

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

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 ch.
 62 185, F.S., under specified circumstances; requiring
 63 plan sponsors to have a defined contribution plan in
 64 place by a certain date; authorizing a municipality to
 65 implement certain changes to a local law plan which
 66 are contrary to ch. 185, F.S., for a limited time;
 67 providing a declaration of important state interest;
 68 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~~7~~ and fractional parts
 173 of years of service~~7~~ 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 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 of the defined contribution plan shall be
 242 provided through individual member accounts in accordance with
 243 the applicable provisions of the Internal Revenue Code and
 244 related regulations and are limited to the contributions, if
 245 any, made into each member's account and the actual accumulated
 246 earnings, net of expenses, earned on the member's account.

247 (9)-(6) "Division" means the Division of Retirement of the
 248 Department of Management Services.

249 (10)-(7) "Enrolled actuary" means an actuary who is
 250 enrolled under Subtitle C of Title III of the Employee
 251 Retirement Income Security Act of 1974 and who is a member of
 252 the Society of Actuaries or the American Academy of Actuaries.

253 (11)-(8)(a) "Firefighter" means a person employed solely by
 254 a constituted fire department of any municipality or special
 255 fire control district who is certified as a firefighter as a
 256 condition of employment in accordance with s. 633.408 and whose
 257 duty it is to extinguish fires, to protect life, or to protect
 258 property. The term includes all certified, supervisory, and
 259 command personnel whose duties include, in whole or in part, the
 260 supervision, training, guidance, and management responsibilities

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

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

286 (12) ~~(9)~~ "Firefighters' Pension Trust Fund" means a trust

287 fund, by whatever name known, as provided under s. 175.041, for
 288 the purpose of assisting municipalities and special fire control
 289 districts in establishing and maintaining a retirement plan for
 290 firefighters.

291 (13)~~(10)~~ "Local law municipality" is any municipality in
 292 which ~~there exists~~ a local law plan exists.

293 (14)~~(11)~~ "Local law plan" means a retirement defined
 294 benefit pension plan, which includes both a defined benefit plan
 295 component and a defined contribution plan component, for
 296 firefighters, or for firefighters and ~~or~~ police officers if both
 297 are ~~where~~ included, as described in s. 175.351, established by
 298 municipal ordinance, special district resolution, or special act
 299 of the Legislature, which ~~enactment~~ sets forth all plan
 300 provisions. Local law plan provisions may vary from the
 301 provisions of this chapter if the, ~~provided that required~~
 302 minimum benefits and minimum standards of this chapter are met.
 303 However, any such variance must ~~shall~~ provide a greater benefit
 304 for firefighters. Actuarial valuations of local law plans shall
 305 be conducted by an enrolled actuary as provided in s.
 306 175.261(2).

307 (15)~~(12)~~ "Local law special fire control district" means
 308 ~~is~~ any special fire control district in which ~~there exists~~ a
 309 local law plan exists.

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

312 (17) "Minimum standards" means the standards set forth in

313 ss. 175.021-175.341 and ss. 175.361-175.401.

314 (18)~~(13)~~ "Property insurance" means property insurance as
 315 defined in s. 624.604 and covers real and personal property
 316 within the corporate limits of a ~~any~~ municipality, or within the
 317 boundaries of a ~~any~~ special fire control district, within the
 318 state. The term "multiple peril" means a combination or package
 319 policy that includes both property and casualty coverage for a
 320 single premium.

321 (19)~~(14)~~ "Retiree" or "retired firefighter" means a
 322 firefighter who has entered retirement status. For the purposes
 323 of a plan that includes a Deferred Retirement Option Plan
 324 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
 325 a retiree for all purposes of the plan. However, a firefighter
 326 who enters ~~the~~ DROP and who is otherwise eligible to participate
 327 may shall not ~~thereby~~ be precluded from participation or
 328 continued participation ~~participating, or continuing to~~
 329 ~~participate,~~ in a supplemental plan in existence on, or created
 330 after, March 12, 1999 ~~the effective date of this act.~~

331 (20)~~(15)~~ "Retirement" means a firefighter's separation
 332 from municipal ~~city~~ or fire district employment as a firefighter
 333 with immediate eligibility for ~~receipt of~~ benefits under the
 334 plan. For purposes of a plan that includes a Deferred Retirement
 335 Option Plan (DROP), "retirement" means the date a firefighter
 336 enters ~~the~~ DROP.

