

## CHAPTER 99-1

### Committee Substitute for House Bill No. 261

An act relating to municipal firefighters' pension trust funds and municipal police officers' retirement trust funds; amending and revising the provisions of chapters 175 and 185, F.S.; defining "chapter plans," "local law plans," and "supplemental plan municipality"; re-defining "compensation" or "salary" for retirement purposes under these chapters; clarifying the applicability of minimum benefits for both chapter and local law plans; eliminating discriminatory language in conformance with state and federal discrimination provisions; providing that certain benefits provided are a minimum and may not be diminished by any other state, local, or federal benefits; providing an exception; modifying the formula for calculating volunteer firefighter service retirement benefits; clarifying terminology relating to "sole and exclusive use of" premium tax funds and "extra benefits" by providing that moneys must be placed in a police-only or firefighter-only plan or a combined police and firefighter plan as opposed to placing moneys in any type of plan that includes general employees; providing for establishment of a new board and for transfer of assets in certain cases; creating s. 175.195, F.S.; prohibiting certain fraudulent practices; providing criminal and administrative penalties; repealing s. 175.152, F.S., relating to contributions; repealing s. 175.251, F.S., relating to employment records that are required to be kept by the secretary of the board of trustees; repealing s. 175.291, F.S., relating to the requirement that the attorney for the municipality or special fire control district represent the board of trustees upon request and the option to employ independent counsel and other persons; repealing s. 175.321, F.S., relating to the application of certain provisions to municipalities and fire control districts; repealing s. 175.331, F.S., relating to the rights of firefighters under former law; repealing s. 175.391, F.S., relating to payment of attorney's fees and costs; repealing s. 185.14, F.S., relating to contributions; repealing s. 185.15, F.S., relating to contributions and new employees; creating s. 185.185, F.S.; prohibiting certain fraudulent practices; providing criminal and administrative penalties; repealing s. 185.27, F.S., relating to the roster of retirees; repealing s. 185.29, F.S., relating to the city attorney representing the board of trustees; repealing s. 185.32, F.S., relating to exemptions from the chapter; repealing s. 185.36, F.S., relating to the rights of police officers under former laws; repealing s. 185.40, F.S., relating to costs and attorney's fees; creating ss. 175.411 and 185.60, F.S.; providing for optional participation; providing an effective date.

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

Section 1. Section 175.021, Florida Statutes, is amended to read:

## 175.021 Legislative declaration.—

(1) It is hereby declared by the Legislature that firefighters, as hereinafter defined, perform state and municipal functions; that it is their duty to extinguish fires, to protect life, and to protect property at their own risk and peril; that it is their duty to prevent conflagration and to continuously instruct school personnel, public officials, and private citizens in the prevention of fires and firesafety; that they protect both life and property from local emergencies as defined in s. 252.34(3); and that their activities are vital to the public safety. It is further declared that firefighters employed by special fire control districts serve under the same circumstances and perform the same duties as firefighters employed by municipalities and should therefore be entitled to the benefits available under this chapter. Therefore, the Legislature declares that it is a proper and legitimate state purpose to provide a uniform retirement system for the benefit of firefighters as hereinafter defined and intends, in implementing the provisions of s. 14, Art. X of the State Constitution as they relate to municipal and special district firefighters' pension trust fund systems and plans, that such retirement systems or plans be managed, administered, operated, and funded in such manner as to maximize the protection of the firefighters' pension trust funds. Pursuant to s. 18, Art. VII of the State Constitution, the Legislature hereby determines and declares that the provisions of this act fulfill an important state interest.

(2) This chapter hereby establishes, for all municipal and special district pension plans existing now or hereafter under this chapter, including chapter plans and local law plans, minimum benefits and minimum standards for the operation and funding of such municipal and special district firefighters' pension trust fund systems and plans, hereinafter referred to as firefighters' pension trust funds. The minimum benefits and minimum standards set forth in this chapter may not be diminished by local charter, ordinance, or resolution or by special act of the Legislature, nor may the minimum benefits or minimum standards be reduced or offset by any other local, state, or federal law that may include firefighters in its operation, except as provided under s. 112.65.

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

(Substantial rewording of section. See s. 175.032, F.S., for present text.)

