

1                                   A bill to be entitled  
2           An act relating to public retirement plans; amending  
3           s. 121.021, F.S.; revising the definition of "vested"  
4           or "vesting"; providing that a member initially  
5           enrolled in the Florida Retirement System after a  
6           certain date is vested in the pension plan after 10  
7           years of creditable service; amending s. 121.051,  
8           F.S.; providing for compulsory membership in the  
9           Florida Retirement System Investment Plan for  
10          employees in the Elected Officers' Class or the Senior  
11          Management Service Class initially enrolled after a  
12          specified date; amending s. 121.052, F.S.; prohibiting  
13          members of the Elected Officers' Class from joining  
14          the Senior Management Service Class after a specified  
15          date; amending s. 121.055, F.S.; prohibiting an  
16          elected official eligible for membership in the  
17          Elected Officers' Class from enrolling in the Senior  
18          Management Service Class or in the Senior Management  
19          Service Optional Annuity Program; closing the Senior  
20          Management Optional Annuity Program to new members  
21          after a specified date; amending s. 121.091, F.S.;  
22          increasing the service time required to qualify for  
23          disability benefits to 10 years for members enrolled  
24          in the pension plan on or after a specified date;  
25          revising provisions to conform to changes made by the  
26          act; amending s. 121.4501, F.S.; requiring certain

27 employees initially enrolled in the Florida Retirement  
 28 System on or after a specified date to be compulsory  
 29 members of the investment plan; revising the  
 30 definition of "member" or "employee"; enrolling  
 31 certain employees in the pension plan from their date  
 32 of hire until they are automatically enrolled in the  
 33 investment plan or timely elect enrollment in the  
 34 pension plan; providing certain members with a  
 35 specified time to choose participation in the pension  
 36 plan or the investment plan; providing for the  
 37 transfer of certain contributions; revising a  
 38 provision relating to acknowledgement of an employee's  
 39 election to participate in the investment plan;  
 40 revising the education component; conforming  
 41 provisions and cross-references to changes made by the  
 42 act; amending s. 121.591, F.S.; increasing the service  
 43 time required to qualify for disability benefits to 10  
 44 years for members enrolled in the investment plan on  
 45 or after a specified date; amending s. 175.021, F.S.;

46 revising the legislative declaration to require that  
 47 all firefighter pension plans meet the requirements of  
 48 chapter 175, F.S., in order to receive insurance  
 49 premium tax revenues; amending s. 175.032, F.S.;

50 revising definitions to conform to changes made by the  
 51 act and providing new definitions; amending s.  
 52 175.071, F.S.; conforming a cross-reference; amending

53 s. 175.091, F.S.; revising the method of creating and  
 54 maintaining a firefighters' pension trust fund;  
 55 amending s. 175.162, F.S.; deleting a provision basing  
 56 the availability of additional benefits in a  
 57 firefighter pension plan upon state funding; revising  
 58 the calculation of monthly retirement income for a  
 59 full-time firefighter; providing that certain  
 60 firefighter pension plans must maintain a certain  
 61 minimum percentage of average final compensation after  
 62 a specified date; amending s. 175.351, F.S., relating  
 63 to municipalities and special fire control districts  
 64 that have their own pension plans and want to  
 65 participate in the distribution of a tax fund;  
 66 revising criteria governing the use of revenues from  
 67 the premium tax; authorizing a pension plan to reduce  
 68 excess benefits if the plan continues to meet certain  
 69 minimum benefits and standards; providing that the use  
 70 of premium tax revenues may deviate from the  
 71 requirements of chapter 175, F.S., under certain  
 72 circumstances; requiring plan sponsors to have a  
 73 defined contribution plan in place by a certain date;  
 74 authorizing a municipality to implement certain  
 75 changes to a local law plan which are contrary to  
 76 chapter 175, F.S., for a limited time; amending s.  
 77 185.01, F.S.; revising the legislative declaration to  
 78 require that all police officer pension plans meet the

79 requirements of chapter 185, F.S., in order to receive  
 80 insurance premium tax revenues; amending s. 185.02,  
 81 F.S.; revising definitions to conform to changes made  
 82 by the act and adding new definitions; revising  
 83 applicability of the limitation on the amount of  
 84 overtime payments which may be used for retirement  
 85 benefit calculations; amending s. 185.06, F.S.;  
 86 conforming a cross-reference; amending s. 185.07,  
 87 F.S.; revising the method of creating and maintaining  
 88 a police officers' retirement trust fund; amending s.  
 89 185.16, F.S.; deleting a provision basing the  
 90 availability of additional benefits in a police  
 91 officer pension plan upon state funding; revising the  
 92 calculation of monthly retirement income for a police  
 93 officer; providing that certain police officer pension  
 94 plans must maintain a certain minimum percentage of  
 95 average final compensation after a specified date;  
 96 amending s. 185.35, F.S., relating to municipalities  
 97 that have their own pension plans for police officers  
 98 and want to participate in the distribution of a tax  
 99 fund; conforming a cross-reference; revising criteria  
 100 governing the use of revenues from the premium tax;  
 101 authorizing a plan to reduce excess benefits if the  
 102 plan continues to meet certain minimum benefits and  
 103 minimum standards; providing that the use of premium  
 104 tax revenues may deviate from the requirements of

105 chapter 185, F.S., under specified circumstances;  
 106 requiring plan sponsors to have a defined contribution  
 107 plan in place by a certain date; authorizing a  
 108 municipality to implement certain changes to a local  
 109 law plan which are contrary to chapter 185, F.S., for  
 110 a limited time; amending ss. 238.072 and 413.051,  
 111 F.S.; conforming cross-references; providing that the  
 112 act fulfills an important state interest; providing an  
 113 effective date.

114  
 115 Be It Enacted by the Legislature of the State of Florida:

116  
 117 Section 1. Subsection (45) of section 121.021, Florida  
 118 Statutes, is amended to read:

119 121.021 Definitions.—The following words and phrases as  
 120 used in this chapter have the respective meanings set forth  
 121 unless a different meaning is plainly required by the context:

122 (45) "Vested" or "vesting" means the guarantee that a  
 123 member is eligible to receive a future retirement benefit upon  
 124 completion of the required years of creditable service for the  
 125 employee's class of membership, even though the member may have  
 126 terminated covered employment before reaching normal or early  
 127 retirement date. Being vested does not entitle a member to a  
 128 disability benefit. Provisions governing entitlement to  
 129 disability benefits are set forth under s. 121.091(4).

130 (a) Effective July 1, 2001, through June 30, 2011, a 6-

131 year vesting requirement shall be implemented for the Florida  
 132 Retirement System Pension Plan:

133 1. Any member employed in a regularly established position  
 134 on July 1, 2001, who completes or has completed a total of 6  
 135 years of creditable service is considered vested.

136 2. Any member initially enrolled in the Florida Retirement  
 137 System before July 1, 2001, but not employed in a regularly  
 138 established position on July 1, 2001, shall be deemed vested  
 139 upon completion of 6 years of creditable service if such member  
 140 is employed in a covered position for at least 1 work year after  
 141 July 1, 2001. However, a member is not required to complete more  
 142 years of creditable service than would have been required for  
 143 that member to vest under retirement laws in effect before July  
 144 1, 2001.

145 3. Any member initially enrolled in the Florida Retirement  
 146 System on July 1, 2001, through June 30, 2011, shall be deemed  
 147 vested upon completion of 6 years of creditable service.

148 (b) Any member initially enrolled in the Florida  
 149 Retirement System on ~~or after~~ July 1, 2011, through June 30,  
 150 2015, shall be vested in the pension plan upon completion of 8  
 151 years of creditable service.

152 (c) Any member initially enrolled in the Florida  
 153 Retirement System on or after July 1, 2015, shall be vested in  
 154 the pension plan upon completion of 10 years of creditable  
 155 service.

156 Section 2. Subsections (3) through (9) of section 121.051,

157 Florida Statutes, are renumbered as subsections (4) through  
158 (10), respectively, and a new subsection (3) is added to that  
159 section, to read:

160 121.051 Participation in the system.—

161 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.—

162 (a) Employees initially enrolled on or after July 1, 2015,  
163 in positions covered by the Elected Officers' Class or the  
164 Senior Management Service Class are compulsory members of the  
165 investment plan, except those who withdraw from the system under  
166 s. 121.052(3)(d) or s. 121.055(1)(b)2., or those who participate  
167 in an optional retirement program under paragraph (1)(a),  
168 paragraph (2)(c), or s. 121.35. Investment plan membership  
169 continues if there is subsequent employment in a position  
170 covered by another membership class. Membership in the pension  
171 plan is not permitted except as provided in s. 121.591(2).  
172 Employees initially enrolled in the Florida Retirement System  
173 prior to July 1, 2015, may retain their membership in the  
174 pension plan or investment plan and are eligible to use the  
175 election opportunity specified in s. 121.4501(4)(f). Employees  
176 initially enrolled on or after July 1, 2015, in positions  
177 covered by the Elected Officers' Class or the Senior Management  
178 Service Class are not eligible to use the election opportunity  
179 specified in s. 121.4501(4)(f).

180 (b) Employees eligible to withdraw from the system under  
181 s. 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw  
182 from the system or to participate in the investment plan as

183 provided in these sections. Employees eligible for optional  
 184 retirement programs under paragraph (2) (c) or s. 121.35 may  
 185 choose to participate in the optional retirement program or the  
 186 investment plan as provided in this paragraph or this section.  
 187 Eligible employees required to participate pursuant to (1) (a) in  
 188 the optional retirement program as provided under s. 121.35 must  
 189 participate in the investment plan when employed in a position  
 190 not eligible for the optional retirement program.

191 Section 3. Paragraph (c) of subsection (3) of section  
 192 121.052, Florida Statutes, is amended to read:

193 121.052 Membership class of elected officers.—

194 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective  
 195 July 1, 1990, participation in the Elected Officers' Class shall  
 196 be compulsory for elected officers listed in paragraphs (2) (a)-  
 197 (d) and (f) assuming office on or after said date, unless the  
 198 elected officer elects membership in another class or withdraws  
 199 from the Florida Retirement System as provided in paragraphs  
 200 (3) (a) - (d) :

201 (c) Before July 1, 2015, any elected officer may, within 6  
 202 months after assuming office, or within 6 months after this act  
 203 becomes a law for serving elected officers, elect membership in  
 204 the Senior Management Service Class as provided in s. 121.055 in  
 205 lieu of membership in the Elected Officers' Class. Any such  
 206 election made by a county elected officer shall have no effect  
 207 upon the statutory limit on the number of nonelective full-time  
 208 positions that may be designated by a local agency employer for

209 inclusion in the Senior Management Service Class under s.  
 210 121.055(1)(b)1.

211 Section 4. Paragraph (f) of subsection (1) and paragraph  
 212 (c) of subsection (6) of section 121.055, Florida Statutes, are  
 213 amended to read:

214 121.055 Senior Management Service Class.—There is hereby  
 215 established a separate class of membership within the Florida  
 216 Retirement System to be known as the "Senior Management Service  
 217 Class," which shall become effective February 1, 1987.

218 (1)

219 (f) Effective July 1, 1997, through June 30, 2015:

220 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
 221 4., an elected state officer eligible for membership in the  
 222 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who  
 223 elects membership in the Senior Management Service Class under  
 224 s. 121.052(3)(c) may, within 6 months after assuming office or  
 225 within 6 months after this act becomes a law for serving elected  
 226 state officers, elect to participate in the Senior Management  
 227 Service Optional Annuity Program, as provided in subsection (6),  
 228 in lieu of membership in the Senior Management Service Class.

229 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and  
 230 4., an elected officer of a local agency employer eligible for  
 231 membership in the Elected Officers' Class under s. 121.052(2)(d)  
 232 who elects membership in the Senior Management Service Class  
 233 under s. 121.052(3)(c) may, within 6 months after assuming  
 234 office, or within 6 months after this act becomes a law for

235 | serving elected officers of a local agency employer, elect to  
 236 | withdraw from the Florida Retirement System, as provided in  
 237 | subparagraph (b)2., in lieu of membership in the Senior  
 238 | Management Service Class.

239 |         3. A retiree of a state-administered retirement system who  
 240 | is initially reemployed in a regularly established position on  
 241 | or after July 1, 2010, as an elected official eligible for the  
 242 | Elected Officers' Class may not be enrolled in renewed  
 243 | membership in the Senior Management Service Class or in the  
 244 | Senior Management Service Optional Annuity Program as provided  
 245 | in subsection (6), and may not withdraw from the Florida  
 246 | Retirement System as a renewed member as provided in  
 247 | subparagraph (b)2., as applicable, in lieu of membership in the  
 248 | Senior Management Service Class.

249 |         4. On or after July 1, 2015, an elected official eligible  
 250 | for membership in the Elected Officers' Class may not enroll in  
 251 | the Senior Management Service Class or in the Senior Management  
 252 | Service Optional Annuity Program as provided in subsection (6).

253 |         (6)

254 |         (c) Participation.—

255 |         1. An eligible employee who is employed on or before  
 256 | February 1, 1987, may elect to participate in the optional  
 257 | annuity program in lieu of participating in the Senior  
 258 | Management Service Class. Such election must be made in writing  
 259 | and filed with the department and the personnel officer of the  
 260 | employer on or before May 1, 1987. An eligible employee who is

261 employed on or before February 1, 1987, and who fails to make an  
 262 election to participate in the optional annuity program by May  
 263 1, 1987, shall be deemed to have elected membership in the  
 264 Senior Management Service Class.

265 2. Except as provided in subparagraph 6., an employee who  
 266 becomes eligible to participate in the optional annuity program  
 267 by reason of initial employment commencing after February 1,  
 268 1987, may, within 90 days after the date of commencing  
 269 employment, elect to participate in the optional annuity  
 270 program. Such election must be made in writing and filed with  
 271 the personnel officer of the employer. An eligible employee who  
 272 does not within 90 days after commencing employment elect to  
 273 participate in the optional annuity program shall be deemed to  
 274 have elected membership in the Senior Management Service Class.

275 3. A person who is appointed to a position in the Senior  
 276 Management Service Class and who is a member of an existing  
 277 retirement system or the Special Risk or Special Risk  
 278 Administrative Support Classes of the Florida Retirement System  
 279 may elect to remain in such system or class in lieu of  
 280 participating in the Senior Management Service Class or optional  
 281 annuity program. Such election must be made in writing and filed  
 282 with the department and the personnel officer of the employer  
 283 within 90 days after such appointment. An eligible employee who  
 284 fails to make an election to participate in the existing system,  
 285 the Special Risk Class of the Florida Retirement System, the  
 286 Special Risk Administrative Support Class of the Florida

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287 Retirement System, or the optional annuity program shall be  
288 deemed to have elected membership in the Senior Management  
289 Service Class.

290 4. Except as provided in subparagraph 5., an employee's  
291 election to participate in the optional annuity program is  
292 irrevocable if the employee continues to be employed in an  
293 eligible position and continues to meet the eligibility  
294 requirements set forth in this paragraph.

295 5. Effective from July 1, 2002, through September 30,  
296 2002, an active employee in a regularly established position who  
297 has elected to participate in the Senior Management Service  
298 Optional Annuity Program has one opportunity to choose to move  
299 from the Senior Management Service Optional Annuity Program to  
300 the Florida Retirement System Pension Plan.

301 a. The election must be made in writing and must be filed  
302 with the department and the personnel officer of the employer  
303 before October 1, 2002, or, in the case of an active employee  
304 who is on a leave of absence on July 1, 2002, within 90 days  
305 after the conclusion of the leave of absence. This election is  
306 irrevocable.

307 b. The employee shall receive service credit under the  
308 pension plan equal to his or her years of service under the  
309 Senior Management Service Optional Annuity Program. The cost for  
310 such credit is the amount representing the present value of that  
311 employee's accumulated benefit obligation for the affected  
312 period of service.

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313 c. The employee must transfer the total accumulated  
 314 employer contributions and earnings on deposit in his or her  
 315 Senior Management Service Optional Annuity Program account. If  
 316 the transferred amount is not sufficient to pay the amount due,  
 317 the employee must pay a sum representing the remainder of the  
 318 amount due. The employee may not retain any employer  
 319 contributions or earnings from the Senior Management Service  
 320 Optional Annuity Program account.

