposes of the plan. However, a  
869 police officer who enters ~~the~~ DROP and who is otherwise eligible  
870 to participate may ~~shall~~ not ~~thereby~~ be precluded from  
871 participating, or continuing to participate, in a supplemental  
872 plan in existence on, or created after, March 12, 1999 ~~the~~  
873 ~~effective date of this act.~~

874 (22)-(14) "Retirement" means a police officer's separation  
875 from city employment as a police officer with immediate  
876 eligibility for ~~receipt of~~ benefits under the plan. For purposes  
877 of a plan that includes a Deferred Retirement Option Plan  
878 (DROP), "retirement" means the date a police officer enters ~~the~~  
879 DROP.

880 (23) "Special benefits" means benefits provided in a  
881 defined contribution plan for police officers.

882 (24)-(15) "Supplemental plan" means a plan to which  
883 deposits of the premium tax moneys as provided in s. 185.08 are  
884 made to provide extra benefits to police officers, or police

885 officers and firefighters if both are ~~where included,~~ ~~under this~~  
886 ~~chapter~~. Such a plan is an element of a local law plan and  
887 exists in conjunction with a defined benefit component ~~plan~~ that  
888 meets the required ~~minimum~~ benefits and minimum standards of  
889 this chapter. Any supplemental plan in existence on March 1,  
890 2014, shall be deemed to be a defined contribution plan in  
891 compliance with s. 185.35(8).

892 (25) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~  
893 local law municipality in which ~~there existed~~ a supplemental  
894 plan existed as of December 1, 2000.

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

897 185.06 General powers and duties of board of trustees.—For  
898 any municipality, chapter plan, local law municipality, or local  
899 law plan under this chapter:

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

902 (a) Employ independent legal counsel at the pension fund's  
903 expense.

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

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

909

910 If the board chooses to use the municipality's or special

911 district's legal counsel, ~~or~~ actuary, or ~~chooses to use~~ any of  
 912 its the municipality's other professional, technical, or other  
 913 advisers, it must do so only under terms and conditions  
 914 acceptable to the board.

915 Section 10. Paragraphs (d) through (g) of subsection (1)  
 916 of section 185.07, Florida Statutes, are amended, and a new  
 917 paragraph (e) is added to that subsection, to read:

918 185.07 Creation and maintenance of fund.—For any  
 919 municipality, chapter plan, local law municipality, or local law  
 920 plan under this chapter:

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

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

933 (e) For local law plans, in addition to the mandatory  
 934 payment described in paragraph (d), by mandatory payment by the  
 935 municipality of the amount specified in s. 185.35(3), if the  
 936 long-term funded ratio of the plan is less than 80 percent.

937        (f)~~(e)~~ By all gifts, bequests and devises when donated to  
 938 the fund.

939        (g)~~(f)~~ By all accretions to the fund by way of interest or  
 940 dividends on bank deposits or otherwise.

941        (h)~~(g)~~ By all other sources of income now or hereafter  
 942 authorized by law for the augmentation of such municipal police  
 943 officers' retirement trust fund.

944  
 945 Nothing in this section shall be construed to require adjustment  
 946 of member contribution rates in effect on the date this act  
 947 becomes a law, including rates that exceed 5 percent of salary,  
 948 provided that such rates are at least one-half of 1 percent of  
 949 salary.

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

952        185.16 Requirements for retirement.—For any municipality,  
 953 chapter plan, local law municipality, or local law plan under  
 954 this chapter, any police officer who completes 10 or more years  
 955 of creditable service as a police officer and attains age 55, or  
 956 completes 25 years of creditable service as a police officer and  
 957 attains age 52, and for such period has been a member of the  
 958 retirement fund is eligible for normal retirement benefits.

959 Normal retirement under the plan is retirement from the service  
 960 of the city on or after the normal retirement date. In such  
 961 event, for chapter plans and local law plans, payment of  
 962 retirement income will be governed by the following provisions

963 of this section:

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

974 Section 12. Section 185.35, Florida Statutes, is amended  
975 to read:

976 185.35 Municipalities that have ~~having~~ their own  
977 retirement pension plans for police officers. ~~For any~~  
978 ~~municipality, chapter plan, local law municipality, or local law~~  
979 ~~plan under this chapter,~~ In order for a municipality that has  
980 its municipalities with their own retirement plan ~~pension plans~~  
981 for police officers, or for police officers and firefighters if  
982 both are included, to participate in the distribution of the tax  
983 fund established under ~~pursuant to~~ s. 185.08, a local law plan  
984 and its plan sponsor plans must meet the required minimum  
985 benefits and minimum standards set forth in this chapter:

986 (1) If a municipality has a retirement pension plan for  
987 police officers, or for police officers and firefighters if both  
988 are included, which, in the opinion of the division, meets the