175.032 Definitions.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, the following words and phrases have the following meanings:

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

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

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

(3) "Compensation" or "salary" means the fixed monthly remuneration paid a firefighter; where, as in the case of a volunteer firefighter, remuneration is based on actual services rendered, the term means the total cash remuneration received yearly for such services, prorated on a monthly basis.

(a) A retirement trust fund or plan may use a definition of salary other than the definition in this subsection but only if the monthly retirement income payable to each firefighter covered by the retirement trust fund or plan, as determined under s. 175.162(2)(a) and using such other definition, equals or exceeds the monthly retirement income that would be payable to each firefighter if his monthly retirement income were determined under s. 175.162(2)(a) and using the definition in this subsection.

(b) Any retirement trust fund or plan which now or hereafter meets the requirements of this chapter shall not, solely by virtue of this subsection, reduce or diminish the monthly retirement income otherwise payable to each firefighter covered by the retirement trust fund or plan.

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

(d) For any person who first becomes a member in any plan year beginning on or after January 1, 1996, compensation for any plan year shall not include any amounts in excess of the Internal Revenue Code Section 401(a)(17) limitation [as amended by the Omnibus Budget Reconciliation Act of 1993], which limitation of \$150,000 shall be adjusted as required by federal law for qualified government plans and shall be further adjusted for changes in the cost of living in the manner provided by Internal Revenue Code Section 401(a)(17)(B). For any person who first became a member prior to the first plan year beginning on or after January 1, 1996, the limitation on compensation shall be not less than the maximum compensation amount that was allowed to be taken into account under the plan as in effect on July 1, 1993, which limitation shall be adjusted for changes in the cost of living

since 1989 in the manner provided by Internal Revenue Code Section 401(a)(17)(1991).

(4) “Creditable service” or “credited service” means the aggregate number of years of service, and fractional parts of years of service, of any firefighter, omitting intervening years and fractional parts of years when such firefighter may not have been employed by the municipality or special fire control district, subject to the following conditions:

(a) No firefighter will receive credit for years or fractional parts of years of service if he or she has withdrawn his or her contributions to the fund for those years or fractional parts of years of service, unless the firefighter repays into the fund the amount he or she has withdrawn, plus interest determined by the board. The member shall have at least 90 days after his or her reemployment to make repayment.

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

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

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

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

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

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

(5) “Deferred Retirement Option Plan” or “DROP” means a local law plan retirement option in which a firefighter may elect to participate. A firefighter may retire for all purposes of the plan and defer receipt of retirement benefits into a DROP account while continuing employment with his employer. However, a firefighter who enters the DROP and who is otherwise

eligible to participate shall not thereby be precluded from participating, or continuing to participate, in a supplemental plan in existence on, or created after, the effective date of this act.

(6) “Division” means the Division of Retirement of the Department of Management Services.

(7) “Enrolled actuary” means an actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries.

(8)(a) “Firefighter” means any person employed solely by a constituted fire department of any municipality or special fire control district who is certified as a firefighter as a condition of employment in accordance with the provisions of s. 633.35 and whose duty it is to extinguish fires, to protect life, or to protect property. However, for purposes of this chapter only, “firefighter” also includes public safety officers who are responsible for performing both police and fire services, who are certified as police officers or firefighters, and who are certified by their employers to the Insurance Commissioner and Treasurer as participating in this chapter prior to October 1, 1979. Effective October 1, 1979, public safety officers who have not been certified as participating in this chapter shall be considered police officers for retirement purposes and shall be eligible to participate in chapter 185. Any plan may provide that the fire chief shall have an option to participate, or not, in that plan.

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

(9) “Firefighter’s Pension Trust Fund” means a trust fund, by whatever name known, as provided under s. 175.041, for the purpose of assisting municipalities and special fire control districts in establishing and maintaining a retirement plan for firefighters.

(10) “Local law municipality” is any municipality in which there exists a local law plan.

(11) “Local law plan” means a defined benefit pension plan for firefighters, or for firefighters or police officers where included, as described in s. 175.351, established by municipal ordinance, special district resolution, or special act of the Legislature, which enactment sets forth all plan provisions. Local law plan provisions may vary from the provisions of this chapter, provided that required minimum benefits and minimum standards are

met. Any such variance shall provide a greater benefit for firefighters. Actuarial valuations of local law plans shall be conducted by an enrolled actuary as provided in s. 175.261(2).