321 6. A retiree of a state-administered retirement system who  
 322 is initially reemployed on or after July 1, 2010, may not renew  
 323 membership in the Senior Management Service Optional Annuity  
 324 Program.

325 7. Effective July 1, 2015, the Senior Management Service  
 326 Optional Annuity Program is closed to new members. Members  
 327 enrolled in the Senior Management Service Optional Annuity  
 328 Program before July 1, 2015, may retain their membership in the  
 329 annuity program.

330 Section 5. Paragraph (a) of subsection (4) of section  
 331 121.091, Florida Statutes, is amended to read:

332 121.091 Benefits payable under the system.—Benefits may  
 333 not be paid under this section unless the member has terminated  
 334 employment as provided in s. 121.021(39)(a) or begun  
 335 participation in the Deferred Retirement Option Program as  
 336 provided in subsection (13), and a proper application has been  
 337 filed in the manner prescribed by the department. The department  
 338 may cancel an application for retirement benefits when the

339 member or beneficiary fails to timely provide the information  
 340 and documents required by this chapter and the department's  
 341 rules. The department shall adopt rules establishing procedures  
 342 for application for retirement benefits and for the cancellation  
 343 of such application when the required information or documents  
 344 are not received.

345 (4) DISABILITY RETIREMENT BENEFIT.—

346 (a) Disability retirement; entitlement and effective  
 347 date.—

348 1.a. A member who becomes totally and permanently  
 349 disabled, as defined in paragraph (b), after completing 5 years  
 350 of creditable service, or a member who becomes totally and  
 351 permanently disabled in the line of duty regardless of service,  
 352 is entitled to a monthly disability benefit; except that any  
 353 member with less than 5 years of creditable service on July 1,  
 354 1980, or any person who becomes a member of the Florida  
 355 Retirement System on or after such date must have completed 10  
 356 years of creditable service before becoming totally and  
 357 permanently disabled in order to receive disability retirement  
 358 benefits for any disability which occurs other than in the line  
 359 of duty. However, if a member employed on July 1, 1980, who has  
 360 less than 5 years of creditable service as of that date becomes  
 361 totally and permanently disabled after completing 5 years of  
 362 creditable service and is found not to have attained fully  
 363 insured status for benefits under the federal Social Security  
 364 Act, such member is entitled to a monthly disability benefit.

365 b. Effective July 1, 2001, a member of the pension plan  
366 initially enrolled before July 1, 2015, who becomes totally and  
367 permanently disabled, as defined in paragraph (b), after  
368 completing 8 years of creditable service, or a member who  
369 becomes totally and permanently disabled in the line of duty  
370 regardless of service, is entitled to a monthly disability  
371 benefit.

372 c. Effective July 1, 2015, a member of the pension plan  
373 initially enrolled on or after July 1, 2015, who becomes totally  
374 and permanently disabled, as defined in paragraph (b), after  
375 completing 10 years of creditable service, or a member who  
376 becomes totally and permanently disabled in the line of duty  
377 regardless of service, is entitled to a monthly disability  
378 benefit.

379 2. If the division has received from the employer the  
380 required documentation of the member's termination of  
381 employment, the effective retirement date for a member who  
382 applies and is approved for disability retirement shall be  
383 established by rule of the division.

384 3. For a member who is receiving Workers' Compensation  
385 payments, the effective disability retirement date may not  
386 precede the date the member reaches Maximum Medical Improvement  
387 (MMI), unless the member terminates employment before reaching  
388 MMI.

389 Section 6. Subsection (1), paragraph (i) of subsection  
390 (2), paragraph (b) of subsection (3), subsection (4), paragraph

391 (c) of subsection (5), subsection (8), and paragraphs (a), (b),  
 392 (c), and (h) of subsection (10) of section 121.4501, Florida  
 393 Statutes, are amended to read:

394 121.4501 Florida Retirement System Investment Plan.—

395 (1) The Trustees of the State Board of Administration  
 396 shall establish a defined contribution program called the  
 397 "Florida Retirement System Investment Plan" or "investment plan"  
 398 for members of the Florida Retirement System under which  
 399 retirement benefits will be provided for eligible employees who  
 400 elect to participate in the program and for employees initially  
 401 enrolled on or after July 1, 2015, in positions covered by the  
 402 Elected Officers' Class or the Senior Management Service Class  
 403 and are compulsory members of the investment plan unless the  
 404 member withdraws from the system under s. 121.052(3)(d) or s.  
 405 121.055(1)(b)2., or participates in an optional retirement  
 406 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.  
 407 Investment plan membership continues if there is subsequent  
 408 employment in a position covered by another membership class.

409 The retirement benefits shall be provided through member-  
 410 directed investments, in accordance with s. 401(a) of the  
 411 Internal Revenue Code and related regulations. The employer and  
 412 employee shall make contributions, as provided in this section  
 413 and ss. 121.571 and 121.71, to the Florida Retirement System  
 414 Investment Plan Trust Fund toward the funding of benefits.

415 (2) DEFINITIONS.—As used in this part, the term:

416 (i) "Member" or "employee" means an eligible employee who

417 enrolls in, or is defaulted into, the investment plan as  
 418 provided in subsection (4), a terminated Deferred Retirement  
 419 Option Program member as described in subsection (21), or a  
 420 beneficiary or alternate payee of a member or employee.

421 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—

422 (b) Notwithstanding paragraph (a), an eligible employee  
 423 who elects to participate in, or is defaulted into, the  
 424 investment plan and establishes one or more individual member  
 425 accounts may elect to transfer to the investment plan a sum  
 426 representing the present value of the employee's accumulated  
 427 benefit obligation under the pension plan, except as provided in  
 428 paragraph (4) (b). Upon transfer, all service credit earned under  
 429 the pension plan is nullified for purposes of entitlement to a  
 430 future benefit under the pension plan. A member may not transfer  
 431 the accumulated benefit obligation balance from the pension plan  
 432 after the time period for enrolling in the investment plan has  
 433 expired.

434 1. For purposes of this subsection, the present value of  
 435 the member's accumulated benefit obligation is based upon the  
 436 member's estimated creditable service and estimated average  
 437 final compensation under the pension plan, subject to  
 438 recomputation under subparagraph 2. For state employees, initial  
 439 estimates shall be based upon creditable service and average  
 440 final compensation as of midnight on June 30, 2002; for district  
 441 school board employees, initial estimates shall be based upon  
 442 creditable service and average final compensation as of midnight

443 on September 30, 2002; and for local government employees,  
 444 initial estimates shall be based upon creditable service and  
 445 average final compensation as of midnight on December 31, 2002.  
 446 The dates specified are the "estimate date" for these employees.  
 447 The actuarial present value of the employee's accumulated  
 448 benefit obligation shall be based on the following:

449 a. The discount rate and other relevant actuarial  
 450 assumptions used to value the Florida Retirement System Trust  
 451 Fund at the time the amount to be transferred is determined,  
 452 consistent with the factors provided in sub-subparagraphs b. and  
 453 c.

454 b. A benefit commencement age, based on the member's  
 455 estimated creditable service as of the estimate date.

456 c. Except as provided under sub-subparagraph d., for a  
 457 member initially enrolled:

458 (I) Before July 1, 2011, the benefit commencement age is  
 459 the younger of the following, but may not be younger than the  
 460 member's age as of the estimate date:

461 (A) Age 62; or

462 (B) The age the member would attain if the member  
 463 completed 30 years of service with an employer, assuming the  
 464 member worked continuously from the estimate date, and  
 465 disregarding any vesting requirement that would otherwise apply  
 466 under the pension plan.

467 (II) On or after July 1, 2011, the benefit commencement  
 468 age is the younger of the following, but may not be younger than

469 the member's age as of the estimate date:

470 (A) Age 65; or

471 (B) The age the member would attain if the member  
 472 completed 33 years of service with an employer, assuming the  
 473 member worked continuously from the estimate date, and  
 474 disregarding any vesting requirement that would otherwise apply  
 475 under the pension plan.

476 d. For members of the Special Risk Class and for members  
 477 of the Special Risk Administrative Support Class entitled to  
 478 retain the special risk normal retirement date:

479 (I) Initially enrolled before July 1, 2011, the benefit  
 480 commencement age is the younger of the following, but may not be  
 481 younger than the member's age as of the estimate date:

482 (A) Age 55; or

483 (B) The age the member would attain if the member  
 484 completed 25 years of service with an employer, assuming the  
 485 member worked continuously from the estimate date, and  
 486 disregarding any vesting requirement that would otherwise apply  
 487 under the pension plan.

488 (II) Initially enrolled on or after July 1, 2011, the  
 489 benefit commencement age is the younger of the following, but  
 490 may not be younger than the member's age as of the estimate  
 491 date:

492 (A) Age 60; or

493 (B) The age the member would attain if the member  
 494 completed 30 years of service with an employer, assuming the

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495 member worked continuously from the estimate date, and  
496 disregarding any vesting requirement that would otherwise apply  
497 under the pension plan.

498 e. The calculation must disregard vesting requirements and  
499 early retirement reduction factors that would otherwise apply  
500 under the pension plan.

501 2. For each member who elects to transfer moneys from the  
502 pension plan to his or her account in the investment plan, the  
503 division shall recompute the amount transferred under  
504 subparagraph 1. within 60 days after the actual transfer of  
505 funds based upon the member's actual creditable service and  
506 actual final average compensation as of the initial date of  
507 participation in the investment plan. If the recomputed amount  
508 differs from the amount transferred by \$10 or more, the division  
509 shall:

510 a. Transfer, or cause to be transferred, from the Florida  
511 Retirement System Trust Fund to the member's account the excess,  
512 if any, of the recomputed amount over the previously transferred  
513 amount together with interest from the initial date of transfer  
514 to the date of transfer under this subparagraph, based upon the  
515 effective annual interest equal to the assumed return on the  
516 actuarial investment which was used in the most recent actuarial  
517 valuation of the system, compounded annually.

518 b. Transfer, or cause to be transferred, from the member's  
519 account to the Florida Retirement System Trust Fund the excess,  
520 if any, of the previously transferred amount over the recomputed

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521 amount, together with interest from the initial date of transfer  
522 to the date of transfer under this subparagraph, based upon 6  
523 percent effective annual interest, compounded annually, pro rata  
524 based on the member's allocation plan.

525 3. If contribution adjustments are made as a result of  
526 employer errors or corrections, including plan corrections,  
527 following recomputation of the amount transferred under  
528 subparagraph 1., the member is entitled to the additional  
529 contributions or is responsible for returning any excess  
530 contributions resulting from the correction. However, any return  
531 of such erroneous excess pretax contribution by the plan must be  
532 made within the period allowed by the Internal Revenue Service.  
533 The present value of the member's accumulated benefit obligation  
534 shall not be recalculated.

535 4. As directed by the member, the state board shall  
536 transfer or cause to be transferred the appropriate amounts to  
537 the designated accounts within 30 days after the effective date  
538 of the member's participation in the investment plan unless the  
539 major financial markets for securities available for a transfer  
540 are seriously disrupted by an unforeseen event that causes the  
541 suspension of trading on any national securities exchange in the  
542 country where the securities were issued. In that event, the 30-  
543 day period may be extended by a resolution of the state board.  
544 Transfers are not commissionable or subject to other fees and  
545 may be in the form of securities or cash, as determined by the  
546 state board. Such securities are valued as of the date of

547 receipt in the member's account.

548 5. If the state board or the division receives  
 549 notification from the United States Internal Revenue Service  
 550 that this paragraph or any portion of this paragraph will cause  
 551 the retirement system, or a portion thereof, to be disqualified  
 552 for tax purposes under the Internal Revenue Code, the portion  
 553 that will cause the disqualification does not apply. Upon such  
 554 notice, the state board and the division shall notify the  
 555 presiding officers of the Legislature.

556 (4) PARTICIPATION; ENROLLMENT.—

557 (a)1. Effective June 1, 2002, through February 28, 2003, a  
 558 90-day election period was provided to each eligible employee  
 559 participating in the Florida Retirement System, preceded by a  
 560 90-day education period, permitting each eligible employee to  
 561 elect membership in the investment plan, and an employee who  
 562 failed to elect the investment plan during the election period  
 563 remained in the pension plan. An eligible employee who was  
 564 employed in a regularly established position during the election  
 565 period was granted the option to make one subsequent election,  
 566 as provided in paragraph (f). With respect to an eligible  
 567 employee who did not participate in the initial election period  
 568 or who is initially employed in a regularly  
 569 established position after the close of the initial election  
 570 period but before July 1, 2015, on June 1, 2002, by a state  
 571 employer:

572 a. ~~Any such employee may elect to participate in the~~

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573 ~~investment plan in lieu of retaining his or her membership in~~  
574 ~~the pension plan. The election must be made in writing or by~~  
575 ~~electronic means and must be filed with the third party~~  
576 ~~administrator by August 31, 2002, or, in the case of an active~~  
577 ~~employee who is on a leave of absence on April 1, 2002, by the~~  
578 ~~last business day of the 5th month following the month the leave~~  
579 ~~of absence concludes. This election is irrevocable, except as~~  
580 ~~provided in paragraph (g). Upon making such election, the~~  
581 ~~employee shall be enrolled as a member of the investment plan,~~  
582 ~~the employee's membership in the Florida Retirement System is~~  
583 ~~governed by the provisions of this part, and the employee's~~  
584 ~~membership in the pension plan terminates. The employee's~~  
585 ~~enrollment in the investment plan is effective the first day of~~  
586 ~~the month for which a full month's employer contribution is made~~  
587 ~~to the investment plan.~~

588 ~~b. Any such employee who fails to elect to participate in~~  
589 ~~the investment plan within the prescribed time period is deemed~~  
590 ~~to have elected to retain membership in the pension plan, and~~  
591 ~~the employee's option to elect to participate in the investment~~  
592 ~~plan is forfeited.~~

593 ~~2. With respect to employees who become eligible to~~  
594 ~~participate in the investment plan by reason of employment in a~~  
595 ~~regularly established position with a state employer commencing~~  
596 ~~after April 1, 2002:~~

597 ~~a. Any such employee shall, by default, be enrolled in the~~  
598 ~~pension plan at the commencement of employment, and may, by the~~

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599 last business day of the 5th month following the employee's  
600 month of hire, elect to participate in the investment plan. The  
601 employee's election must be made in writing or by electronic  
602 means and must be filed with the third-party administrator. The  
603 election to participate in the investment plan is irrevocable,  
604 except as provided in paragraph (f) ~~(g)~~.

605 ~~a.b.~~ If the employee files such election within the  
606 prescribed time period, enrollment in the investment plan is  
607 effective on the first day of employment. The retirement  
608 contributions paid through the month of the employee plan change  
609 shall be transferred to the investment program, and, effective  
610 the first day of the next month, the employer and employee must  
611 pay the applicable contributions based on the employee  
612 membership class in the program.

613 ~~b.e.~~ An employee who fails to elect to participate in the  
614 investment plan within the prescribed time period is deemed to  
615 have elected to retain membership in the pension plan, and the  
616 employee's option to elect to participate in the investment plan  
617 is forfeited.

618 ~~2.3.~~ With respect to employees who become eligible to  
619 participate in the investment plan pursuant to s.  
620 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to  
621 participate in the investment plan in lieu of retaining his or  
622 her membership in the State Community College System Optional  
623 Retirement Program or the State University System Optional  
624 Retirement Program. The election must be made in writing or by

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625 electronic means and must be filed with the third-party  
626 administrator. This election is irrevocable, except as provided  
627 in paragraph (f) ~~(g)~~. Upon making such election, the employee  
628 shall be enrolled as a member in the investment plan, the  
629 employee's membership in the Florida Retirement System is  
630 governed by the provisions of this part, and the employee's  
631 participation in the State Community College System Optional  
632 Retirement Program or the State University System Optional  
633 Retirement Program terminates. The employee's enrollment in the  
634 investment plan is effective on the first day of the month for  
635 which a full month's employer and employee contribution is made  
636 to the investment plan.

637 (b)1. With respect to employees who become eligible to  
638 participate in the investment plan, except as provided in  
639 paragraph (g), by reason of employment in a regularly  
640 established position commencing on or after July 1, 2015, any  
641 such employee shall be enrolled in the pension plan at the  
642 commencement of employment and may, by the last business day of  
643 the 8th month following the employee's month of hire, elect to  
644 participate in the pension plan or the investment plan. Eligible  
645 employees may make a plan election only if they are earning  
646 service credit in an employer-employee relationship consistent  
647 with s. 121.021(17)(b), excluding leaves of absence without pay.