337 (21) "Special act plan" means a plan subject to the
 338 provisions of this chapter which was created by an act of the

339 Legislature and continues to require an act of the Legislature
 340 to alter plan benefits.

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

343 (23)~~(16)~~ "Special fire control district" means a special
 344 district, as defined in s. 189.403~~(1)~~, established for the
 345 purposes of extinguishing fires, protecting life, and protecting
 346 property within the incorporated or unincorporated portions of a
 347 ~~any~~ county or combination of counties, or within any combination
 348 of incorporated and unincorporated portions of a ~~any~~ county or
 349 combination of counties. The term does not include any dependent
 350 or independent special district, as those terms are defined in
 351 s. 189.403, whose s. 189.403(2) and (3), respectively, the
 352 ~~employees of which~~ are members of the Florida Retirement System
 353 pursuant to s. 121.051(1) or (2).

354 (24)~~(17)~~ "Supplemental plan" means a plan to which
 355 deposits are made to provide extra benefits for firefighters, or
 356 for firefighters and police officers if both are ~~where~~ included
 357 ~~under this chapter~~. Such a plan is an element of a local law
 358 plan and exists in conjunction with a defined benefit component
 359 ~~plan~~ that meets the minimum benefits and minimum standards of
 360 this chapter. Any supplemental plan in existence on March 1,
 361 2014, shall be deemed to be a defined contribution plan in
 362 compliance with s. 175.351(6).

363 (25)~~(18)~~ "Supplemental plan municipality" means a ~~any~~
 364 local law municipality in which any ~~there existed~~ a supplemental

365 plan existed, ~~of any type or nature~~, as of December 1, 2000.

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

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

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

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

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

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

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

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

389 175.091 Creation and maintenance of fund.—For any
 390 municipality, special fire control district, chapter plan, local

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

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

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

404
 405 Nothing in this section shall be construed to require adjustment
 406 of member contribution rates in effect on the date this act
 407 becomes a law, including rates that exceed 5 percent of salary,
 408 provided that such rates are at least one-half of 1 percent of
 409 salary.

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

412 175.162 Requirements for retirement.—For any municipality,
 413 special fire control district, chapter plan, local law
 414 municipality, local law special fire control district, or local
 415 law plan under this chapter, any firefighter who completes 10 or
 416 more years of creditable service as a firefighter and attains

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

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

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

443 compensation of a full-time firefighter.

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

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

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

466 (1) If a municipality has a pension plan for firefighters,
 467 ~~or a pension plan~~ for firefighters and police officers if both
 468 are included, which in the opinion of the division meets the

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

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

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

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

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

494 (d) Any accumulations of additional tax revenues which

495 have not been applied to fund benefits in excess of the minimum
 496 benefits or applied to fund a supplemental plan must be used to
 497 fund special benefits ~~to pay extra benefits to the firefighters~~
 498 ~~included in that pension plan; or~~

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

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

507 (f) If a plan offers benefits in excess of the minimum
 508 benefits, excluding supplemental plan benefits in effect as of
 509 September 30, 2013, such benefits may be reduced if the plan
 510 continues to meet the minimum benefits and the minimum standards
 511 set forth in this chapter. The amount of insurance premium tax
 512 revenues previously used to fund benefits in excess of minimum
 513 benefits, excluding supplemental plan benefits in effect as of
 514 September 30, 2013, before the reduction must be used as
 515 provided in paragraph (b). However, benefits in excess of the
 516 minimum benefits may not be reduced if a plan does not meet the
 517 minimum accrual rate of 2.75 percent, or greater, of the average
 518 final compensation of a full-time firefighter.

519 (g) Notwithstanding any other provision of this
 520 subsection, the use of premium tax revenues, including any

521 accumulations of additional tax revenues which have not been
 522 applied to fund benefits in excess of the minimum benefits, may
 523 deviate from the provisions of this subsection by mutual consent
 524 of the members' collective bargaining representative or, if
 525 none, by majority consent of the firefighter members of the
 526 fund, and by consent of the municipality or special fire control
 527 district, provided that the plan continues to meet the minimum
 528 benefits and minimum standards of this chapter. Such mutually
 529 agreed deviation shall continue until modified or revoked by
 530 subsequent mutual consent of the members' collective bargaining
 531 representative or, if none, by a majority of the firefighter
 532 members of the fund, and the municipality or special fire
 533 control district. A special act plan or a plan within a
 534 supplemental plan municipality shall be considered to have
 535 mutually consented to such deviation as of July 1, 2014,
 536 regarding the existing arrangement on the use of premium tax
 537 revenues.