989 required ~~minimum~~ benefits and minimum standards set forth in  
990 this chapter, the board of trustees of the pension plan must, ~~as~~  
991 ~~approved by a majority of police officers of the municipality,~~  
992 ~~may:~~

993 ~~(a)~~ place the income from the premium tax in s. 185.08 in  
994 such ~~pension~~ plan for the sole and exclusive use of its police  
995 officers, or its police officers and firefighters if both are  
996 included, where it shall become an integral part of that ~~pension~~  
997 plan and ~~shall~~ be used to fund benefits as follows:

998 (a) The base premium tax revenues must be used to fund  
999 required benefits. To the extent the base premium tax revenues  
1000 exceed the annual actuarial cost of the plan's required  
1001 benefits, such excess revenues must be used as directed in  
1002 paragraph (b).

1003 (b) Of the additional premium tax revenues received which  
1004 are in excess of the amount received for the 2012 calendar year  
1005 and any accumulations of additional premium tax revenues which  
1006 have not been applied to fund benefits in excess of the plan's  
1007 base benefits:

1008 1. If the plan has a supplemental plan in effect as of  
1009 September 30, 2013, whereby all premium tax revenues received in  
1010 excess of the amount received for the 2012 calendar year are  
1011 scheduled to be used to fund defined contribution plan benefits  
1012 and:

1013 a. If the plan has a long-term funded ratio of less than  
1014 80 percent, 50 percent of the additional premium tax revenues

1015 subject to this paragraph must be used as additional  
1016 contributions to pay the plan's actuarial deficiency and the  
1017 remainder must be used to fund special benefits; or  
1018 b. If the plan has a long-term funded ratio of 80 percent  
1019 or greater, the additional premium tax revenues subject to this  
1020 paragraph must be used to fund special benefits.  
1021 2. If subparagraph 1. is not applicable and the plan has a  
1022 long-term funded ratio of less than 80 percent:  
1023 a. Fifty percent of the additional premium tax revenues  
1024 subject to this paragraph must be used as additional  
1025 contributions to pay the plan's actuarial deficiency;  
1026 b. Twenty-five percent of the additional premium tax  
1027 revenues subject to this paragraph must be used to fund required  
1028 benefits; and  
1029 c. Twenty-five percent of the additional premium tax  
1030 revenues subject to this paragraph must be placed in a defined  
1031 contribution plan to fund special benefits.  
1032 3. If subparagraph 1. is not applicable and the plan has a  
1033 long-term funded ratio of 80 percent or greater:  
1034 a. Fifty percent of the additional premium tax revenues  
1035 subject to this paragraph must be used to fund required  
1036 benefits; and  
1037 b. Fifty percent of the additional premium tax revenues  
1038 subject to this paragraph must be placed in a defined  
1039 contribution plan to fund special benefits.  
1040



1041 Any additional premium tax revenues used to fund the plan's  
 1042 actuarial deficiency pursuant to this paragraph may not be  
 1043 considered in determining the mandatory payment described in s.  
 1044 185.07(1)(d).

1045 (c) Additional premium tax revenues not described in  
 1046 paragraph (b) must be used to fund benefits that were not  
 1047 included in the required benefits ~~pay extra benefits to the~~  
 1048 ~~police officers included in that pension plan; or~~

1049 ~~(b) May place the income from the premium tax in s. 185.08~~  
 1050 ~~in a separate supplemental plan to pay extra benefits to the~~  
 1051 ~~police officers, or police officers and firefighters if~~  
 1052 ~~included, participating in such separate supplemental plan.~~

1053 (2) Insurance premium tax revenues may not be used to fund  
 1054 benefits provided in a defined benefit plan which were not  
 1055 provided by the plan as of March 1, 2014. However, for a local  
 1056 law plan created after March 1, 2014, up to 50 percent of the  
 1057 insurance premium tax revenues may be used to fund defined  
 1058 benefit plan component benefits, with the remainder used to fund  
 1059 defined contribution plan component benefits.

1060 (3) If a plan offers benefits in excess of its required  
 1061 benefits, such benefits may be reduced if the plan continues to  
 1062 meet the required benefits of the plan and the minimum standards  
 1063 set forth in this chapter. The amount of insurance premium tax  
 1064 revenues previously used to fund benefits in excess of the  
 1065 plan's required benefits before the reduction must be used as  
 1066 provided in paragraph (1)(b). Twenty-five percent of the amount

1067 of any mandatory contribution paid by the municipality which was  
1068 previously used to fund benefits above the level of required  
1069 benefits provided before the reduction must be used as  
1070 additional contributions as specified in s. 185.07 to fund the  
1071 plan's actuarial deficiency.