648 2. The employee's election must be made in writing or by  
649 electronic means and must be filed with the third-party  
650 administrator. The election to participate in the pension plan

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651 or investment plan is irrevocable, except as provided in  
652 paragraph (f).

653 3. If the employee fails to make an election of the  
654 pension plan or investment plan within 8 months following the  
655 month of hire, the employee is deemed to have elected the  
656 investment plan and will be defaulted into the investment plan  
657 retroactively to the employee's date of employment. The  
658 employee's option to participate in the pension plan is  
659 forfeited, except as provided in paragraph (f).

660 4. The amount of the employee and employer contributions  
661 paid before the default to the investment plan shall be  
662 transferred to the investment plan and shall be placed in a  
663 default fund as designated by the State Board of Administration.  
664 The employee may move the contributions once an account is  
665 activated in the investment plan.

666 5. Effective the first day of the month after an eligible  
667 employee makes a plan election of the pension plan or investment  
668 plan, or after the month of default to the investment plan, the  
669 employee and employer shall pay the applicable contributions  
670 based on the employee membership class in the program.

671 ~~4. For purposes of this paragraph, "state employer" means~~  
672 ~~any agency, board, branch, commission, community college,~~  
673 ~~department, institution, institution of higher education, or~~  
674 ~~water management district of the state, which participates in~~  
675 ~~the Florida Retirement System for the benefit of certain~~  
676 ~~employees.~~

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677 ~~(b)1. With respect to an eligible employee who is employed~~  
678 ~~in a regularly established position on September 1, 2002, by a~~  
679 ~~district school board employer:~~

680 ~~a. Any such employee may elect to participate in the~~  
681 ~~investment plan in lieu of retaining his or her membership in~~  
682 ~~the pension plan. The election must be made in writing or by~~  
683 ~~electronic means and must be filed with the third party~~  
684 ~~administrator by November 30, or, in the case of an active~~  
685 ~~employee who is on a leave of absence on July 1, 2002, by the~~  
686 ~~last business day of the 5th month following the month the leave~~  
687 ~~of absence concludes. This election is irrevocable, except as~~  
688 ~~provided in paragraph (g). Upon making such election, the~~  
689 ~~employee shall be enrolled as a member of the investment plan,~~  
690 ~~the employee's membership in the Florida Retirement System is~~  
691 ~~governed by the provisions of this part, and the employee's~~  
692 ~~membership in the pension plan terminates. The employee's~~  
693 ~~enrollment in the investment plan is effective the first day of~~  
694 ~~the month for which a full month's employer contribution is made~~  
695 ~~to the investment program.~~

696 ~~b. Any such employee who fails to elect to participate in~~  
697 ~~the investment plan within the prescribed time period is deemed~~  
698 ~~to have elected to retain membership in the pension plan, and~~  
699 ~~the employee's option to elect to participate in the investment~~  
700 ~~plan is forfeited.~~

701 ~~2. With respect to employees who become eligible to~~  
702 ~~participate in the investment plan by reason of employment in a~~

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703 ~~regularly established position with a district school board~~  
 704 ~~employer commencing after July 1, 2002.~~

705 ~~a. Any such employee shall, by default, be enrolled in the~~  
 706 ~~pension plan at the commencement of employment, and may, by the~~  
 707 ~~last business day of the 5th month following the employee's~~  
 708 ~~month of hire, elect to participate in the investment plan. The~~  
 709 ~~employee's election must be made in writing or by electronic~~  
 710 ~~means and must be filed with the third-party administrator. The~~  
 711 ~~election to participate in the investment plan is irrevocable,~~  
 712 ~~except as provided in paragraph (g).~~

713 ~~b. If the employee files such election within the~~  
 714 ~~prescribed time period, enrollment in the investment plan is~~  
 715 ~~effective on the first day of employment. The employer~~  
 716 ~~retirement contributions paid through the month of the employee~~  
 717 ~~plan change shall be transferred to the investment plan, and,~~  
 718 ~~effective the first day of the next month, the employer shall~~  
 719 ~~pay the applicable contributions based on the employee~~  
 720 ~~membership class in the investment plan.~~

721 ~~e. Any such employee who fails to elect to participate in~~  
 722 ~~the investment plan within the prescribed time period is deemed~~  
 723 ~~to have elected to retain membership in the pension plan, and~~  
 724 ~~the employee's option to elect to participate in the investment~~  
 725 ~~plan is forfeited.~~

726 ~~3. For purposes of this paragraph, "district school board~~  
 727 ~~employer" means any district school board that participates in~~  
 728 ~~the Florida Retirement System for the benefit of certain~~

729 ~~employees, or a charter school or charter technical career~~  
 730 ~~center that participates in the Florida Retirement System as~~  
 731 ~~provided in s. 121.051(2)(d).~~

732 ~~(c)1. With respect to an eligible employee who is employed~~  
 733 ~~in a regularly established position on December 1, 2002, by a~~  
 734 ~~local employer:~~

735 ~~a. Any such employee may elect to participate in the~~  
 736 ~~investment plan in lieu of retaining his or her membership in~~  
 737 ~~the pension plan. The election must be made in writing or by~~  
 738 ~~electronic means and must be filed with the third party~~  
 739 ~~administrator by February 28, 2003, or, in the case of an active~~  
 740 ~~employee who is on a leave of absence on October 1, 2002, by the~~  
 741 ~~last business day of the 5th month following the month the leave~~  
 742 ~~of absence concludes. This election is irrevocable, except as~~  
 743 ~~provided in paragraph (g). Upon making such election, the~~  
 744 ~~employee shall be enrolled as a participant of the investment~~  
 745 ~~plan, the employee's membership in the Florida Retirement System~~  
 746 ~~is governed by the provisions of this part, and the employee's~~  
 747 ~~membership in the pension plan terminates. The employee's~~  
 748 ~~enrollment in the investment plan is effective the first day of~~  
 749 ~~the month for which a full month's employer contribution is made~~  
 750 ~~to the investment plan.~~

751 ~~b. Any such employee who fails to elect to participate in~~  
 752 ~~the investment plan within the prescribed time period is deemed~~  
 753 ~~to have elected to retain membership in the pension plan, and~~  
 754 ~~the employee's option to elect to participate in the investment~~

755 ~~plan is forfeited.~~

756 ~~2. With respect to employees who become eligible to~~  
757 ~~participate in the investment plan by reason of employment in a~~  
758 ~~regularly established position with a local employer commencing~~  
759 ~~after October 1, 2002:~~

760 ~~a. Any such employee shall, by default, be enrolled in the~~  
761 ~~pension plan at the commencement of employment, and may, by the~~  
762 ~~last business day of the 5th month following the employee's~~  
763 ~~month of hire, elect to participate in the investment plan. The~~  
764 ~~employee's election must be made in writing or by electronic~~  
765 ~~means and must be filed with the third party administrator. The~~  
766 ~~election to participate in the investment plan is irrevocable,~~  
767 ~~except as provided in paragraph (g).~~

768 ~~b. If the employee files such election within the~~  
769 ~~prescribed time period, enrollment in the investment plan is~~  
770 ~~effective on the first day of employment. The employer~~  
771 ~~retirement contributions paid through the month of the employee~~  
772 ~~plan change shall be transferred to the investment plan, and,~~  
773 ~~effective the first day of the next month, the employer shall~~  
774 ~~pay the applicable contributions based on the employee~~  
775 ~~membership class in the investment plan.~~

776 ~~e. Any such employee who fails to elect to participate in~~  
777 ~~the investment plan within the prescribed time period is deemed~~  
778 ~~to have elected to retain membership in the pension plan, and~~  
779 ~~the employee's option to elect to participate in the investment~~  
780 ~~plan is forfeited.~~

781 ~~3. For purposes of this paragraph, "local employer" means~~  
 782 ~~any employer not included in paragraph (a) or paragraph (b).~~

783 (c) ~~(d)~~ Contributions available for self-direction by a  
 784 member who has not selected one or more specific investment  
 785 products shall be allocated as prescribed by the state board.  
 786 The third-party administrator shall notify the member at least  
 787 quarterly that the member should take an affirmative action to  
 788 make an asset allocation among the investment products.

789 (d) ~~(e)~~ On or after July 1, 2011, a member of the pension  
 790 plan who obtains a refund of employee contributions retains his  
 791 or her prior plan choice upon return to employment in a  
 792 regularly established position with a participating employer.

793 (e) ~~(f)~~ A member of the investment plan who takes a  
 794 distribution of any contributions from his or her investment  
 795 plan account is considered a retiree. A retiree who is initially  
 796 reemployed in a regularly established position on or after July  
 797 1, 2010, is not eligible to be enrolled in renewed membership.

798 (f) ~~(g)~~ After the period during which an eligible employee  
 799 had the choice to elect the pension plan or the investment plan,  
 800 or the month following the receipt of the eligible employee's  
 801 plan election, if sooner, the employee shall have one  
 802 opportunity, at the employee's discretion, to choose to move  
 803 from the pension plan to the investment plan or from the  
 804 investment plan to the pension plan. Eligible employees may  
 805 elect to move between plans only if they are earning service  
 806 credit in an employer-employee relationship consistent with s.

807 121.021(17)(b), excluding leaves of absence without pay.  
 808 Effective July 1, 2005, such elections are effective on the  
 809 first day of the month following the receipt of the election by  
 810 the third-party administrator and are not subject to the  
 811 requirements regarding an employer-employee relationship or  
 812 receipt of contributions for the eligible employee in the  
 813 effective month, except when the election is received by the  
 814 third-party administrator. This paragraph is contingent upon  
 815 approval by the Internal Revenue Service. This paragraph does  
 816 not apply to compulsory investment plan members under paragraph  
 817 (g).

818 1. If the employee chooses to move to the investment plan,  
 819 the provisions of subsection (3) govern the transfer.

820 2. If the employee chooses to move to the pension plan,  
 821 the employee must transfer from his or her investment plan  
 822 account, and from other employee moneys as necessary, a sum  
 823 representing the present value of that employee's accumulated  
 824 benefit obligation immediately following the time of such  
 825 movement, determined assuming that attained service equals the  
 826 sum of service in the pension plan and service in the investment  
 827 plan. Benefit commencement occurs on the first date the employee  
 828 is eligible for unreduced benefits, using the discount rate and  
 829 other relevant actuarial assumptions that were used to value the  
 830 pension plan liabilities in the most recent actuarial valuation.  
 831 For any employee who, at the time of the second election,  
 832 already maintains an accrued benefit amount in the pension plan,

833 the then-present value of the accrued benefit is deemed part of  
 834 the required transfer amount. The division must ensure that the  
 835 transfer sum is prepared using a formula and methodology  
 836 certified by an enrolled actuary. A refund of any employee  
 837 contributions or additional member payments made which exceed  
 838 the employee contributions that would have accrued had the  
 839 member remained in the pension plan and not transferred to the  
 840 investment plan is not permitted.

841 3. Notwithstanding subparagraph 2., an employee who  
 842 chooses to move to the pension plan and who became eligible to  
 843 participate in the investment plan by reason of employment in a  
 844 regularly established position with a state employer after June  
 845 1, 2002; a district school board employer after September 1,  
 846 2002; or a local employer after December 1, 2002, must transfer  
 847 from his or her investment plan account, and from other employee  
 848 moneys as necessary, a sum representing the employee's actuarial  
 849 accrued liability. A refund of any employee contributions or  
 850 additional member ~~participant~~ payments made which exceed the  
 851 employee contributions that would have accrued had the member  
 852 remained in the pension plan and not transferred to the  
 853 investment plan is not permitted.

854 4. An employee's ability to transfer from the pension plan  
 855 to the investment plan pursuant to paragraphs (a) and (b) ~~(a)~~  
 856 ~~(d)~~, and the ability of a current employee to have an option to  
 857 later transfer back into the pension plan under subparagraph 2.,  
 858 shall be deemed a significant system amendment. Pursuant to s.

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859 121.031(4), any resulting unfunded liability arising from actual  
860 original transfers from the pension plan to the investment plan  
861 must be amortized within 30 plan years as a separate unfunded  
862 actuarial base independent of the reserve stabilization  
863 mechanism defined in s. 121.031(3)(f). For the first 25 years, a  
864 direct amortization payment may not be calculated for this base.  
865 During this 25-year period, the separate base shall be used to  
866 offset the impact of employees exercising their second program  
867 election under this paragraph. The actuarial funded status of  
868 the pension plan will not be affected by such second program  
869 elections in any significant manner, after due recognition of  
870 the separate unfunded actuarial base. Following the initial 25-  
871 year period, any remaining balance of the original separate base  
872 shall be amortized over the remaining 5 years of the required  
873 30-year amortization period.

874 5. If the employee chooses to transfer from the investment  
875 plan to the pension plan and retains an excess account balance  
876 in the investment plan after satisfying the buy-in requirements  
877 under this paragraph, the excess may not be distributed until  
878 the member retires from the pension plan. The excess account  
879 balance may be rolled over to the pension plan and used to  
880 purchase service credit or upgrade creditable service in the  
881 pension plan.

882 (g)1. All employees initially enrolled on or after July 1,  
883 2015, in positions covered by the Elected Officers' Class or the  
884 Senior Management Service Class are compulsory members of the

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885 investment plan, except those who withdraw from the system under  
 886 s. 121.052(3)(d) or s. 121.055(1)(b)2., or those who participate  
 887 in an optional retirement program under s. 121.051(1)(a), s.  
 888 121.051(2)(c), or s. 121.35. Employees eligible to withdraw from  
 889 the system under s. 121.052(3)(d) or s. 121.055(1)(b)2. may  
 890 choose to withdraw from the system or to participate in the  
 891 investment plan as provided in those sections. Employees  
 892 eligible for optional retirement programs under s. 121.051(2)(c)  
 893 or s. 121.35, except as provided in s. 121.051(1)(a), may choose  
 894 to participate in the optional retirement program or the  
 895 investment plan as provided in those sections. Investment plan  
 896 membership continues if there is subsequent employment in a  
 897 position covered by another membership class. Membership in the  
 898 pension plan is not permitted except as provided in s.  
 899 121.591(2). Employees initially enrolled in the Florida  
 900 Retirement System prior to July 1, 2015, may retain their  
 901 membership in the pension plan or investment plan and are  
 902 eligible to use the election opportunity specified in s.  
 903 121.4501(4)(f).

904 2. Employees initially enrolled on or after July 1, 2015,  
 905 in a position covered by the Elected Officers' Class or the  
 906 Senior Management Service Class are not permitted to use the  
 907 election opportunity specified in paragraph (f).

908 3. The amount of retirement contributions paid by the  
 909 employee and employer, as required under s. 121.72, shall be  
 910 placed in a default fund as designated by the state board, until

911 an account is activated in the investment plan, at which time  
 912 the member may move the contributions from the default fund to  
 913 other funds provided in the investment plan.

914 (5) CONTRIBUTIONS.—

915 (c) The state board, acting as plan fiduciary, must ensure  
 916 that all plan assets are held in a trust, pursuant to s. 401 of  
 917 the Internal Revenue Code. The fiduciary must ensure that such  
 918 contributions are allocated as follows:

919 1. The employer and employee contribution portion  
 920 earmarked for member accounts shall be used to purchase  
 921 interests in the appropriate investment vehicles as specified by  
 922 the member, or in accordance with paragraph (4) (c) ~~(4) (d)~~.

923 2. The employer contribution portion earmarked for  
 924 administrative and educational expenses shall be transferred to  
 925 the Florida Retirement System Investment Plan Trust Fund.

926 3. The employer contribution portion earmarked for  
 927 disability benefits shall be transferred to the Florida  
 928 Retirement System Trust Fund.

929 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan  
 930 shall be administered by the state board and affected employers.  
 931 The state board may require oaths, by affidavit or otherwise,  
 932 and acknowledgments from persons in connection with the  
 933 administration of its statutory duties and responsibilities for  
 934 the investment plan. An oath, by affidavit or otherwise, may not  
 935 be required of a member at the time of enrollment.