538 (2) The premium tax provided by this chapter shall ~~in all~~
 539 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
 540 benefits to firefighters, or to firefighters and police officers
 541 if both are included. ~~However, local law plans in effect on~~
 542 ~~October 1, 1998, must comply with the minimum benefit provisions~~
 543 ~~of this chapter only to the extent that additional premium tax~~
 544 ~~revenues become available to incrementally fund the cost of such~~
 545 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
 546 ~~compliance with such minimum benefit provisions, as subsequent~~

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

551 ~~(a) "Additional premium tax revenues" means revenues~~
 552 ~~received by a municipality or special fire control district~~
 553 ~~pursuant to s. 175.121 which exceed that amount received for~~
 554 ~~calendar year 1997.~~

555 ~~(b) "Extra benefits" means benefits in addition to or~~
 556 ~~greater than those provided to general employees of the~~
 557 ~~municipality and in addition to those in existence for~~
 558 ~~firefighters on March 12, 1999.~~

559 (3) A retirement plan or amendment to a retirement plan
 560 may not be proposed for adoption unless the proposed plan or
 561 amendment contains an actuarial estimate of the costs involved.
 562 Such proposed plan or proposed plan change may not be adopted
 563 without the approval of the municipality, special fire control
 564 district, or, where required ~~permitted~~, the Legislature. Copies
 565 of the proposed plan or proposed plan change and the actuarial
 566 impact statement of the proposed plan or proposed plan change
 567 shall be furnished to the division before the last public
 568 hearing on the proposal is held ~~thereon~~. Such statement must
 569 also indicate whether the proposed plan or proposed plan change
 570 is in compliance with s. 14, Art. X of the State Constitution
 571 and those provisions of part VII of chapter 112 which are not
 572 expressly provided in this chapter. Notwithstanding any other

573 provision, only those local law plans created by special act of
 574 legislation before May 27, 1939, are deemed to meet the minimum
 575 benefits and minimum standards only in this chapter.

576 (4) Notwithstanding any other provision, with respect to
 577 any supplemental plan municipality:

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

581 (b) Section 175.061(1)(b) does not apply, and a local law
 582 plan and a supplemental plan shall continue to be administered
 583 by a board or boards of trustees numbered, constituted, and
 584 selected as the board or boards were numbered, constituted, and
 585 selected on December 1, 2000.

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

588 (5) The retirement plan setting forth the benefits and the
 589 trust agreement, if any, covering the duties and
 590 responsibilities of the trustees and the regulations of the
 591 investment of funds must be in writing, and copies made
 592 available to the participants and to the general public.

593 (6) In addition to the defined benefit component of the
 594 local law plan, each plan sponsor must have a defined
 595 contribution plan component within the local law plan by October
 596 1, 2014, for noncollectively bargained service, upon entering
 597 into a collective bargaining agreement on or after July 1, 2014,
 598 or upon the creation date of a new participating plan. Depending

599 upon the application of subsection (1), a defined contribution
 600 component may or may not receive any funding.

601 (7) Notwithstanding any other provision of this chapter, a
 602 municipality or special fire control district that has
 603 implemented or proposed changes to a local law plan based on the
 604 municipality's or district's reliance on an interpretation of
 605 this chapter by the division on or after August 14, 2012, and
 606 before March 4, 2014, may continue the implemented changes or
 607 continue to implement proposed changes. Such reliance must be
 608 evidenced by a written collective bargaining proposal or
 609 agreement, or formal correspondence between the municipality or
 610 district and the division which describes the specific changes
 611 to the local law plan, with the initial proposal, agreement, or
 612 correspondence from the municipality or district dated before
 613 March 4, 2014. Changes to the local law plan which are otherwise
 614 contrary to the minimum benefits and minimum standards in this
 615 chapter may continue in effect until the earlier of October 1,
 616 2017, or the effective date of a collective bargaining agreement
 617 that is contrary to the changes to the local law plan.

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

620 185.01 Legislative declaration.—

621 (2) This chapter hereby establishes, for all municipal
 622 pension plans ~~now or hereinafter~~ provided for under this
 623 chapter, including chapter plans and local law plans, minimum
 624 benefits and minimum standards for the operation and funding of

625 such plans, hereinafter referred to as municipal police
 626 officers' retirement trust funds, which must be met as
 627 conditions precedent to the plans or plan sponsors receiving a
 628 distribution of insurance premium tax revenues under s. 185.10.
 629 The minimum benefits and minimum standards for each plan as set
 630 forth in this chapter may not be diminished by local ordinance
 631 or by special act of the Legislature and may not, ~~nor may the~~
 632 ~~minimum benefits or minimum standards~~ be reduced or offset by
 633 any other local, state, or federal plan that includes ~~may~~
 634 ~~include~~ police officers in its operation, except as provided
 635 under s. 112.65.