1072 ~~(4)(2)~~ The premium tax provided by this chapter shall ~~in~~  
1073 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~  
1074 benefits to police officers, or to police officers and  
1075 firefighters if both are included. ~~However, local law plans in~~  
1076 ~~effect on October 1, 1998, must comply with the minimum benefit~~  
1077 ~~provisions of this chapter only to the extent that additional~~  
1078 ~~premium tax revenues become available to incrementally fund the~~  
1079 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~  
1080 ~~is in compliance with such minimum benefit provisions, as~~  
1081 ~~subsequent additional tax revenues become available, they shall~~  
1082 ~~be used to provide extra benefits.~~ Local law plans created by  
1083 special act before May 27, 1939, shall be deemed to comply with  
1084 this chapter. For the purpose of this chapter, the term:

1085 ~~(a) "Additional premium tax revenues" means revenues~~  
1086 ~~received by a municipality pursuant to s. 185.10 which exceed~~  
1087 ~~the amount received for calendar year 1997.~~

1088 ~~(b) "Extra benefits" means benefits in addition to or~~  
1089 ~~greater than those provided to general employees of the~~  
1090 ~~municipality and in addition to those in existence for police~~  
1091 ~~officers on March 12, 1999.~~

1092 ~~(5)(3)~~ A retirement plan or amendment to a retirement plan

1093 may not be proposed for adoption unless the proposed plan or  
1094 amendment contains an actuarial estimate of the costs involved.  
1095 Such proposed plan or proposed plan change may not be adopted  
1096 without the approval of the municipality or, where permitted,  
1097 the Legislature. Copies of the proposed plan or proposed plan  
1098 change and the actuarial impact statement of the proposed plan  
1099 or proposed plan change shall be furnished to the division  
1100 before the last public hearing on the proposal is held ~~thereon~~.  
1101 Such statement must also indicate whether the proposed plan or  
1102 proposed plan change is in compliance with s. 14, Art. X of the  
1103 State Constitution and those provisions of part VII of chapter  
1104 112 which are not expressly provided in this chapter.  
1105 Notwithstanding any other provision, only those local law plans  
1106 created by special act of legislation before May 27, 1939, are  
1107 deemed to meet the minimum benefits and minimum standards only  
1108 in this chapter.

1109 (6)~~(4)~~ Notwithstanding any other provision, with respect  
1110 to any supplemental plan municipality:

1111 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and  
1112 a local law plan and a supplemental plan may continue to use  
1113 their definition of compensation or salary in existence on March  
1114 12, 1999.

1115 (b) A local law plan and a supplemental plan must continue  
1116 to be administered by a board or boards of trustees numbered,  
1117 constituted, and selected as the board or boards were numbered,  
1118 constituted, and selected on December 1, 2000.

1119 ~~(c) The election set forth in paragraph (1)(b) is deemed~~  
1120 ~~to have been made.~~

1121 (7)~~(5)~~ The retirement plan setting forth the benefits and  
1122 the trust agreement, if any, covering the duties and  
1123 responsibilities of the trustees and the regulations of the  
1124 investment of funds must be in writing and copies made available  
1125 to the participants and to the general public.

1126 (8) In addition to the defined benefit component of the  
1127 local law plan, each plan sponsor must have a defined  
1128 contribution plan component within the local law plan by October  
1129 1, 2014, or upon the creation date of a new participating plan.  
1130 However, the plan sponsor of any plan established by special act  
1131 of the Legislature has until July 1, 2015, to create a defined  
1132 contribution component within the plan.

1133 (9) Notwithstanding any other provision of this chapter, a  
1134 municipality that has implemented or proposed changes to a local  
1135 law plan based on the municipality's reliance on an  
1136 interpretation of this chapter by the department on or after  
1137 August 14, 2012, and before February 1, 2013, may continue the  
1138 implemented changes or continue to implement proposed changes.  
1139 Such reliance must be evidenced by a written collective  
1140 bargaining proposal or agreement, or formal correspondence  
1141 between the municipality and the department which describes the  
1142 specific changes to the local law plan, with the initial  
1143 proposal, agreement, or correspondence from the municipality  
1144 dated before February 1, 2013. Changes to the local law plan

1145 which are otherwise contrary to this chapter may continue in  
1146 effect until the earlier of October 1, 2017, or the effective  
1147 date of a collective bargaining agreement that is contrary to  
1148 the changes to the local law plan.

1149       Section 13. The Legislature finds that a proper and  
1150 legitimate state purpose is served when employees and retirees  
1151 of this state and its political subdivisions, and the  
1152 dependents, survivors, and beneficiaries of such employees and  
1153 retirees, are extended the basic protections afforded by  
1154 governmental retirement systems that provide fair and adequate  
1155 benefits and that are managed, administered, and funded in an  
1156 actuarially sound manner as required under s. 14, Article X of  
1157 the State Constitution and part VII of chapter 112, Florida  
1158 Statutes. Therefore, the Legislature determines and declares  
1159 that this act fulfills an important state interest.

1160       Section 14. This act shall take effect July 1, 2014.