936 Acknowledgment of an employee's election to participate in the

937 program shall be no greater than necessary to confirm the  
938 employee's election except for members initially enrolled on or  
939 after July 1, 2015, as provided in paragraph (4) (g). The state  
940 board shall adopt rules to carry out its statutory duties with  
941 respect to administering the investment plan, including  
942 establishing the roles and responsibilities of affected state,  
943 local government, and education-related employers, the state  
944 board, the department, and third-party contractors. The  
945 department shall adopt rules necessary to administer the  
946 investment plan in coordination with the pension plan and the  
947 disability benefits available under the investment plan.

948 (a)1. The state board shall select and contract with a  
949 third-party administrator to provide administrative services if  
950 those services cannot be competitively and contractually  
951 provided by the division. With the approval of the state board,  
952 the third-party administrator may subcontract to provide  
953 components of the administrative services. As a cost of  
954 administration, the state board may compensate any such  
955 contractor for its services, in accordance with the terms of the  
956 contract, as is deemed necessary or proper by the board. The  
957 third-party administrator may not be an approved provider or be  
958 affiliated with an approved provider.

959 2. These administrative services may include, but are not  
960 limited to, enrollment of eligible employees, collection of  
961 employer and employee contributions, disbursement of  
962 contributions to approved providers in accordance with the

963 allocation directions of members; services relating to  
 964 consolidated billing; individual and collective recordkeeping  
 965 and accounting; asset purchase, control, and safekeeping; and  
 966 direct disbursement of funds to and from the third-party  
 967 administrator, the division, the state board, employers,  
 968 members, approved providers, and beneficiaries. This section  
 969 does not prevent or prohibit a bundled provider from providing  
 970 any administrative or customer service, including accounting and  
 971 administration of individual member benefits and contributions;  
 972 individual member recordkeeping; asset purchase, control, and  
 973 safekeeping; direct execution of the member's instructions as to  
 974 asset and contribution allocation; calculation of daily net  
 975 asset values; direct access to member account information; or  
 976 periodic reporting to members, at least quarterly, on account  
 977 balances and transactions, if these services are authorized by  
 978 the state board as part of the contract.

979 (b)1. The state board shall select and contract with one  
 980 or more organizations to provide educational services. With  
 981 approval of the state board, the organizations may subcontract  
 982 to provide components of the educational services. As a cost of  
 983 administration, the state board may compensate any such  
 984 contractor for its services in accordance with the terms of the  
 985 contract, as is deemed necessary or proper by the board. The  
 986 education organization may not be an approved provider or be  
 987 affiliated with an approved provider.

988 2. Educational services shall be designed by the state

989 board and department to assist employers, eligible employees,  
 990 members, and beneficiaries in order to maintain compliance with  
 991 United States Department of Labor regulations under s. 404(c) of  
 992 the Employee Retirement Income Security Act of 1974 and to  
 993 assist employees in their choice of pension plan or investment  
 994 plan retirement alternatives. Educational services include, but  
 995 are not limited to, disseminating educational materials;  
 996 providing retirement planning education; explaining the pension  
 997 plan and the investment plan; and offering financial planning  
 998 guidance on matters such as investment diversification,  
 999 investment risks, investment costs, and asset allocation. An  
 1000 approved provider may also provide educational information,  
 1001 including retirement planning and investment allocation  
 1002 information concerning its products and services.

1003 (c)1. In evaluating and selecting a third-party  
 1004 administrator, the state board shall establish criteria for  
 1005 evaluating the relative capabilities and qualifications of each  
 1006 proposed administrator. In developing such criteria, the state  
 1007 board shall consider:

1008 a. The administrator's demonstrated experience in  
 1009 providing administrative services to public or private sector  
 1010 retirement systems.

1011 b. The administrator's demonstrated experience in  
 1012 providing daily valued recordkeeping to defined contribution  
 1013 programs.

1014 c. The administrator's ability and willingness to

1015 coordinate its activities with employers, the state board, and  
 1016 the division, and to supply to such employers, the board, and  
 1017 the division the information and data they require, including,  
 1018 but not limited to, monthly management reports, quarterly member  
 1019 reports, and ad hoc reports requested by the department or state  
 1020 board.

1021 d. The cost-effectiveness and levels of the administrative  
 1022 services provided.

1023 e. The administrator's ability to interact with the  
 1024 members, the employers, the state board, the division, and the  
 1025 providers; the means by which members may access account  
 1026 information, direct investment of contributions, make changes to  
 1027 their accounts, transfer moneys between available investment  
 1028 vehicles, and transfer moneys between investment products; and  
 1029 any fees that apply to such activities.

1030 f. Any other factor deemed necessary by the state board.

1031 2. In evaluating and selecting an educational provider,  
 1032 the state board shall establish criteria under which it shall  
 1033 consider the relative capabilities and qualifications of each  
 1034 proposed educational provider. In developing such criteria, the  
 1035 state board shall consider:

1036 a. Demonstrated experience in providing educational  
 1037 services to public or private sector retirement systems.

1038 b. Ability and willingness to coordinate its activities  
 1039 with the employers, the state board, and the division, and to  
 1040 supply to such employers, the board, and the division the

1041 information and data they require, including, but not limited  
 1042 to, reports on educational contacts.

1043 c. The cost-effectiveness and levels of the educational  
 1044 services provided.

1045 d. Ability to provide educational services via different  
 1046 media, including, but not limited to, the Internet, personal  
 1047 contact, seminars, brochures, and newsletters.

1048 e. Any other factor deemed necessary by the state board.

1049 3. The establishment of the criteria shall be solely  
 1050 within the discretion of the state board.

1051 (d) The state board shall develop the form and content of  
 1052 any contracts to be offered under the investment plan. In  
 1053 developing the contracts, the board shall consider:

1054 1. The nature and extent of the rights and benefits to be  
 1055 afforded in relation to the contributions required under the  
 1056 plan.

1057 2. The suitability of the rights and benefits provided and  
 1058 the interests of employers in the recruitment and retention of  
 1059 eligible employees.

1060 (e)1. The state board may contract for professional  
 1061 services, including legal, consulting, accounting, and actuarial  
 1062 services, deemed necessary to implement and administer the  
 1063 investment plan. The state board may enter into a contract with  
 1064 one or more vendors to provide low-cost investment advice to  
 1065 members, supplemental to education provided by the third-party  
 1066 administrator. All fees under any such contract shall be paid by

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1067 those members who choose to use the services of the vendor.

1068 2. The department may contract for professional services,  
1069 including legal, consulting, accounting, and actuarial services,  
1070 deemed necessary to implement and administer the investment plan  
1071 in coordination with the pension plan. The department, in  
1072 coordination with the state board, may enter into a contract  
1073 with the third-party administrator in order to coordinate  
1074 services common to the various programs within the Florida  
1075 Retirement System.

1076 (f) The third-party administrator may not receive direct  
1077 or indirect compensation from an approved provider, except as  
1078 specifically provided for in the contract with the state board.

1079 (g) The state board shall receive and resolve member  
1080 complaints against the program, the third-party administrator,  
1081 or any program vendor or provider; shall resolve any conflict  
1082 between the third-party administrator and an approved provider  
1083 if such conflict threatens the implementation or administration  
1084 of the program or the quality of services to employees; and may  
1085 resolve any other conflicts. The third-party administrator shall  
1086 retain all member records for at least 5 years for use in  
1087 resolving any member conflicts. The state board, the third-party  
1088 administrator, or a provider is not required to produce  
1089 documentation or an audio recording to justify action taken with  
1090 regard to a member if the action occurred 5 or more years before  
1091 the complaint is submitted to the state board. It is presumed  
1092 that all action taken 5 or more years before the complaint is

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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1093 submitted was taken at the request of the member and with the  
 1094 member's full knowledge and consent. To overcome this  
 1095 presumption, the member must present documentary evidence or an  
 1096 audio recording demonstrating otherwise.

1097 (10) EDUCATION COMPONENT.—

1098 (a) The state board, in coordination with the department,  
 1099 shall provide for an education component for eligible employees  
 1100 ~~system members~~ in a manner consistent with the provisions of  
 1101 this subsection ~~section~~. ~~The education component must be~~  
 1102 ~~available to eligible employees at least 90 days prior to the~~  
 1103 ~~beginning date of the election period for the employees of the~~  
 1104 ~~respective types of employers.~~

1105 (b) The education component must provide system members  
 1106 with impartial and balanced information about plan choices  
 1107 except for members initially enrolled on or after July 1, 2015,  
 1108 as provided in paragraph (4) (g). The education component must  
 1109 involve multimedia formats. Program comparisons must, to the  
 1110 greatest extent possible, be based upon the retirement income  
 1111 that different retirement programs may provide to the member.  
 1112 The state board shall monitor the performance of the contract to  
 1113 ensure that the program is conducted in accordance with the  
 1114 contract, applicable law, and the rules of the state board.

1115 (c) The state board, in coordination with the department,  
 1116 shall provide for an initial and ongoing transfer education  
 1117 component to provide system members except for those members  
 1118 initially enrolled on or after July 1, 2015, as provided in

1119 paragraph (4)(g), with information necessary to make informed  
 1120 plan choice decisions. The transfer education component must  
 1121 include, but is not limited to, information on:

1122 1. The amount of money available to a member to transfer  
 1123 to the defined contribution program.

1124 2. The features of and differences between the pension  
 1125 plan and the defined contribution program, both generally and  
 1126 specifically, as those differences may affect the member.

1127 3. The expected benefit available if the member were to  
 1128 retire under each of the retirement programs, based on  
 1129 appropriate alternative sets of assumptions.

1130 4. The rate of return from investments in the defined  
 1131 contribution program and the period of time over which such rate  
 1132 of return must be achieved to equal or exceed the expected  
 1133 monthly benefit payable to the member under the pension plan.

1134 5. The historical rates of return for the investment  
 1135 alternatives available in the defined contribution programs.

1136 6. The benefits and historical rates of return on  
 1137 investments available in a typical deferred compensation plan or  
 1138 a typical plan under s. 403(b) of the Internal Revenue Code for  
 1139 which the employee may be eligible.

1140 7. The program choices available to employees of the State  
 1141 University System and the comparative benefits of each available  
 1142 program, if applicable.

1143 8. Payout options available in each of the retirement  
 1144 programs.

1145 ~~(h) Pursuant to subsection (8), all Florida Retirement~~  
 1146 ~~System employers have an obligation to regularly communicate the~~  
 1147 ~~existence of the two Florida Retirement System plans and the~~  
 1148 ~~plan choice in the natural course of administering their~~  
 1149 ~~personnel functions, using the educational materials supplied by~~  
 1150 ~~the state board and the Department of Management Services.~~

1151 Section 7. Paragraph (b) of subsection (2) of section  
 1152 121.591, Florida Statutes, is amended to read:

1153 121.591 Payment of benefits.—Benefits may not be paid  
 1154 under the Florida Retirement System Investment Plan unless the  
 1155 member has terminated employment as provided in s.  
 1156 121.021(39)(a) or is deceased and a proper application has been  
 1157 filed as prescribed by the state board or the department.  
 1158 Benefits, including employee contributions, are not payable  
 1159 under the investment plan for employee hardships, unforeseeable  
 1160 emergencies, loans, medical expenses, educational expenses,  
 1161 purchase of a principal residence, payments necessary to prevent  
 1162 eviction or foreclosure on an employee's principal residence, or  
 1163 any other reason except a requested distribution for retirement,  
 1164 a mandatory de minimis distribution authorized by the  
 1165 administrator, or a required minimum distribution provided  
 1166 pursuant to the Internal Revenue Code. The state board or  
 1167 department, as appropriate, may cancel an application for  
 1168 retirement benefits if the member or beneficiary fails to timely  
 1169 provide the information and documents required by this chapter  
 1170 and the rules of the state board and department. In accordance

1171 with their respective responsibilities, the state board and the  
 1172 department shall adopt rules establishing procedures for  
 1173 application for retirement benefits and for the cancellation of  
 1174 such application if the required information or documents are  
 1175 not received. The state board and the department, as  
 1176 appropriate, are authorized to cash out a de minimis account of  
 1177 a member who has been terminated from Florida Retirement System  
 1178 covered employment for a minimum of 6 calendar months. A de  
 1179 minimis account is an account containing employer and employee  
 1180 contributions and accumulated earnings of not more than \$5,000  
 1181 made under the provisions of this chapter. Such cash-out must be  
 1182 a complete lump-sum liquidation of the account balance, subject  
 1183 to the provisions of the Internal Revenue Code, or a lump-sum  
 1184 direct rollover distribution paid directly to the custodian of  
 1185 an eligible retirement plan, as defined by the Internal Revenue  
 1186 Code, on behalf of the member. Any nonvested accumulations and  
 1187 associated service credit, including amounts transferred to the  
 1188 suspense account of the Florida Retirement System Investment  
 1189 Plan Trust Fund authorized under s. 121.4501(6), shall be  
 1190 forfeited upon payment of any vested benefit to a member or  
 1191 beneficiary, except for de minimis distributions or minimum  
 1192 required distributions as provided under this section. If any  
 1193 financial instrument issued for the payment of retirement  
 1194 benefits under this section is not presented for payment within  
 1195 180 days after the last day of the month in which it was  
 1196 originally issued, the third-party administrator or other duly

1197 authorized agent of the state board shall cancel the instrument  
 1198 and credit the amount of the instrument to the suspense account  
 1199 of the Florida Retirement System Investment Plan Trust Fund  
 1200 authorized under s. 121.4501(6). Any amounts transferred to the  
 1201 suspense account are payable upon a proper application, not to  
 1202 include earnings thereon, as provided in this section, within 10  
 1203 years after the last day of the month in which the instrument  
 1204 was originally issued, after which time such amounts and any  
 1205 earnings attributable to employer contributions shall be  
 1206 forfeited. Any forfeited amounts are assets of the trust fund  
 1207 and are not subject to chapter 717.

1208 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided  
 1209 under this subsection are payable in lieu of the benefits that  
 1210 would otherwise be payable under the provisions of subsection  
 1211 (1). Such benefits must be funded from employer contributions  
 1212 made under s. 121.571, transferred employee contributions and  
 1213 funds accumulated pursuant to paragraph (a), and interest and  
 1214 earnings thereon.

1215 (b) Disability retirement; entitlement.—

1216 1.a. A member of the investment plan initially enrolled  
 1217 before July 1, 2015, who becomes totally and permanently  
 1218 disabled, as defined in paragraph (d), after completing 8 years  
 1219 of creditable service, or a member who becomes totally and  
 1220 permanently disabled in the line of duty regardless of length of  
 1221 service, is entitled to a monthly disability benefit.

1222 b. A member of the investment plan initially enrolled on

1223 or after July 1, 2015, who becomes totally and permanently  
 1224 disabled, as defined in paragraph (d), after completing 10 years  
 1225 of creditable service, or a member who becomes totally and  
 1226 permanently disabled in the line of duty regardless of service,  
 1227 is entitled to a monthly disability benefit.

1228         2. In order for service to apply toward the ~~8~~ years of  
 1229 creditable service required for regular disability benefits, or  
 1230 toward the creditable service used in calculating a service-  
 1231 based benefit as provided under paragraph (g), the service must  
 1232 be creditable service as described below:

1233         a. The member's period of service under the investment  
 1234 plan shall be considered creditable service, except as provided  
 1235 in subparagraph d.

1236         b. If the member has elected to retain credit for service  
 1237 under the pension plan as provided under s. 121.4501(3), all  
 1238 such service shall be considered creditable service.

1239         c. If the member elects to transfer to his or her member  
 1240 accounts a sum representing the present value of his or her  
 1241 retirement credit under the pension plan as provided under s.  
 1242 121.4501(3), the period of service under the pension plan  
 1243 represented in the present value amounts transferred shall be  
 1244 considered creditable service, except as provided in  
 1245 subparagraph d.

1246         d. If a member has terminated employment and has taken  
 1247 distribution of his or her funds as provided in subsection (1),  
 1248 all creditable service represented by such distributed funds is

1249 forfeited for purposes of this subsection.

1250 Section 8. Subsection (2) of section 175.021, Florida  
 1251 Statutes, is amended to read:

1252 175.021 Legislative declaration.—

1253 (2) This chapter hereby establishes, for all municipal and  
 1254 special district pension plans existing ~~now or hereafter~~ under  
 1255 this chapter, including chapter plans and local law plans,  
 1256 minimum benefits and minimum standards for the operation and  
 1257 funding of such plans, hereinafter referred to as firefighters'  
 1258 pension trust funds, which must be met as a condition precedent  
 1259 to the plan or plan sponsor receiving a distribution of  
 1260 insurance premium tax revenues under s. 175.121. The minimum  
 1261 benefits and minimum standards for each plan as set forth in  
 1262 this chapter may not be diminished by local charter, ordinance,  
 1263 or resolution or by special act of the Legislature and may not,  
 1264 ~~nor may the minimum benefits or minimum standards~~ be reduced or  
 1265 offset by any other local, state, or federal law that includes  
 1266 ~~may include~~ firefighters in its operation, except as provided  
 1267 under s. 112.65.