636 Section 8. Section 185.02, Florida Statutes, is amended to
 637 read:

638 185.02 Definitions.—For any municipality, chapter plan,
 639 local law municipality, or local law plan under this chapter,
 640 the term following words and phrases as used in this chapter
 641 ~~shall have the following meanings, unless a different meaning is~~
 642 ~~plainly required by the context:~~

643 (1) "Additional premium tax revenues" means revenues
 644 received by a municipality pursuant to s. 185.10 which exceed
 645 base premium tax revenues.

646 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
 647 the average annual compensation of the 5 best years of the last
 648 10 years of creditable service prior to retirement, termination,
 649 or death.

650 (3) "Base premium tax revenues" means the revenues

651 received by a municipality pursuant to s. 185.10 for the
 652 calendar year 1997.

653 (4)~~(2)~~ "Casualty insurance" means automobile public
 654 liability and property damage insurance to be applied at the
 655 place of residence of the owner, or if the subject is a
 656 commercial vehicle, to be applied at the place of business of
 657 the owner; automobile collision insurance; fidelity bonds;
 658 burglary and theft insurance; and plate glass insurance. The
 659 term "multiple peril" means a combination or package policy that
 660 includes both property coverage and casualty coverage for a
 661 single premium.

662 (5)~~(3)~~ "Chapter plan" means a separate defined benefit
 663 pension plan for police officers which incorporates by reference
 664 the provisions of this chapter and has been adopted by the
 665 governing body of a municipality as provided in s. 185.08.
 666 Except as ~~may be~~ specifically authorized in this chapter, the
 667 provisions of a chapter plan may not differ from the plan
 668 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
 669 185.39. Actuarial valuations of chapter plans shall be conducted
 670 by the division as provided by s. 185.221(1)(b).

671 (6)~~(4)~~ "Compensation" or "salary" means, for
 672 noncollectively bargained service earned before July 1, 2011, or
 673 for service earned under collective bargaining agreements in
 674 place before July 1, 2011, the total cash remuneration including
 675 "overtime" paid by the primary employer to a police officer for
 676 services rendered, which overtime payments for use in retirement

677 benefit calculations may be limited in a local law plan under
 678 applicable law before July 1, 2011, but not including any
 679 payments for extra duty or special detail work performed on
 680 behalf of a second party employer. ~~A local law plan may limit~~
 681 ~~the amount of overtime payments which can be used for retirement~~
 682 ~~benefit calculation purposes; however, such overtime limit may~~
 683 ~~not be less than 300 hours per officer per calendar year.~~ For
 684 noncollectively bargained service earned on or after July 1,
 685 2011, or for service earned under collective bargaining
 686 agreements entered into on or after July 1, 2011, the term has
 687 the same meaning except that when calculating retirement
 688 benefits, up to 300 hours per year in overtime compensation may
 689 be included as specified in the plan or collective bargaining
 690 agreement, but payments for accrued unused sick or annual leave
 691 may not be included.

692 (a) Any retirement trust fund or plan that meets the
 693 requirements of this chapter does not, solely by virtue of this
 694 subsection, reduce or diminish the monthly retirement income
 695 otherwise payable to each police officer covered by the
 696 retirement trust fund or plan.

697 (b) The member's compensation or salary contributed as
 698 employee-elective salary reductions or deferrals to any salary
 699 reduction, deferred compensation, or tax-sheltered annuity
 700 program authorized under the Internal Revenue Code shall be
 701 deemed to be the compensation or salary the member would receive
 702 if he or she were not participating in such program and shall be

703 treated as compensation for retirement purposes under this
 704 chapter.

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

721 (7)~~(5)~~ "Creditable service" or "credited service" means
 722 the aggregate number of years of service and fractional parts of
 723 years of service of any police officer, omitting intervening
 724 years and fractional parts of years when such police officer may
 725 not have been employed by the municipality subject to the
 726 following conditions:

727 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
 728 years or fractional parts of years of service if he or she has

729 withdrawn his or her contributions to the fund for those years
 730 or fractional parts of years of service, unless the police
 731 officer repays into the fund the amount he or she has withdrawn,
 732 plus interest as determined by the board. The member has ~~shall~~
 733 ~~have~~ at least 90 days after his or her reemployment to make
 734 repayment.

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

743 (c) Credited service under this chapter shall be provided
 744 only for service as a police officer, ~~as defined in subsection~~
 745 ~~(11)~~, or for military service and may not include credit for any
 746 other type of service. A municipality ~~may~~, by local ordinance,
 747 may provide for the purchase of credit for military service
 748 occurring before employment as well as prior service as a police
 749 officer for some other employer as long as the police officer is
 750 not entitled to receive a benefit for such ~~other~~ prior service
 751 ~~as a police officer~~. For purposes of determining credit for
 752 prior service, in addition to service as a police officer in
 753 this state, credit may be given for federal, other state, or
 754 county service as long as such service is recognized by the

755 Criminal Justice Standards and Training Commission within the
 756 Department of Law Enforcement as provided in ~~under~~ chapter 943
 757 or the police officer provides proof to the board of trustees
 758 that such service is equivalent to the service required to meet
 759 the definition of a police officer under subsection (16) ~~(11)~~.

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

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

768 2. The police officer is entitled to reemployment under
 769 ~~the provisions of~~ the Uniformed Services Employment and
 770 Reemployment Rights Act.

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

774 (8) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
 775 local law plan retirement option in which a police officer may
 776 elect to participate. A police officer may retire for all
 777 purposes of the plan and defer receipt of retirement benefits
 778 into a DROP account while continuing employment with his or her
 779 employer. However, a police officer who enters ~~the~~ DROP and who
 780 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be

781 precluded from participation or continued participation
 782 ~~participating, or continuing to participate,~~ in a supplemental
 783 plan in existence on, or created after, March 12, 1999 ~~the~~
 784 ~~effective date of this act.~~

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

799 (10)-(7) "Division" means the Division of Retirement of the
 800 Department of Management Services.

801 (11)-(8) "Enrolled actuary" means an actuary who is
 802 enrolled under Subtitle C of Title III of the Employee
 803 Retirement Income Security Act of 1974 and who is a member of
 804 the Society of Actuaries or the American Academy of Actuaries.

805 (12)-(9) "Local law municipality" means ~~is~~ any municipality
 806 in which ~~there exists~~ a local law plan exists.

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

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

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

824 (16)~~(11)~~ "Police officer" means any person who is elected,
 825 appointed, or employed full time by a ~~any~~ municipality, who is
 826 certified or required to be certified as a law enforcement
 827 officer in compliance with s. 943.1395, who is vested with
 828 authority to bear arms and make arrests, and whose primary
 829 responsibility is the prevention and detection of crime or the
 830 enforcement of the penal, criminal, traffic, or highway laws of
 831 the state. The term ~~This definition~~ includes all certified
 832 supervisory and command personnel whose duties include, in whole

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

844 (17) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a
 845 trust fund, by whatever name known, as provided under s. 185.03
 846 for the purpose of assisting municipalities in establishing and
 847 maintaining a retirement plan for police officers.

848 (18) ~~(13)~~ "Retiree" or "retired police officer" means a
 849 police officer who has entered retirement status. For the
 850 purposes of a plan that includes a Deferred Retirement Option
 851 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
 852 considered a retiree for all purposes of the plan. However, a
 853 police officer who enters ~~the~~ DROP and who is otherwise eligible
 854 to participate may ~~shall~~ not ~~thereby~~ be precluded from
 855 participating, or continuing to participate, in a supplemental
 856 plan in existence on, or created after, March 12, 1999 ~~the~~
 857 ~~effective date of this act.~~

858 (19) ~~(14)~~ "Retirement" means a police officer's separation

859 from municipal ~~city~~ employment as a police officer with
 860 immediate eligibility for ~~receipt of~~ benefits under the plan.
 861 For purposes of a plan that includes a Deferred Retirement
 862 Option Plan (DROP), "retirement" means the date a police officer
 863 enters ~~the~~ DROP.

864 (20) "Special act plan" means a plan subject to the
 865 provisions of this chapter which was created by an act of the
 866 Legislature and continues to require an act of the Legislature
 867 to alter plan benefits.

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

870 (22) ~~(15)~~ "Supplemental plan" means a plan to which
 871 deposits of the premium tax moneys as provided in s. 185.08 are
 872 made to provide extra benefits to police officers, or police
 873 officers and firefighters if both are ~~where included, under this~~
 874 ~~chapter~~. Such a plan is an element of a local law plan and
 875 exists in conjunction with a defined benefit component ~~plan~~ that
 876 meets the minimum benefits and minimum standards of this
 877 chapter. Any supplemental plan in existence on March 1, 2014,
 878 shall be deemed to be a defined contribution plan in compliance
 879 with s. 185.35(6).