1268 Section 9. Section 175.032, Florida Statutes, is amended  
 1269 to read:

1270 175.032 Definitions.—For any municipality, special fire  
 1271 control district, chapter plan, local law municipality, local  
 1272 law special fire control district, or local law plan under this  
 1273 chapter, the term ~~following words and phrases have the following~~  
 1274 meanings:

1275 (1) "Additional premium tax revenues" means revenues  
 1276 received by a municipality or special fire control district  
 1277 pursuant to s. 175.121 which exceed base premium tax revenues.

1278 ~~(2)(1)(a)~~ "Average final compensation" for:

1279 (a) A full-time firefighter means one-twelfth of the  
 1280 average annual compensation of the 5 best years of the last 10  
 1281 years of creditable service before ~~prior to~~ retirement,  
 1282 termination, or death, or the career average as a full-time  
 1283 firefighter since July 1, 1953, whichever is greater. A year is  
 1284 ~~shall be~~ 12 consecutive months or such other consecutive period  
 1285 of time as is used and consistently applied.

1286 (b) ~~"Average final compensation" for~~ A volunteer  
 1287 firefighter means the average salary of the 5 best years of the  
 1288 last 10 best contributing years before ~~prior to~~ change in status  
 1289 to a permanent full-time firefighter or retirement as a  
 1290 volunteer firefighter or the career average of a volunteer  
 1291 firefighter, since July 1, 1953, whichever is greater.

1292 (3) "Base premium tax revenues" means the revenues  
 1293 received by a municipality or special fire control district  
 1294 pursuant to s. 175.121 for the calendar year 1997.

1295 ~~(4)(2)~~ "Chapter plan" means a separate defined benefit  
 1296 pension plan for firefighters which incorporates by reference  
 1297 the provisions of this chapter and has been adopted by the  
 1298 governing body of a municipality or special district. Except as  
 1299 ~~may be~~ specifically authorized in this chapter, the provisions  
 1300 of a chapter plan may not differ from the plan provisions set

1301 | forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial  
 1302 | valuations of chapter plans shall be conducted by the division  
 1303 | as provided by s. 175.261(1).

1304 |        (5)~~(3)~~ "Compensation" or "salary" means, for  
 1305 | noncollectively bargained service earned before July 1, 2011, or  
 1306 | for service earned under collective bargaining agreements in  
 1307 | place before July 1, 2011, the fixed monthly remuneration paid a  
 1308 | firefighter. If remuneration is based on actual services  
 1309 | rendered, as in the case of a volunteer firefighter, the term  
 1310 | means the total cash remuneration received yearly for such  
 1311 | services, prorated on a monthly basis. For noncollectively  
 1312 | bargained service earned on or after July 1, 2011, or for  
 1313 | service earned under collective bargaining agreements entered  
 1314 | into on or after July 1, 2011, the term has the same meaning  
 1315 | except that when calculating retirement benefits, up to 300  
 1316 | hours per year in overtime compensation may be included as  
 1317 | specified in the plan or collective bargaining agreement, but  
 1318 | payments for accrued unused sick or annual leave may not be  
 1319 | included.

1320 |        (a) Any retirement trust fund or plan that meets the  
 1321 | requirements of this chapter does not, solely by virtue of this  
 1322 | subsection, reduce or diminish the monthly retirement income  
 1323 | otherwise payable to each firefighter covered by the retirement  
 1324 | trust fund or plan.

1325 |        (b) The member's compensation or salary contributed as  
 1326 | employee-elective salary reductions or deferrals to any salary

1327 reduction, deferred compensation, or tax-sheltered annuity  
 1328 program authorized under the Internal Revenue Code shall be  
 1329 deemed to be the compensation or salary the member would receive  
 1330 if he or she were not participating in such program and ~~shall be~~  
 1331 treated as compensation for retirement purposes under this  
 1332 chapter.

1333 (c) For any person who first becomes a member in any plan  
 1334 year beginning on or after January 1, 1996, compensation for  
 1335 that plan year may not include any amounts in excess of the  
 1336 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
 1337 the Omnibus Budget Reconciliation Act of 1993, which limitation  
 1338 of \$150,000 shall be adjusted as required by federal law for  
 1339 qualified government plans and ~~shall be~~ further adjusted for  
 1340 changes in the cost of living in the manner provided by Internal  
 1341 Revenue Code s. 401(a)(17)(B). For any person who first became a  
 1342 member before the first plan year beginning on or after January  
 1343 1, 1996, the limitation on compensation may not be less than the  
 1344 maximum compensation amount that was allowed to be taken into  
 1345 account under the plan in effect on July 1, 1993, which  
 1346 limitation shall be adjusted for changes in the cost of living  
 1347 since 1989 in the manner provided by Internal Revenue Code s.  
 1348 401(a)(17)(1991).

1349 (6)~~(4)~~ "Creditable service" or "credited service" means  
 1350 the aggregate number of years of service~~,~~ and fractional parts  
 1351 of years of service~~,~~ of any firefighter, omitting intervening  
 1352 years and fractional parts of years when such firefighter may

1353 not have been employed by the municipality or special fire  
 1354 control district, subject to the following conditions:

1355 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years  
 1356 or fractional parts of years of service if he or she has  
 1357 withdrawn his or her contributions to the fund for those years  
 1358 or fractional parts of years of service, unless the firefighter  
 1359 repays into the fund the amount he or she has withdrawn, plus  
 1360 interest determined by the board. The member shall have at least  
 1361 90 days after his or her reemployment to make repayment.

1362 (b) A firefighter may voluntarily leave his or her  
 1363 contributions in the fund for ~~a period of~~ 5 years after leaving  
 1364 the employ of the fire department, pending the possibility of  
 1365 being rehired by the same department, without losing credit for  
 1366 the time he or she has participated actively as a firefighter.  
 1367 If the firefighter is not reemployed as a firefighter, with the  
 1368 same department, within 5 years, his or her contributions shall  
 1369 be returned without interest.

1370 (c) Credited service under this chapter shall be provided  
 1371 only for service as a firefighter, ~~as defined in subsection (8),~~  
 1372 or for military service and does not include credit for any  
 1373 other type of service. A municipality ~~may~~, by local ordinance,  
 1374 or a special fire control district ~~may~~, by resolution, may  
 1375 provide for the purchase of credit for military service prior to  
 1376 employment as well as for prior service as a firefighter for  
 1377 some other employer as long as a firefighter is not entitled to  
 1378 receive a benefit for such prior service ~~as a firefighter~~. For

1379 purposes of determining credit for prior service as a  
 1380 firefighter, in addition to service as a firefighter in this  
 1381 state, credit may be given for federal, other state, or county  
 1382 service if the prior service is recognized by the Division of  
 1383 State Fire Marshal as provided in ~~under~~ chapter 633, or the  
 1384 firefighter provides proof to the board of trustees that his or  
 1385 her service is equivalent to the service required to meet the  
 1386 definition of a firefighter under subsection (11) ~~(8)~~.

1387 (d) In determining the creditable service of any  
 1388 firefighter, credit for up to 5 years of the time spent in the  
 1389 military service of the Armed Forces of the United States shall  
 1390 be added to the years of actual service if:

1391 1. The firefighter is in the active employ of an employer  
 1392 immediately prior to such service and leaves a position, other  
 1393 than a temporary position, for the purpose of voluntary or  
 1394 involuntary service in the Armed Forces of the United States.

1395 2. The firefighter is entitled to reemployment under the  
 1396 provisions of the Uniformed Services Employment and Reemployment  
 1397 Rights Act.

1398 3. The firefighter returns to his or her employment as a  
 1399 firefighter of the municipality or special fire control district  
 1400 within 1 year from the date of release from such active service.

1401 (7) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a  
 1402 local law plan retirement option in which a firefighter may  
 1403 elect to participate. A firefighter may retire for all purposes  
 1404 of the plan and defer receipt of retirement benefits into a DROP

1405 account while continuing employment with his or her employer.  
 1406 However, a firefighter who enters ~~the~~ DROP and who is otherwise  
 1407 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from  
 1408 participation or continued participation ~~participating, or~~  
 1409 ~~continuing to participate,~~ in a supplemental plan in existence  
 1410 on, or created after, March 12, 1999 ~~the effective date of this~~  
 1411 ~~act.~~

1412 (8) "Defined contribution plan" means the component of a  
 1413 local law plan, as provided in s. 175.351(1), to which deposits,  
 1414 if any, are made to provide benefits for firefighters, or for  
 1415 firefighters and police officers if both are included. Such  
 1416 component is an element of a local law plan and exists in  
 1417 conjunction with the defined benefit component that meets the  
 1418 minimum benefits and minimum standards of this chapter. The  
 1419 retirement benefits, if any, of the defined contribution plan  
 1420 shall be provided through individual member accounts in  
 1421 accordance with the applicable provisions of the Internal  
 1422 Revenue Code and related regulations and are limited to the  
 1423 contributions, if any, made into each member's account and the  
 1424 actual accumulated earnings, net of expenses, earned on the  
 1425 member's account.

1426 (9)-(6) "Division" means the Division of Retirement of the  
 1427 Department of Management Services.

1428 (10)-(7) "Enrolled actuary" means an actuary who is  
 1429 enrolled under Subtitle C of Title III of the Employee  
 1430 Retirement Income Security Act of 1974 and who is a member of

1431 the Society of Actuaries or the American Academy of Actuaries.

1432 (11)~~(8)~~ (a) "Firefighter" means a person employed solely by  
 1433 a constituted fire department of any municipality or special  
 1434 fire control district who is certified as a firefighter as a  
 1435 condition of employment in accordance with s. 633.408 and whose  
 1436 duty it is to extinguish fires, to protect life, or to protect  
 1437 property. The term includes all certified, supervisory, and  
 1438 command personnel whose duties include, in whole or in part, the  
 1439 supervision, training, guidance, and management responsibilities  
 1440 of full-time firefighters, part-time firefighters, or auxiliary  
 1441 firefighters but does not include part-time firefighters or  
 1442 auxiliary firefighters. However, for purposes of this chapter  
 1443 only, the term also includes public safety officers who are  
 1444 responsible for performing both police and fire services, who  
 1445 are certified as police officers or firefighters, and who are  
 1446 certified by their employers to the Chief Financial Officer as  
 1447 participating in this chapter before October 1, 1979. Effective  
 1448 October 1, 1979, public safety officers who have not been  
 1449 certified as participating in this chapter are considered police  
 1450 officers for retirement purposes and are eligible to participate  
 1451 in chapter 185. Any plan may provide that the fire chief has an  
 1452 option to participate,~~or not,~~ in that plan.

1453 (b) "Volunteer firefighter" means any person whose name is  
 1454 carried on the active membership roll of a constituted volunteer  
 1455 fire department or a combination of a paid and volunteer fire  
 1456 department of any municipality or special fire control district

1457 and whose duty it is to extinguish fires, to protect life, and  
 1458 to protect property. Compensation for services rendered by a  
 1459 volunteer firefighter does ~~shall~~ not disqualify him or her as a  
 1460 volunteer. A person may ~~shall~~ not be disqualified as a volunteer  
 1461 firefighter solely because he or she has other gainful  
 1462 employment. Any person who volunteers assistance at a fire but  
 1463 is not an active member of a department described herein is not  
 1464 a volunteer firefighter within the meaning of this paragraph.

1465 (12) ~~(9)~~ "Firefighters' Pension Trust Fund" means a trust  
 1466 fund, by whatever name known, as provided under s. 175.041, for  
 1467 the purpose of assisting municipalities and special fire control  
 1468 districts in establishing and maintaining a retirement plan for  
 1469 firefighters.

1470 (13) ~~(10)~~ "Local law municipality" is any municipality in  
 1471 which ~~there exists~~ a local law plan exists.

1472 (14) ~~(11)~~ "Local law plan" means a retirement defined  
 1473 benefit pension plan, which includes both a defined benefit plan  
 1474 component and a defined contribution plan component, for  
 1475 firefighters, or for firefighters and ~~or~~ police officers if both  
 1476 are ~~where~~ included, as described in s. 175.351, established by  
 1477 municipal ordinance, special district resolution, or special act  
 1478 of the Legislature, which ~~enactment~~ sets forth all plan  
 1479 provisions. Local law plan provisions may vary from the  
 1480 provisions of this chapter if the, ~~provided that required~~  
 1481 minimum benefits and minimum standards of this chapter are met.  
 1482 However, any such variance must ~~shall~~ provide a greater benefit

1483 for firefighters. Actuarial valuations of local law plans shall  
 1484 be conducted by an enrolled actuary as provided in s.  
 1485 175.261(2).

1486 (15)~~(12)~~ "Local law special fire control district" means  
 1487 ~~is~~ any special fire control district in which ~~there exists~~ a  
 1488 local law plan exists.

1489 (16) "Minimum benefits" means the benefits set forth in  
 1490 ss. 175.021-175.341 and ss. 175.361-175.401.

1491 (17) "Minimum standards" means the standards set forth in  
 1492 ss. 175.021-175.341 and ss. 175.361-175.401.

1493 (18)~~(13)~~ "Property insurance" means property insurance as  
 1494 defined in s. 624.604 and covers real and personal property  
 1495 within the corporate limits of a ~~any~~ municipality, or within the  
 1496 boundaries of a ~~any~~ special fire control district, within the  
 1497 state. The term "multiple peril" means a combination or package  
 1498 policy that includes both property and casualty coverage for a  
 1499 single premium.

1500 (19)~~(14)~~ "Retiree" or "retired firefighter" means a  
 1501 firefighter who has entered retirement status. For the purposes  
 1502 of a plan that includes a Deferred Retirement Option Plan  
 1503 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered  
 1504 a retiree for all purposes of the plan. However, a firefighter  
 1505 who enters ~~the~~ DROP and who is otherwise eligible to participate  
 1506 may ~~shall~~ not ~~thereby~~ be precluded from participation or  
 1507 continued participation ~~participating, or continuing to~~  
 1508 ~~participate,~~ in a supplemental plan in existence on, or created

1509 after, March 12, 1999 ~~the effective date of this act.~~

1510 (20)~~(15)~~ "Retirement" means a firefighter's separation  
 1511 from municipal ~~city~~ or fire district employment as a firefighter  
 1512 with immediate eligibility for ~~receipt of~~ benefits under the  
 1513 plan. For purposes of a plan that includes a Deferred Retirement  
 1514 Option Plan (DROP), "retirement" means the date a firefighter  
 1515 enters ~~the~~ DROP.

1516 (21) "Special act plan" means a plan subject to the  
 1517 provisions of this chapter which was created by an act of the  
 1518 Legislature and continues to require an act of the Legislature  
 1519 to alter plan benefits.

1520 (22) "Special benefits" means benefits provided in a  
 1521 defined contribution plan for firefighters.

1522 (23)~~(16)~~ "Special fire control district" means a special  
 1523 district, as defined in s. 189.403~~(1)~~, established for the  
 1524 purposes of extinguishing fires, protecting life, and protecting  
 1525 property within the incorporated or unincorporated portions of a  
 1526 ~~any~~ county or combination of counties, or within any combination  
 1527 of incorporated and unincorporated portions of a ~~any~~ county or  
 1528 combination of counties. The term does not include any dependent  
 1529 or independent special district, as those terms are defined in  
 1530 s. 189.403, whose s. 189.403(2) and (3), respectively, the  
 1531 ~~employees of which~~ are members of the Florida Retirement System  
 1532 pursuant to s. 121.051(1) or (2).

1533 (24)~~(17)~~ "Supplemental plan" means a plan to which  
 1534 deposits are made to provide extra benefits for firefighters, or

1535 for firefighters and police officers if both are ~~where~~ included  
 1536 ~~under this chapter~~. Such a plan is an element of a local law  
 1537 plan and exists in conjunction with a defined benefit component  
 1538 ~~plan~~ that meets the minimum benefits and minimum standards of  
 1539 this chapter. Any supplemental plan in existence on March 1,  
 1540 2014, shall be deemed to be a defined contribution plan in  
 1541 compliance with s. 175.351(6).