880 (23) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~
 881 local law municipality in which ~~there existed~~ a supplemental
 882 plan existed as of December 1, 2000.

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

885 185.06 General powers and duties of board of trustees.—For
 886 any municipality, chapter plan, local law municipality, or local
 887 law plan under this chapter:

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

890 (a) Employ independent legal counsel at the pension fund's
 891 expense.

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

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

897
 898 If the board chooses to use the municipality's or special
 899 district's legal counsel or actuary, or chooses to use any of
 900 the municipality's other professional, technical, or other
 901 advisers, it must do so only under terms and conditions
 902 acceptable to the board.

903 Section 10. Paragraph (d) of subsection (1) of section
 904 185.07, Florida Statutes, is amended to read:

905 185.07 Creation and maintenance of fund.—For any
 906 municipality, chapter plan, local law municipality, or local law
 907 plan under this chapter:

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

911 (d) By payment by the municipality or other sources of a
 912 sum equal to the normal cost and the amount required to fund any
 913 actuarial deficiency shown by an actuarial valuation conducted
 914 under as provided in part VII of chapter 112 after taking into
 915 account the amounts described in paragraphs (b), (c), (e), (f),
 916 and (g) and the tax proceeds described in paragraph (a) which
 917 must be used to fund defined benefit plan benefits.

918
 919 Nothing in this section shall be construed to require adjustment
 920 of member contribution rates in effect on the date this act
 921 becomes a law, including rates that exceed 5 percent of salary,
 922 provided that such rates are at least one-half of 1 percent of
 923 salary.

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

926 185.16 Requirements for retirement.—For any municipality,
 927 chapter plan, local law municipality, or local law plan under
 928 this chapter, any police officer who completes 10 or more years
 929 of creditable service as a police officer and attains age 55, or
 930 completes 25 years of creditable service as a police officer and
 931 attains age 52, and for such period has been a member of the
 932 retirement fund is eligible for normal retirement benefits.
 933 Normal retirement under the plan is retirement from the service
 934 of the city on or after the normal retirement date. In such
 935 event, for chapter plans and local law plans, payment of
 936 retirement income will be governed by the following provisions

937 of this section:

938 (2) The amount of the monthly retirement income payable to
 939 a police officer who retires on or after his or her normal
 940 retirement date shall be an amount equal to the number of the
 941 police officer's years of credited service multiplied by 2.75 ~~2~~
 942 percent of his or her average final compensation. ~~However, if~~
 943 ~~current state contributions pursuant to this chapter are not~~
 944 ~~adequate to fund the additional benefits to meet the minimum~~
 945 ~~requirements in this chapter, only increment increases shall be~~
 946 ~~required as state moneys are adequate to provide. Such~~
 947 ~~increments shall be provided as state moneys become available.~~

948 (a) Effective July 1, 2014, a plan that is in compliance
 949 with this chapter except that the plan provides a benefit that
 950 is less than 2.75 percent of the average final compensation of a
 951 police officer must maintain, at a minimum, the percentage
 952 amount in effect on July 1, 2014, and is not required to
 953 increase the benefit to 2.75 percent of the average final
 954 compensation of a police officer.

955 (b) Effective July 1, 2014, a plan that is in compliance
 956 with this chapter except that the plan provides a benefit that
 957 is less than 2.75 percent of the average final compensation of a
 958 police officer and that changes its accrual rate to 2.75
 959 percent, or greater, of the average final compensation of a
 960 police officer may not thereafter decrease the accrual rate to
 961 less than 2.75 percent of the average final compensation of a
 962 police officer.

963 Section 12. Section 185.35, Florida Statutes, is amended
 964 to read:

965 185.35 Municipalities that have ~~having~~ their own
 966 retirement ~~pension~~ plans for police officers. ~~For any~~
 967 ~~municipality, chapter plan, local law municipality, or local law~~
 968 ~~plan under this chapter,~~ In order for a municipality that has
 969 its ~~municipalities with their~~ own retirement plan ~~pension plans~~
 970 for police officers, or for police officers and firefighters if
 971 both are included, to participate in the distribution of the tax
 972 fund established under ~~pursuant to~~ s. 185.08, a local law plan
 973 and its plan sponsor ~~plans~~ must meet the minimum benefits and
 974 minimum standards set forth in this chapter:

975 (1) If a municipality has a retirement ~~pension~~ plan for
 976 police officers, or for police officers and firefighters if both
 977 are included, which, in the opinion of the division, meets the
 978 minimum benefits and minimum standards set forth in this
 979 chapter, the board of trustees of the pension plan must, ~~as~~
 980 ~~approved by a majority of police officers of the municipality,~~
 981 ~~may:~~

982 ~~(a)~~ place the income from the premium tax in s. 185.08 in
 983 such ~~pension~~ plan for the sole and exclusive use of its police
 984 officers, or its police officers and firefighters if both are
 985 included, where it shall become an integral part of that ~~pension~~
 986 plan and ~~shall~~ be used to fund benefits as provided herein.
 987 Effective October 1, 2014, for noncollectively bargained service
 988 or upon entering into a collective bargaining agreement on or

989 after July 1, 2014:

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

993 (b) Of the additional premium tax revenues received which
 994 are in excess of the amount received for the 2013 calendar year,
 995 50 percent must be used to fund minimum benefits or other
 996 retirement benefits in excess of the minimum benefits as
 997 determined by the municipality, and 50 percent must be placed in
 998 a defined contribution plan to fund special benefits.

999 (c) Additional premium tax revenues not described in
 1000 paragraph (b) must be used to fund benefits that are not
 1001 included in the minimum benefits.

1002 (d) Any accumulations of additional tax revenues which
 1003 have not been applied to fund benefits in excess of the minimum
 1004 benefits or applied to fund a supplemental plan shall be used to
 1005 fund special benefits ~~pay extra benefits to the police officers~~
 1006 ~~included in that pension plan; or~~

1007 ~~(b) May place the income from the premium tax in s. 185.08~~
 1008 ~~in a separate supplemental plan to pay extra benefits to the~~
 1009 ~~police officers, or police officers and firefighters if~~
 1010 ~~included, participating in such separate supplemental plan.~~

1011 (e) For a plan created after March 1, 2014, 50 percent of
 1012 the insurance premium tax revenues shall be used to fund defined
 1013 benefit plan component benefits, with the remainder used to fund
 1014 defined contribution plan component benefits.

1015 (f) If a plan offers benefits in excess of the minimum
 1016 benefits, excluding supplemental plan benefits in effect as of
 1017 September 30, 2013, such benefits may be reduced if the plan
 1018 continues to meet the minimum benefits and the minimum standards
 1019 set forth in this chapter. The amount of insurance premium tax
 1020 revenues previously used to fund benefits in excess of the
 1021 minimum benefits, excluding supplemental plan benefits in effect
 1022 as of September 30, 2013, before the reduction must be used as
 1023 provided in paragraph (b). However, benefits in excess of the
 1024 minimum benefits may not be reduced if a plan does not meet the
 1025 minimum accrual rate of 2.75 percent, or greater, of the average
 1026 final compensation of a police officer, as defined in section
 1027 185.16(2)(a).

1028 (g) Notwithstanding any other provisions of this
 1029 subsection, the use of premium tax revenues, including any
 1030 accumulations of additional tax revenues which have not been
 1031 applied to fund benefits in excess of the minimum benefits, may
 1032 deviate from the provisions of this subsection by mutual consent
 1033 of the members' collective bargaining representative or, if
 1034 none, by majority consent of the police office members of the
 1035 fund, and by consent of the municipality, provided that the plan
 1036 continues to meet the minimum benefits and minimum standards of
 1037 this chapter. Such mutually agreed deviation shall continue
 1038 until modified or revoked by subsequent mutual consent of the
 1039 members' collective bargaining representative or, if none, by a
 1040 majority of the police office members of the fund, and the

1041 municipality. A special act plan or a plan within a supplemental
 1042 plan municipality shall be considered to have mutually consented
 1043 to such deviation as of July 1 ,2014, regarding the existing
 1044 arrangement on the use of premium tax revenues.