1542 ~~(25)(18)~~ "Supplemental plan municipality" means a any  
 1543 local law municipality in which any ~~there existed a~~ supplemental  
 1544 plan existed, ~~of any type or nature~~, as of December 1, 2000.

1545 Section 10. Subsection (7) of section 175.071, Florida  
 1546 Statutes, is amended to read:

1547 175.071 General powers and duties of board of trustees.—  
 1548 For any municipality, special fire control district, chapter  
 1549 plan, local law municipality, local law special fire control  
 1550 district, or local law plan under this chapter:

1551 (7) To assist the board in meeting its responsibilities  
 1552 under this chapter, the board, if it so elects, may:

1553 (a) Employ independent legal counsel at the pension fund's  
 1554 expense.

1555 (b) Employ an independent enrolled actuary, as defined in  
 1556 s. 175.032~~(7)~~, at the pension fund's expense.

1557 (c) Employ such independent professional, technical, or  
 1558 other advisers as it deems necessary at the pension fund's  
 1559 expense.

1560

1561 If the board chooses to use the municipality's or special  
 1562 district's legal counsel or actuary, or chooses to use any of  
 1563 the municipality's or special district's other professional,  
 1564 technical, or other advisers, it must do so only under terms and  
 1565 conditions acceptable to the board.

1566 Section 11. Paragraph (d) of subsection (1) of section  
 1567 175.091, Florida Statutes, is amended to read:

1568 175.091 Creation and maintenance of fund.—For any  
 1569 municipality, special fire control district, chapter plan, local  
 1570 law municipality, local law special fire control district, or  
 1571 local law plan under this chapter:

1572 (1) The firefighters' pension trust fund in each  
 1573 municipality and in each special fire control district shall be  
 1574 created and maintained in the following manner:

1575 (d) By mandatory payment by the municipality or special  
 1576 fire control district of a sum equal to the normal cost of and  
 1577 the amount required to fund any actuarial deficiency shown by an  
 1578 actuarial valuation conducted under ~~as provided in~~ part VII of  
 1579 chapter 112 after taking into account the amounts described in  
 1580 paragraphs (b), (c), (e), (f), and (g) and the tax proceeds  
 1581 described in paragraph (a) which are used to fund defined  
 1582 benefit plan benefits.

1583  
 1584 Nothing in this section shall be construed to require adjustment  
 1585 of member contribution rates in effect on the date this act  
 1586 becomes a law, including rates that exceed 5 percent of salary,

1587 provided that such rates are at least one-half of 1 percent of  
 1588 salary.

1589 Section 12. Paragraph (a) of subsection (2) of section  
 1590 175.162, Florida Statutes, is amended to read:

1591 175.162 Requirements for retirement.—For any municipality,  
 1592 special fire control district, chapter plan, local law  
 1593 municipality, local law special fire control district, or local  
 1594 law plan under this chapter, any firefighter who completes 10 or  
 1595 more years of creditable service as a firefighter and attains  
 1596 age 55, or completes 25 years of creditable service as a  
 1597 firefighter and attains age 52, and who for such minimum period  
 1598 has been a member of the firefighters' pension trust fund  
 1599 operating under a chapter plan or local law plan, is eligible  
 1600 for normal retirement benefits. Normal retirement under the plan  
 1601 is retirement from the service of the municipality or special  
 1602 fire control district on or after the normal retirement date. In  
 1603 such event, payment of retirement income will be governed by the  
 1604 following provisions of this section:

1605 (2) (a) 1. The amount of monthly retirement income payable  
 1606 to a full-time firefighter who retires on or after his or her  
 1607 normal retirement date shall be an amount equal to the number of  
 1608 his or her years of credited service multiplied by 2.75 ~~2~~  
 1609 percent of his or her average final compensation as a full-time  
 1610 firefighter. ~~However, if current state contributions pursuant to~~  
 1611 ~~this chapter are not adequate to fund the additional benefits to~~  
 1612 ~~meet the minimum requirements in this chapter, only such~~

1613 ~~incremental increases shall be required as state moneys are~~  
 1614 ~~adequate to provide. Such increments shall be provided as state~~  
 1615 ~~moneys become available.~~

1616 2. Effective July 1, 2014, a plan that is in compliance  
 1617 with this chapter except that the plan provides a benefit that  
 1618 is less than 2.75 percent of the average final compensation of a  
 1619 full-time firefighter must maintain, at a minimum, the  
 1620 percentage amount in effect on July 1, 2014, and is not required  
 1621 to increase the benefit to 2.75 percent of the average final  
 1622 compensation of a full-time firefighter.

1623 3. Effective July 1, 2014, a plan that is in compliance  
 1624 with this chapter except that the plan provides a benefit that  
 1625 is less than 2.75 percent of the average final compensation of a  
 1626 full-time firefighter and that changes its accrual rate to 2.75  
 1627 percent, or greater, of the average final compensation of a  
 1628 full-time firefighter may not thereafter decrease the accrual  
 1629 rate to less than 2.75 percent of the average final compensation  
 1630 of a full-time firefighter.

1631 Section 13. Section 175.351, Florida Statutes, is amended  
 1632 to read:

1633 175.351 Municipalities and special fire control districts  
 1634 that have ~~having~~ their own pension plans for firefighters. ~~For~~  
 1635 ~~any municipality, special fire control district, local law~~  
 1636 ~~municipality, local law special fire control district, or local~~  
 1637 ~~law plan under this chapter,~~ In order for a municipality or  
 1638 ~~municipalities and special fire control~~ district that has its

1639 ~~districts with their~~ own pension plan ~~plans~~ for firefighters, or  
 1640 for firefighters and police officers if both are included, to  
 1641 participate in the distribution of the tax fund established  
 1642 under ~~pursuant to~~ s. 175.101, a local law plan ~~plans~~ must meet  
 1643 the minimum benefits and minimum standards set forth in this  
 1644 chapter.

1645 (1) If a municipality has a pension plan for firefighters,  
 1646 or ~~a pension plan~~ for firefighters and police officers if both  
 1647 are included, which in the opinion of the division meets the  
 1648 minimum benefits and minimum standards set forth in this  
 1649 chapter, the board of trustees of the pension plan must, ~~as~~  
 1650 ~~approved by a majority of firefighters of the municipality,~~ may:

1651 ~~(a)~~ place the income from the premium tax in s. 175.101 in  
 1652 such ~~pension~~ plan for the sole and exclusive use of its  
 1653 firefighters, or for firefighters and police officers if both  
 1654 are included, where it shall become an integral part of that  
 1655 ~~pension~~ plan and ~~shall~~ be used to fund benefits as provided  
 1656 herein. Effective October 1, 2014, for noncollectively bargained  
 1657 service or upon entering into a collective bargaining agreement  
 1658 on or after July 1, 2014:

1659 (a) The base premium tax revenues must be used to fund  
 1660 minimum benefits or other retirement benefits in excess of the  
 1661 minimum benefits as determined by the municipality or special  
 1662 fire control district.

1663 (b) Of the additional premium tax revenues received which  
 1664 are in excess of the amount received for the 2013 calendar year,

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1665 50 percent must be used to fund minimum benefits or other  
1666 retirement benefits in excess of the minimum benefits as  
1667 determined by the municipality or special fire control district,  
1668 and 50 percent must be placed in a defined contribution plan to  
1669 fund special benefits.

1670 (c) Additional premium tax revenues not described in  
1671 paragraph (b) must be used to fund benefits that are not  
1672 included in the minimum benefits. If the additional premium tax  
1673 revenues subject to this paragraph exceed the full cost of  
1674 benefits provided through the plan which are in excess of the  
1675 minimum benefits, any amount in excess of the full cost must be  
1676 used as provided in paragraph (b).

1677 (d) Any accumulations of additional premium tax revenues  
1678 which have not been applied to fund benefits in excess of the  
1679 minimum benefits may be allocated by mutual consent as provided  
1680 in paragraph (g). If such accumulations are not allocated by  
1681 mutual consent, 50 percent of the amount of the accumulations  
1682 must be used to fund special benefits and 50 percent must be  
1683 applied to fund any unfunded actuarial liabilities of the plan  
1684 to pay extra benefits to the firefighters included in that  
1685 pension plan; or

1686 ~~(b) Place the income from the premium tax in s. 175.101 in~~  
1687 ~~a separate supplemental plan to pay extra benefits to~~  
1688 ~~firefighters, or to firefighters and police officers if~~  
1689 ~~included, participating in such separate supplemental plan.~~

1690 (e) For a plan created after March 1, 2014, 50 percent of

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1691 the insurance premium tax revenues must be used to fund defined  
1692 benefit plan component benefits, with the remainder used to fund  
1693 defined contribution plan component benefits.

1694 (f) If a plan offers benefits in excess of the minimum  
1695 benefits, excluding supplemental plan benefits in effect as of  
1696 September 30, 2013, such benefits may be reduced if the plan  
1697 continues to meet the minimum benefits and the minimum standards  
1698 set forth in this chapter. The amount of insurance premium tax  
1699 revenues previously used to fund benefits in excess of minimum  
1700 benefits, excluding supplemental plan benefits in effect as of  
1701 September 30, 2013, before the reduction must be used as  
1702 provided in paragraph (b). However, benefits in excess of the  
1703 minimum benefits may not be reduced if a plan does not meet the  
1704 minimum accrual rate of 2.75 percent, or greater, of the average  
1705 final compensation of a full-time firefighter.

1706 (g) Notwithstanding any other provision of this  
1707 subsection, the use of premium tax revenues, including any  
1708 accumulations of additional tax revenues which have not been  
1709 applied to fund benefits in excess of the minimum benefits, may  
1710 deviate from the provisions of this subsection by mutual consent  
1711 of the members' collective bargaining representative or, if  
1712 none, by majority consent of the firefighter members of the  
1713 fund, and by consent of the municipality or special fire control  
1714 district, provided that the plan continues to meet the minimum  
1715 benefits and minimum standards of this chapter; however, a plan  
1716 operating pursuant to the provisions of this paragraph which

1717 does not meet a minimum benefit as of October 1, 2012, may  
 1718 continue to provide the benefit that does not meet the minimum  
 1719 benefit at the same level, but not less than that level, as was  
 1720 provided as of October 1, 2012, and all other benefit levels  
 1721 must continue to meet the minimum benefits. Such mutually agreed  
 1722 deviation shall continue until modified or revoked by subsequent  
 1723 mutual consent of the members' collective bargaining  
 1724 representative or, if none, by a majority of the firefighter  
 1725 members of the fund, and the municipality or special fire  
 1726 control district. A special act plan or a plan within a  
 1727 supplemental plan municipality shall be considered to have  
 1728 mutually consented to such deviation as of July 1, 2014,  
 1729 regarding the existing arrangement on the use of premium tax  
 1730 revenues.

1731 (2) The premium tax provided by this chapter shall ~~in all~~  
 1732 ~~eases~~ be used in its entirety to provide retirement ~~extra~~  
 1733 benefits to firefighters, or to firefighters and police officers  
 1734 if both are included. ~~However, local law plans in effect on~~  
 1735 ~~October 1, 1998, must comply with the minimum benefit provisions~~  
 1736 ~~of this chapter only to the extent that additional premium tax~~  
 1737 ~~revenues become available to incrementally fund the cost of such~~  
 1738 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~  
 1739 ~~compliance with such minimum benefit provisions, as subsequent~~  
 1740 ~~additional premium tax revenues become available, they must be~~  
 1741 ~~used to provide extra benefits.~~ Local law plans created by  
 1742 special act before May 27, 1939, are deemed to comply with this

1743 chapter. ~~For the purpose of this chapter, the term:~~

1744 ~~(a) "Additional premium tax revenues" means revenues~~

1745 ~~received by a municipality or special fire control district~~

1746 ~~pursuant to s. 175.121 which exceed that amount received for~~

1747 ~~calendar year 1997.~~

1748 ~~(b) "Extra benefits" means benefits in addition to or~~

1749 ~~greater than those provided to general employees of the~~

1750 ~~municipality and in addition to those in existence for~~

1751 ~~firefighters on March 12, 1999.~~

1752 (3) A retirement plan or amendment to a retirement plan

1753 may not be proposed for adoption unless the proposed plan or

1754 amendment contains an actuarial estimate of the costs involved.

1755 Such proposed plan or proposed plan change may not be adopted

1756 without the approval of the municipality, special fire control

1757 district, or, where required ~~permitted~~, the Legislature. Copies

1758 of the proposed plan or proposed plan change and the actuarial

1759 impact statement of the proposed plan or proposed plan change

1760 shall be furnished to the division before the last public

1761 hearing on the proposal is held ~~thereon~~. Such statement must

1762 also indicate whether the proposed plan or proposed plan change

1763 is in compliance with s. 14, Art. X of the State Constitution

1764 and those provisions of part VII of chapter 112 which are not

1765 expressly provided in this chapter. Notwithstanding any other

1766 provision, only those local law plans created by special act of

1767 legislation before May 27, 1939, are deemed to meet the minimum

1768 benefits and minimum standards only in this chapter.

1769 (4) Notwithstanding any other provision, with respect to  
 1770 any supplemental plan municipality:

1771 (a) A local law plan and a supplemental plan may continue  
 1772 to use their definition of compensation or salary in existence  
 1773 on March 12, 1999.

1774 (b) Section 175.061(1)(b) does not apply, and a local law  
 1775 plan and a supplemental plan shall continue to be administered  
 1776 by a board or boards of trustees numbered, constituted, and  
 1777 selected as the board or boards were numbered, constituted, and  
 1778 selected on December 1, 2000.

1779 ~~(c) The election set forth in paragraph (1)(b) is deemed~~  
 1780 ~~to have been made.~~

1781 (5) The retirement plan setting forth the benefits and the  
 1782 trust agreement, if any, covering the duties and  
 1783 responsibilities of the trustees and the regulations of the  
 1784 investment of funds must be in writing, and copies made  
 1785 available to the participants and to the general public.

1786 (6) In addition to the defined benefit component of the  
 1787 local law plan, each plan sponsor must have a defined  
 1788 contribution plan component within the local law plan by October  
 1789 1, 2014, for noncollectively bargained service, upon entering  
 1790 into a collective bargaining agreement on or after July 1, 2014,  
 1791 or upon the creation date of a new participating plan. Depending  
 1792 upon the application of subsection (1), a defined contribution  
 1793 component may or may not receive any funding.

1794 (7) Notwithstanding any other provision of this chapter, a

1795 municipality or special fire control district that has  
 1796 implemented or proposed changes to a local law plan based on the  
 1797 municipality's or district's reliance on an interpretation of  
 1798 this chapter by the Department of Management Services on or  
 1799 after August 14, 2012, and before March 4, 2014, may continue  
 1800 the implemented changes or continue to implement proposed  
 1801 changes. Such reliance must be evidenced by a written collective  
 1802 bargaining proposal or agreement, or formal correspondence  
 1803 between the municipality or district and the Department of  
 1804 Management Services which describes the specific changes to the  
 1805 local law plan, with the initial proposal, agreement, or  
 1806 correspondence from the municipality or district dated before  
 1807 March 4, 2014. Changes to the local law plan which are otherwise  
 1808 contrary to the minimum benefits and minimum standards in this  
 1809 chapter may continue in effect until the earlier of October 1,  
 1810 2017, or the effective date of a collective bargaining agreement  
 1811 that is contrary to the changes to the local law plan.

1812 Section 14. Subsection (2) of section 185.01, Florida  
 1813 Statutes, is amended to read:

1814 185.01 Legislative declaration.—

1815 (2) This chapter hereby establishes, for all municipal  
 1816 pension plans ~~now or hereinafter~~ provided for under this  
 1817 chapter, including chapter plans and local law plans, minimum  
 1818 benefits and minimum standards for the operation and funding of  
 1819 such plans, hereinafter referred to as municipal police  
 1820 officers' retirement trust funds, which must be met as

1821 conditions precedent to the plans or plan sponsors receiving a  
 1822 distribution of insurance premium tax revenues under s. 185.10.  
 1823 The minimum benefits and minimum standards for each plan as set  
 1824 forth in this chapter may not be diminished by local ordinance  
 1825 or by special act of the Legislature and may not, ~~nor may the~~  
 1826 ~~minimum benefits or minimum standards~~ be reduced or offset by  
 1827 any other local, state, or federal plan that includes ~~may~~  
 1828 ~~include~~ police officers in its operation, except as provided  
 1829 under s. 112.65.