1045 (2) The premium tax provided by this chapter shall ~~in all~~
 1046 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
 1047 benefits to police officers, or to police officers and
 1048 firefighters if both are included. ~~However, local law plans in~~
 1049 ~~effect on October 1, 1998, must comply with the minimum benefit~~
 1050 ~~provisions of this chapter only to the extent that additional~~
 1051 ~~premium tax revenues become available to incrementally fund the~~
 1052 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
 1053 ~~is in compliance with such minimum benefit provisions, as~~
 1054 ~~subsequent additional tax revenues become available, they shall~~
 1055 ~~be used to provide extra benefits.~~ Local law plans created by
 1056 special act before May 27, 1939, shall be deemed to comply with
 1057 this chapter. ~~For the purpose of this chapter, the term:~~

1058 ~~(a) "Additional premium tax revenues" means revenues~~
 1059 ~~received by a municipality pursuant to s. 185.10 which exceed~~
 1060 ~~the amount received for calendar year 1997.~~

1061 ~~(b) "Extra benefits" means benefits in addition to or~~
 1062 ~~greater than those provided to general employees of the~~
 1063 ~~municipality and in addition to those in existence for police~~
 1064 ~~officers on March 12, 1999.~~

1065 (3) A retirement plan or amendment to a retirement plan
 1066 may not be proposed for adoption unless the proposed plan or

1067 amendment contains an actuarial estimate of the costs involved.
 1068 Such proposed plan or proposed plan change may not be adopted
 1069 without the approval of the municipality or, where required
 1070 ~~permitted~~, the Legislature. Copies of the proposed plan or
 1071 proposed plan change and the actuarial impact statement of the
 1072 proposed plan or proposed plan change shall be furnished to the
 1073 division before the last public hearing on the proposal is held
 1074 ~~thereon~~. Such statement must also indicate whether the proposed
 1075 plan or proposed plan change is in compliance with s. 14, Art. X
 1076 of the State Constitution and those provisions of part VII of
 1077 chapter 112 which are not expressly provided in this chapter.
 1078 Notwithstanding any other provision, only those local law plans
 1079 created by special act of legislation before May 27, 1939, are
 1080 deemed to meet the minimum benefits and minimum standards only
 1081 in this chapter.

1082 (4) Notwithstanding any other provision, with respect to
 1083 any supplemental plan municipality:

1084 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and
 1085 a local law plan and a supplemental plan may continue to use
 1086 their definition of compensation or salary in existence on March
 1087 12, 1999.

1088 (b) A local law plan and a supplemental plan must continue
 1089 to be administered by a board or boards of trustees numbered,
 1090 constituted, and selected as the board or boards were numbered,
 1091 constituted, and selected on December 1, 2000.

1092 ~~(c) The election set forth in paragraph (1)(b) is deemed~~

1093 ~~to have been made.~~

1094 (5) The retirement plan setting forth the benefits and the
 1095 trust agreement, if any, covering the duties and
 1096 responsibilities of the trustees and the regulations of the
 1097 investment of funds must be in writing and copies made available
 1098 to the participants and to the general public.

1099 (6) In addition to the defined benefit component of the
 1100 local law plan, each plan sponsor must have a defined
 1101 contribution plan component within the local law plan by October
 1102 1, 2014, upon entering into a collective bargaining agreement on
 1103 or after July 1, 2014, or upon the creation date of a new
 1104 participating plan. Depending upon the application of subsection
 1105 (1), a defined contribution component may or may not receive any
 1106 funding.

1107 (7) Notwithstanding any other provision of this chapter, a
 1108 municipality that has implemented or proposed changes to a local
 1109 law plan based on the municipality's reliance on an
 1110 interpretation of this chapter by the division on or after
 1111 August 14, 2012, and before March 4, 2014, may continue the
 1112 implemented changes or continue to implement proposed changes.
 1113 Such reliance must be evidenced by a written collective
 1114 bargaining proposal or agreement, or formal correspondence
 1115 between the municipality and the division which describes the
 1116 specific changes to the local law plan, with the initial
 1117 proposal, agreement, or correspondence from the municipality
 1118 dated before March 4, 2014. Changes to the local law plan which

1119 are otherwise contrary to the minimum benefits and minimum
 1120 standards of this chapter may continue in effect until the
 1121 earlier of October 1, 2017, or the effective date of a
 1122 collective bargaining agreement that is contrary to the changes
 1123 to the local law plan.

1124 Section 13. The Legislature finds that a proper and
 1125 legitimate state purpose is served when employees and retirees
 1126 of this state and its political subdivisions, and the
 1127 dependents, survivors, and beneficiaries of such employees and
 1128 retirees, are extended the basic protections afforded by
 1129 governmental retirement systems that provide fair and adequate
 1130 benefits and that are managed, administered, and funded in an
 1131 actuarially sound manner as required under s. 14, Article X of
 1132 the State Constitution and part VII of chapter 112, Florida
 1133 Statutes. Therefore, the Legislature determines and declares
 1134 that this act fulfills an important state interest.

1135 Section 14. This act shall take effect July 1, 2014.