1830 Section 15. Section 185.02, Florida Statutes, is amended  
 1831 to read:

1832 185.02 Definitions.—For any municipality, chapter plan,  
 1833 local law municipality, or local law plan under this chapter,  
 1834 the term ~~following words and phrases as used in this chapter~~  
 1835 ~~shall have the following meanings, unless a different meaning is~~  
 1836 ~~plainly required by the context:~~

1837 (1) "Additional premium tax revenues" means revenues  
 1838 received by a municipality pursuant to s. 185.10 which exceed  
 1839 base premium tax revenues.

1840 (2) ~~(1)~~ "Average final compensation" means one-twelfth of  
 1841 the average annual compensation of the 5 best years of the last  
 1842 10 years of creditable service prior to retirement, termination,  
 1843 or death.

1844 (3) "Base premium tax revenues" means the revenues  
 1845 received by a municipality pursuant to s. 185.10 for the  
 1846 calendar year 1997.

1847        (4)~~(2)~~ "Casualty insurance" means automobile public  
 1848 liability and property damage insurance to be applied at the  
 1849 place of residence of the owner, or if the subject is a  
 1850 commercial vehicle, to be applied at the place of business of  
 1851 the owner; automobile collision insurance; fidelity bonds;  
 1852 burglary and theft insurance; and plate glass insurance. The  
 1853 term "multiple peril" means a combination or package policy that  
 1854 includes both property coverage and casualty coverage for a  
 1855 single premium.

1856        (5)~~(3)~~ "Chapter plan" means a separate defined benefit  
 1857 pension plan for police officers which incorporates by reference  
 1858 the provisions of this chapter and has been adopted by the  
 1859 governing body of a municipality as provided in s. 185.08.  
 1860 Except as ~~may be~~ specifically authorized in this chapter, the  
 1861 provisions of a chapter plan may not differ from the plan  
 1862 provisions set forth in ss. 185.01-185.341 and ss. 185.37-  
 1863 185.39. Actuarial valuations of chapter plans shall be conducted  
 1864 by the division as provided by s. 185.221(1)(b).

1865        (6)~~(4)~~ "Compensation" or "salary" means, for  
 1866 noncollectively bargained service earned before July 1, 2011, or  
 1867 for service earned under collective bargaining agreements in  
 1868 place before July 1, 2011, the total cash remuneration including  
 1869 "overtime" paid by the primary employer to a police officer for  
 1870 services rendered, but not including any payments for extra duty  
 1871 or special detail work performed on behalf of a second party  
 1872 employer. Overtime may be limited prior to July 1, 2011, in a

1873 local law plan by the plan provisions. ~~A local law plan may~~  
 1874 ~~limit the amount of overtime payments which can be used for~~  
 1875 ~~retirement benefit calculation purposes; however, such overtime~~  
 1876 ~~limit may not be less than 300 hours per officer per calendar~~  
 1877 ~~year.~~ For noncollectively bargained service earned on or after  
 1878 July 1, 2011, or for service earned under collective bargaining  
 1879 agreements entered into on or after July 1, 2011, the term has  
 1880 the same meaning except that when calculating retirement  
 1881 benefits, up to 300 hours per year in overtime compensation may  
 1882 be included as specified in the plan or collective bargaining  
 1883 agreement, but payments for accrued unused sick or annual leave  
 1884 may not be included.

1885 (a) Any retirement trust fund or plan that meets the  
 1886 requirements of this chapter does not, solely by virtue of this  
 1887 subsection, reduce or diminish the monthly retirement income  
 1888 otherwise payable to each police officer covered by the  
 1889 retirement trust fund or plan.

1890 (b) The member's compensation or salary contributed as  
 1891 employee-elective salary reductions or deferrals to any salary  
 1892 reduction, deferred compensation, or tax-sheltered annuity  
 1893 program authorized under the Internal Revenue Code shall be  
 1894 deemed to be the compensation or salary the member would receive  
 1895 if he or she were not participating in such program and shall be  
 1896 treated as compensation for retirement purposes under this  
 1897 chapter.

1898 (c) For any person who first becomes a member in any plan

1899 year beginning on or after January 1, 1996, compensation for  
 1900 that plan year may not include any amounts in excess of the  
 1901 Internal Revenue Code s. 401(a)(17) limitation, as amended by  
 1902 the Omnibus Budget Reconciliation Act of 1993, which limitation  
 1903 of \$150,000 shall be adjusted as required by federal law for  
 1904 qualified government plans and ~~shall be~~ further adjusted for  
 1905 changes in the cost of living in the manner provided by Internal  
 1906 Revenue Code s. 401(a)(17)(B). For any person who first became a  
 1907 member before the first plan year beginning on or after January  
 1908 1, 1996, the limitation on compensation may not be less than the  
 1909 maximum compensation amount that was allowed to be taken into  
 1910 account under the plan ~~as~~ in effect on July 1, 1993, which  
 1911 limitation shall be adjusted for changes in the cost of living  
 1912 since 1989 in the manner provided by Internal Revenue Code s.  
 1913 401(a)(17)(1991).

1914 (7)~~(5)~~ "Creditable service" or "credited service" means  
 1915 the aggregate number of years of service and fractional parts of  
 1916 years of service of any police officer, omitting intervening  
 1917 years and fractional parts of years when such police officer may  
 1918 not have been employed by the municipality subject to the  
 1919 following conditions:

1920 (a) A ~~No~~ police officer may not ~~will~~ receive credit for  
 1921 years or fractional parts of years of service if he or she has  
 1922 withdrawn his or her contributions to the fund for those years  
 1923 or fractional parts of years of service, unless the police  
 1924 officer repays into the fund the amount he or she has withdrawn,

1925 plus interest as determined by the board. The member has ~~shall~~  
 1926 ~~have~~ at least 90 days after his or her reemployment to make  
 1927 repayment.

1928 (b) A police officer may voluntarily leave his or her  
 1929 contributions in the fund for ~~a period of~~ 5 years after leaving  
 1930 the employ of the police department, pending the possibility of  
 1931 his or her being rehired by the same department, without losing  
 1932 credit for the time he or she has participated actively as a  
 1933 police officer. If he or she is not reemployed as a police  
 1934 officer with the same department within 5 years, his or her  
 1935 contributions shall be returned ~~to him or her~~ without interest.

1936 (c) Credited service under this chapter shall be provided  
 1937 only for service as a police officer, ~~as defined in subsection~~  
 1938 ~~(11)~~, or for military service and may not include credit for any  
 1939 other type of service. A municipality ~~may~~, by local ordinance,  
 1940 may provide for the purchase of credit for military service  
 1941 occurring before employment as well as prior service as a police  
 1942 officer for some other employer as long as the police officer is  
 1943 not entitled to receive a benefit for such ~~other~~ prior service  
 1944 ~~as a police officer~~. For purposes of determining credit for  
 1945 prior service, in addition to service as a police officer in  
 1946 this state, credit may be given for federal, other state, or  
 1947 county service as long as such service is recognized by the  
 1948 Criminal Justice Standards and Training Commission within the  
 1949 Department of Law Enforcement as provided in ~~under~~ chapter 943  
 1950 or the police officer provides proof to the board of trustees

1951 that such service is equivalent to the service required to meet  
 1952 the definition of a police officer under subsection (16) ~~(11)~~.

1953 (d) In determining the creditable service of a ~~any~~ police  
 1954 officer, credit for up to 5 years of the time spent in the  
 1955 military service of the Armed Forces of the United States shall  
 1956 be added to the years of actual service, if:

1957 1. The police officer is in the active employ of the  
 1958 municipality before ~~prior to~~ such service and leaves a position,  
 1959 other than a temporary position, for the purpose of voluntary or  
 1960 involuntary service in the Armed Forces of the United States.

1961 2. The police officer is entitled to reemployment under  
 1962 ~~the provisions of~~ the Uniformed Services Employment and  
 1963 Reemployment Rights Act.

1964 3. The police officer returns to his or her employment as  
 1965 a police officer of the municipality within 1 year after ~~from~~  
 1966 the date of his or her release from such active service.

1967 (8) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a  
 1968 local law plan retirement option in which a police officer may  
 1969 elect to participate. A police officer may retire for all  
 1970 purposes of the plan and defer receipt of retirement benefits  
 1971 into a DROP account while continuing employment with his or her  
 1972 employer. However, a police officer who enters ~~the~~ DROP and who  
 1973 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be  
 1974 precluded from participation or continued participation  
 1975 ~~participating, or continuing to participate,~~ in a supplemental  
 1976 plan in existence on, or created after, March 12, 1999 ~~the~~

1977 | ~~effective date of this act.~~

1978 |       (9) "Defined contribution plan" means the component of a  
 1979 | local law plan, as provided in s. 185.35(1), to which deposits,  
 1980 | if any, are made to provide benefits for police officers, or for  
 1981 | police officers and firefighters if both are included. Such  
 1982 | component is an element of a local law plan and exists in  
 1983 | conjunction with the defined benefit component that meets the  
 1984 | minimum benefits and minimum standards of this chapter. The  
 1985 | retirement benefits, if any, of the defined contribution plan  
 1986 | shall be provided through individual member accounts in  
 1987 | accordance with the applicable provisions of the Internal  
 1988 | Revenue Code and related regulations and are limited to the  
 1989 | contributions, if any, made into each member's account and the  
 1990 | actual accumulated earnings, net of expenses, earned on the  
 1991 | member's account.

1992 |       (10)~~(7)~~ "Division" means the Division of Retirement of the  
 1993 | Department of Management Services.

1994 |       (11)~~(8)~~ "Enrolled actuary" means an actuary who is  
 1995 | enrolled under Subtitle C of Title III of the Employee  
 1996 | Retirement Income Security Act of 1974 and who is a member of  
 1997 | the Society of Actuaries or the American Academy of Actuaries.

1998 |       (12)~~(9)~~ "Local law municipality" means ~~is~~ any municipality  
 1999 | in which ~~there exists~~ a local law plan exists.

2000 |       (13)~~(10)~~ "Local law plan" means a retirement defined  
 2001 | benefit pension plan, which includes both a defined benefit plan  
 2002 | component and a defined contribution plan component, for police

2003 officers, or for police officers and firefighters if both are,  
 2004 ~~where~~ included, as described in s. 185.35, established by  
 2005 municipal ordinance or special act of the Legislature, which  
 2006 ~~enactment~~ sets forth all plan provisions. Local law plan  
 2007 provisions may vary from the provisions of this chapter if the,  
 2008 ~~provided that required~~ minimum benefits and minimum standards of  
 2009 this chapter are met. However, any such variance must ~~shall~~  
 2010 provide a greater benefit for police officers. Actuarial  
 2011 valuations of local law plans shall be conducted by an enrolled  
 2012 actuary as provided in s. 185.221(2) (b).

2013 (14) "Minimum benefits" means the benefits set forth in  
 2014 ss. 185.01-185.341 and ss. 185.37-185.50.

2015 (15) "Minimum standards" means the standards set forth in  
 2016 ss. 185.01-185.341 and ss. 185.37-185.50.

2017 (16)~~(11)~~ "Police officer" means any person who is elected,  
 2018 appointed, or employed full time by a ~~any~~ municipality, who is  
 2019 certified or required to be certified as a law enforcement  
 2020 officer in compliance with s. 943.1395, who is vested with  
 2021 authority to bear arms and make arrests, and whose primary  
 2022 responsibility is the prevention and detection of crime or the  
 2023 enforcement of the penal, criminal, traffic, or highway laws of  
 2024 the state. The term ~~This definition~~ includes all certified  
 2025 supervisory and command personnel whose duties include, in whole  
 2026 or in part, the supervision, training, guidance, and management  
 2027 responsibilities of full-time law enforcement officers, part-  
 2028 time law enforcement officers, or auxiliary law enforcement

2029 officers, but does not include part-time law enforcement  
 2030 officers or auxiliary law enforcement officers as those terms  
 2031 ~~the same~~ are defined in s. 943.10(6) and (8), respectively. For  
 2032 the purposes of this chapter only, the term also includes  
 2033 ~~"police officer"~~ also shall include a public safety officer who  
 2034 is responsible for performing both police and fire services. Any  
 2035 plan may provide that the police chief shall have an option to  
 2036 participate, ~~or not,~~ in that plan.

2037 (17) ~~(12)~~ "Police Officers' Retirement Trust Fund" means a  
 2038 trust fund, by whatever name known, as provided under s. 185.03  
 2039 for the purpose of assisting municipalities in establishing and  
 2040 maintaining a retirement plan for police officers.

2041 (18) ~~(13)~~ "Retiree" or "retired police officer" means a  
 2042 police officer who has entered retirement status. For the  
 2043 purposes of a plan that includes a Deferred Retirement Option  
 2044 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~  
 2045 considered a retiree for all purposes of the plan. However, a  
 2046 police officer who enters ~~the~~ DROP and who is otherwise eligible  
 2047 to participate may ~~shall~~ not ~~thereby~~ be precluded from  
 2048 participating, or continuing to participate, in a supplemental  
 2049 plan in existence on, or created after, March 12, 1999 ~~the~~  
 2050 ~~effective date of this act.~~

2051 (19) ~~(14)~~ "Retirement" means a police officer's separation  
 2052 from municipal ~~city~~ employment as a police officer with  
 2053 immediate eligibility for ~~receipt of~~ benefits under the plan.  
 2054 For purposes of a plan that includes a Deferred Retirement

2055 Option Plan (DROP), "retirement" means the date a police officer  
 2056 enters ~~the~~ DROP.

2057 (20) "Special act plan" means a plan subject to the  
 2058 provisions of this chapter which was created by an act of the  
 2059 Legislature and continues to require an act of the Legislature  
 2060 to alter plan benefits.

2061 (21) "Special benefits" means benefits provided in a  
 2062 defined contribution plan for police officers.

2063 (22)-(15) "Supplemental plan" means a plan to which  
 2064 deposits of the premium tax moneys as provided in s. 185.08 are  
 2065 made to provide extra benefits to police officers, or police  
 2066 officers and firefighters if both are ~~where~~ included, ~~under this~~  
 2067 chapter. Such a plan is an element of a local law plan and  
 2068 exists in conjunction with a defined benefit component ~~plan~~ that  
 2069 meets the minimum benefits and minimum standards of this  
 2070 chapter. Any supplemental plan in existence on March 1, 2014,  
 2071 shall be deemed to be a defined contribution plan in compliance  
 2072 with s. 185.35(6).

2073 (23)-(16) "Supplemental plan municipality" means a ~~any~~  
 2074 local law municipality in which ~~there existed~~ a supplemental  
 2075 plan existed as of December 1, 2000.

2076 Section 16. Subsection (6) of section 185.06, Florida  
 2077 Statutes, is amended to read:

2078 185.06 General powers and duties of board of trustees.—For  
 2079 any municipality, chapter plan, local law municipality, or local  
 2080 law plan under this chapter:

2081 (6) To assist the board in meeting its responsibilities  
 2082 under this chapter, the board, if it so elects, may:

2083 (a) Employ independent legal counsel at the pension fund's  
 2084 expense.

2085 (b) Employ an independent enrolled actuary, as defined in  
 2086 s. 185.02~~(8)~~, at the pension fund's expense.

2087 (c) Employ such independent professional, technical, or  
 2088 other advisers as it deems necessary at the pension fund's  
 2089 expense.

2090

2091 If the board chooses to use the municipality's or special  
 2092 district's legal counsel or actuary, or chooses to use any of  
 2093 the municipality's other professional, technical, or other  
 2094 advisers, it must do so only under terms and conditions  
 2095 acceptable to the board.

2096 Section 17. Paragraph (d) of subsection (1) of section  
 2097 185.07, Florida Statutes, is amended to read:

2098 185.07 Creation and maintenance of fund.—For any  
 2099 municipality, chapter plan, local law municipality, or local law  
 2100 plan under this chapter:

2101 (1) The municipal police officers' retirement trust fund  
 2102 in each municipality described in s. 185.03 shall be created and  
 2103 maintained in the following manner:

2104 (d) By payment by the municipality or other sources of a  
 2105 sum equal to the normal cost and the amount required to fund any  
 2106 actuarial deficiency shown by an actuarial valuation conducted

2107 under as provided in part VII of chapter 112 after taking into  
 2108 account the amounts described in paragraphs (b), (c), (e), (f),  
 2109 and (g) and the tax proceeds described in paragraph (a) which  
 2110 are used to fund defined benefit plan benefits.

2111  
 2112 Nothing in this section shall be construed to require adjustment  
 2113 of member contribution rates in effect on the date this act  
 2114 becomes a law, including rates that exceed 5 percent of salary,  
 2115 provided that such rates are at least one-half of 1 percent of  
 2116 salary.

2117 Section 18. Subsection (2) of section 185.16, Florida  
 2118 Statutes, is amended to read:

2119 185.16 Requirements for retirement.—For any municipality,  
 2120 chapter plan, local law municipality, or local law plan under  
 2121 this chapter, any police officer who completes 10 or more years  
 2122 of creditable service as a police officer and attains age 55, or  
 2123 completes 25 years of creditable service as a police officer and  
 2124 attains age 52, and for such period has been a member of the  
 2125 retirement fund is eligible for normal retirement benefits.

2126 Normal retirement under the plan is retirement from the service  
 2127 of the city on or after the normal retirement date. In such  
 2128 event, for chapter plans and local law plans, payment of  
 2129 retirement income will be governed by the following provisions  
 2130 of this section:

2131 (2) (a) The amount of the monthly retirement income payable  
 2132 to a police officer who retires on or after his or her normal

2133 retirement date shall be an amount equal to the number of the  
 2134 police officer's years of credited service multiplied by 2.75 ~~2~~  
 2135 percent of his or her average final compensation. ~~However, if~~  
 2136 ~~current state contributions pursuant to this chapter are not~~  
 2137 ~~adequate to fund the additional benefits to meet the minimum~~  
 2138 ~~requirements in this chapter, only increment increases shall be~~  
 2139 ~~required as state moneys are adequate to provide. Such~~  
 2140 ~~increments shall be provided as state moneys become available.~~

2141 (b) Effective July 1, 2014, a plan that is in compliance  
 2142 with this chapter except that the plan provides a benefit that  
 2143 is less than 2.75 percent of the average final compensation of a  
 2144 police officer must maintain, at a minimum, the percentage  
 2145 amount in effect on July 1, 2014, and is not required to  
 2146 increase the benefit to 2.75 percent of the average final  
 2147 compensation of a police officer.

2148 (c) Effective July 1, 2014, a plan that is in compliance  
 2149 with this chapter except that the plan provides a benefit that  
 2150 is less than 2.75 percent of the average final compensation of a  
 2151 police officer and that changes its accrual rate to 2.75  
 2152 percent, or greater, of the average final compensation of a  
 2153 police officer may not thereafter decrease the accrual rate to  
 2154 less than 2.75 percent of the average final compensation of a  
 2155 police officer.

2156 Section 19. Section 185.35, Florida Statutes, is amended  
 2157 to read:

2158 185.35 Municipalities that have ~~having~~ their own

2159 retirement ~~pension~~ plans for police officers. ~~For any~~  
 2160 ~~municipality, chapter plan, local law municipality, or local law~~  
 2161 ~~plan under this chapter,~~ In order for a municipality that has  
 2162 its municipalities with their own retirement plan ~~pension plans~~  
 2163 for police officers, or for police officers and firefighters if  
 2164 both are included, to participate in the distribution of the tax  
 2165 fund established under ~~pursuant to~~ s. 185.08, a local law plan  
 2166 ~~plans~~ must meet the minimum benefits and minimum standards set  
 2167 forth in this chapter:

2168 (1) If a municipality has a retirement ~~pension~~ plan for  
 2169 police officers, or for police officers and firefighters if both  
 2170 are included, which, in the opinion of the division, meets the  
 2171 minimum benefits and minimum standards set forth in this  
 2172 chapter, the board of trustees of the pension plan must, ~~as~~  
 2173 ~~approved by a majority of police officers of the municipality,~~  
 2174 ~~may:~~

2175 ~~(a)~~ place the income from the premium tax in s. 185.08 in  
 2176 such ~~pension~~ plan for the sole and exclusive use of its police  
 2177 officers, or its police officers and firefighters if both are  
 2178 included, where it shall become an integral part of that ~~pension~~  
 2179 plan and ~~shall~~ be used to fund benefits as provided herein.

2180 Effective October 1, 2014, for noncollectively bargained service  
 2181 or upon entering into a collective bargaining agreement on or  
 2182 after July 1, 2014:

2183 (a) The base premium tax revenues must be used to fund  
 2184 minimum benefits or other retirement benefits in excess of the

2185 minimum benefits as determined by the municipality.

2186 (b) Of the additional premium tax revenues received which  
 2187 are in excess of the amount received for the 2013 calendar year,  
 2188 50 percent must be used to fund minimum benefits or other  
 2189 retirement benefits in excess of the minimum benefits as  
 2190 determined by the municipality, and 50 percent must be placed in  
 2191 a defined contribution plan to fund special benefits.

2192 (c) Additional premium tax revenues not described in  
 2193 paragraph (b) must be used to fund benefits that are not  
 2194 included in the minimum benefits. If the additional premium tax  
 2195 revenues subject to this paragraph exceed the full cost of  
 2196 benefits provided through the plan which are in excess of the  
 2197 minimum benefits, any amount in excess of the full cost must be  
 2198 used as provided in paragraph (b).

2199 (d) Any accumulations of additional premium tax revenues  
 2200 which have not been applied to fund benefits in excess of the  
 2201 minimum benefits may be allocated by mutual consent as provided  
 2202 in paragraph (g). If such accumulations are not allocated by  
 2203 mutual consent, 50 percent of the amount of the accumulations  
 2204 must be used to fund special benefits and 50 percent must be  
 2205 applied to fund any unfunded actuarial liabilities of the plan  
 2206 ~~pay extra benefits to the police officers included in that~~  
 2207 ~~pension plan; or~~

2208 ~~(b) May place the income from the premium tax in s. 185.08~~  
 2209 ~~in a separate supplemental plan to pay extra benefits to the~~  
 2210 ~~police officers, or police officers and firefighters if~~

2211 ~~included, participating in such separate supplemental plan.~~

2212 (e) For a plan created after March 1, 2014, 50 percent of  
 2213 the insurance premium tax revenues shall be used to fund defined  
 2214 benefit plan component benefits, with the remainder used to fund  
 2215 defined contribution plan component benefits.

2216 (f) If a plan offers benefits in excess of the minimum  
 2217 benefits, excluding supplemental plan benefits in effect as of  
 2218 September 30, 2013, such benefits may be reduced if the plan  
 2219 continues to meet the minimum benefits and the minimum standards  
 2220 set forth in this chapter. The amount of insurance premium tax  
 2221 revenues previously used to fund benefits in excess of the  
 2222 minimum benefits, excluding supplemental plan benefits in effect  
 2223 as of September 30, 2013, before the reduction must be used as  
 2224 provided in paragraph (b). However, benefits in excess of the  
 2225 minimum benefits may not be reduced if a plan does not meet the  
 2226 minimum accrual rate of 2.75 percent, or greater, of the average  
 2227 final compensation of a police officer.

2228 (g) Notwithstanding any other provisions of this  
 2229 subsection, the use of premium tax revenues, including any  
 2230 accumulations of additional tax revenues which have not been  
 2231 applied to fund benefits in excess of the minimum benefits, may  
 2232 deviate from the provisions of this subsection by mutual consent  
 2233 of the members' collective bargaining representative or, if  
 2234 none, by majority consent of the police officer members of the  
 2235 fund, and by consent of the municipality, provided that the plan  
 2236 continues to meet the minimum benefits and minimum standards of

2237 this chapter; however, a plan operating pursuant to the  
 2238 provisions of this paragraph which does not meet a minimum  
 2239 benefit as of October 1, 2012, may continue to provide the  
 2240 benefit that does not meet the minimum benefit at the same  
 2241 level, but not less than that level, as was provided as of  
 2242 October 1, 2012, and all other benefits must continue to meet  
 2243 the minimum benefits. Such mutually agreed deviation shall  
 2244 continue until modified or revoked by subsequent mutual consent  
 2245 of the members' collective bargaining representative or, if  
 2246 none, by a majority of the police officer members of the fund,  
 2247 and the municipality. A special act plan or a plan within a  
 2248 supplemental plan municipality shall be considered to have  
 2249 mutually consented to such deviation as of July 1 ,2014,  
 2250 regarding the existing arrangement on the use of premium tax  
 2251 revenues.

2252 (2) The premium tax provided by this chapter shall ~~in all~~  
 2253 ~~eases~~ be used in its entirety to provide retirement ~~extra~~  
 2254 benefits to police officers, or to police officers and  
 2255 firefighters if both are included. ~~However, local law plans in~~  
 2256 ~~effect on October 1, 1998, must comply with the minimum benefit~~  
 2257 ~~provisions of this chapter only to the extent that additional~~  
 2258 ~~premium tax revenues become available to incrementally fund the~~  
 2259 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~  
 2260 ~~is in compliance with such minimum benefit provisions, as~~  
 2261 ~~subsequent additional tax revenues become available, they shall~~  
 2262 ~~be used to provide extra benefits.~~ Local law plans created by

2263 special act before May 27, 1939, shall be deemed to comply with  
 2264 this chapter. ~~For the purpose of this chapter, the term:~~

2265 ~~(a) "Additional premium tax revenues" means revenues~~  
 2266 ~~received by a municipality pursuant to s. 185.10 which exceed~~  
 2267 ~~the amount received for calendar year 1997.~~

2268 ~~(b) "Extra benefits" means benefits in addition to or~~  
 2269 ~~greater than those provided to general employees of the~~  
 2270 ~~municipality and in addition to those in existence for police~~  
 2271 ~~officers on March 12, 1999.~~

2272 (3) A retirement plan or amendment to a retirement plan  
 2273 may not be proposed for adoption unless the proposed plan or  
 2274 amendment contains an actuarial estimate of the costs involved.  
 2275 Such proposed plan or proposed plan change may not be adopted  
 2276 without the approval of the municipality or, where required  
 2277 ~~permitted~~, the Legislature. Copies of the proposed plan or  
 2278 proposed plan change and the actuarial impact statement of the  
 2279 proposed plan or proposed plan change shall be furnished to the  
 2280 division before the last public hearing on the proposal is held  
 2281 ~~thereon~~. Such statement must also indicate whether the proposed  
 2282 plan or proposed plan change is in compliance with s. 14, Art. X  
 2283 of the State Constitution and those provisions of part VII of  
 2284 chapter 112 which are not expressly provided in this chapter.  
 2285 Notwithstanding any other provision, only those local law plans  
 2286 created by special act of legislation before May 27, 1939, are  
 2287 deemed to meet the minimum benefits and minimum standards only  
 2288 in this chapter.

2289 (4) Notwithstanding any other provision, with respect to  
 2290 any supplemental plan municipality:

2291 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and  
 2292 a local law plan and a supplemental plan may continue to use  
 2293 their definition of compensation or salary in existence on March  
 2294 12, 1999.

2295 (b) A local law plan and a supplemental plan must continue  
 2296 to be administered by a board or boards of trustees numbered,  
 2297 constituted, and selected as the board or boards were numbered,  
 2298 constituted, and selected on December 1, 2000.

2299 ~~(c) The election set forth in paragraph (1)(b) is deemed~~  
 2300 ~~to have been made.~~

2301 (5) The retirement plan setting forth the benefits and the  
 2302 trust agreement, if any, covering the duties and  
 2303 responsibilities of the trustees and the regulations of the  
 2304 investment of funds must be in writing and copies made available  
 2305 to the participants and to the general public.

2306 (6) In addition to the defined benefit component of the  
 2307 local law plan, each plan sponsor must have a defined  
 2308 contribution plan component within the local law plan by October  
 2309 1, 2014, upon entering into a collective bargaining agreement on  
 2310 or after July 1, 2014, or upon the creation date of a new  
 2311 participating plan. Depending upon the application of subsection  
 2312 (1), a defined contribution component may or may not receive any  
 2313 funding.

2314 (7) Notwithstanding any other provision of this chapter, a

2315 municipality that has implemented or proposed changes to a local  
 2316 law plan based on the municipality's reliance on an  
 2317 interpretation of this chapter by the Department of Management  
 2318 Services on or after August 14, 2012, and before March 4, 2014,  
 2319 may continue the implemented changes or continue to implement  
 2320 proposed changes. Such reliance must be evidenced by a written  
 2321 collective bargaining proposal or agreement, or formal  
 2322 correspondence between the municipality and the Department of  
 2323 Management Services which describes the specific changes to the  
 2324 local law plan, with the initial proposal, agreement, or  
 2325 correspondence from the municipality dated before March 4, 2014.  
 2326 Changes to the local law plan which are otherwise contrary to  
 2327 the minimum benefits and minimum standards of this chapter may  
 2328 continue in effect until the earlier of October 1, 2017, or the  
 2329 effective date of a collective bargaining agreement that is  
 2330 contrary to the changes to the local law plan.

2331 Section 20. Section 238.072, Florida Statutes, is amended  
 2332 to read:

2333 238.072 Special service provisions for extension  
 2334 personnel.—All state and county cooperative extension personnel  
 2335 holding appointments by the United States Department of  
 2336 Agriculture for extension work in agriculture and home economics  
 2337 in this state who are joint representatives of the University of  
 2338 Florida and the United States Department of Agriculture, as  
 2339 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the  
 2340 Teachers' Retirement System, chapter 238, and who are prohibited

2341 from transferring to and participating in the Florida Retirement  
 2342 System, chapter 121, may retire with full benefits upon  
 2343 completion of 30 years of creditable service and shall be  
 2344 considered to have attained normal retirement age under this  
 2345 chapter, any law to the contrary notwithstanding. In order to  
 2346 comply with the provisions of s. 14, Art. X of the State  
 2347 Constitution, any liability accruing to the Florida Retirement  
 2348 System Trust Fund as a result of the provisions of this section  
 2349 shall be paid on an annual basis from the General Revenue Fund.

2350 Section 21. Subsection (11) of section 413.051, Florida  
 2351 Statutes, is amended to read:

2352 413.051 Eligible blind persons; operation of vending  
 2353 stands.—

2354 (11) Effective July 1, 1996, blind licensees who remain  
 2355 members of the Florida Retirement System pursuant to s.  
 2356 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated  
 2357 retirement costs from their net profits or from program income.  
 2358 Within 30 days after the effective date of this act, each blind  
 2359 licensee who is eligible to maintain membership in the Florida  
 2360 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but  
 2361 who elects to withdraw from the system as provided in s.  
 2362 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,  
 2363 1996, notify the Division of Blind Services and the Department  
 2364 of Management Services in writing of his or her election to  
 2365 withdraw. Failure to timely notify the divisions shall be deemed  
 2366 a decision to remain a compulsory member of the Florida

2367 Retirement System. However, if, at any time after July 1, 1996,  
 2368 sufficient funds are not paid by a blind licensee to cover the  
 2369 required contribution to the Florida Retirement System, that  
 2370 blind licensee shall become ineligible to participate in the  
 2371 Florida Retirement System on the last day of the first month for  
 2372 which no contribution is made or the amount contributed is  
 2373 insufficient to cover the required contribution. For any blind  
 2374 licensee who becomes ineligible to participate in the Florida  
 2375 Retirement System as described in this subsection, no creditable  
 2376 service shall be earned under the Florida Retirement System for  
 2377 any period following the month that retirement contributions  
 2378 ceased to be reported. However, any such person may participate  
 2379 in the Florida Retirement System in the future if employed by a  
 2380 participating employer in a covered position.

2381       Section 22. The Legislature finds that a proper and  
 2382 legitimate state purpose is served when employees and retirees  
 2383 of the state and its political subdivisions, and the dependents,  
 2384 survivors, and beneficiaries of such employees and retirees, are  
 2385 extended the basic protections afforded by governmental  
 2386 retirement systems. These persons must be provided benefits that  
 2387 are fair and adequate and that are managed, administered, and  
 2388 funded in an actuarially sound manner, as required by s. 14,  
 2389 Article X of the State Constitution and part VII of chapter 112,  
 2390 Florida Statutes. Therefore, the Legislature determines and  
 2391 declares that this act fulfills an important state interest.

2392       Section 23. This act shall take effect July 1, 2014.