(12) “Local law special fire control district” is any special fire control district in which there exists a local law plan.

(13) “Property insurance” means property insurance as defined in s. 624.604 and covers real and personal property within the corporate limits of any municipality, or within the boundaries of any special fire control district, within the state. “Multiple peril” means a combination or package policy that includes both property and casualty coverage for a single premium.

(14) “Retiree” or “retired firefighter” means a firefighter who has entered retirement status. For the purposes of a plan that includes a Deferred Retirement Option Plan (DROP), a firefighter who enters the DROP shall be considered a retiree for all purposes of the plan. However, a firefighter who enters the DROP and who is otherwise eligible to participate shall not thereby be precluded from participating, or continuing to participate, in a supplemental plan in existence on, or created after, the effective date of this act.

(15) “Retirement” means a firefighter’s separation from city or fire district employment as a firefighter with immediate eligibility for receipt of benefits under the plan. For purposes of a plan that includes a Deferred Retirement Option Plan (DROP), “retirement” means the date a firefighter enters the DROP.

(16) “Special fire control district” means a special district, as defined in s. 189.403(1), established for the purposes of extinguishing fires, protecting life, and protecting property within the incorporated or unincorporated portions of any county or combination of counties, or within any combination of incorporated and unincorporated portions of any county or combination of counties. The term does not include any dependent or independent special district, as defined in s. 189.403(2) and (3), respectively, the employees of which are members of the Florida Retirement System pursuant to s. 121.051(1) or (2).

(17) “Supplemental plan” means a plan to which deposits are made to provide extra benefits for firefighters, or for firefighters and police officers where included under this chapter. Such a plan is an element of a local law plan and exists in conjunction with a defined benefit plan that meets the minimum benefits and minimum standards of this chapter.

(18) “Supplemental plan municipality” means any local law municipality in which there existed a supplemental plan, of any type or nature, as of January 1, 1997.

Section 3. Section 175.041, Florida Statutes, is amended to read:

175.041 Firefighters’ Pension Trust Fund created; applicability of provisions.—For any municipality, special fire control district, chapter plan, local

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

(1) ~~There shall be established is hereby created a special fund exclusively for the purpose of this chapter, which in the case of chapter plans shall to be known as the "Firefighters' Pension Trust Fund," exclusively for the purpose of this chapter, in each municipality and each special fire control district of this state heretofore or hereafter created which now has or which may hereafter have a constituted fire department or an authorized volunteer fire department, or any combination thereof, and which municipality or special fire control district does not presently have established by law, special law, or local ordinance a similar fund.~~

(2) To qualify as a fire department or volunteer fire department or combination thereof under the provisions of this chapter, the department shall own and use apparatus for the fighting of fires that was is in compliance with National Fire Protection Association Standards for Automotive Fire Apparatus at the time of purchase.

(3) The provisions of this chapter shall apply only to municipalities organized and established pursuant to the laws of the state and to special fire control districts, and said provisions shall not apply to the unincorporated areas of any county or counties except with respect to special fire control districts that include unincorporated areas, nor shall the provisions hereof apply to any governmental entity whose firefighters are eligible to employees participate in the Florida Retirement System. Special fire control districts that include, or consist exclusively of, unincorporated areas of one or more counties may levy and impose the tax and participate in the retirement programs enabled by this chapter.

(4) No municipality shall establish more than one retirement plan for public safety officers which is supported in whole or in part by the distribution of premium tax funds as provided by this chapter or chapter 185, nor shall any municipality establish a retirement plan for public safety officers which receives premium tax funds from both this chapter and chapter 185.

Section 4. Section 175.051, Florida Statutes, is amended to read:

175.051 Actuarial deficits not state obligation.—~~For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter,~~ actuarial deficits, if any, arising under this chapter act, shall not be the obligation of the state.

Section 5. Section 175.061, Florida Statutes, is amended to read:

175.061 Board of trustees; members, terms of office; meetings; legal entity; costs; attorney's fees.—~~For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:~~

(1) In each municipality and in each special fire control district there is hereby created a board of trustees of the firefighters' pension trust fund,

which shall be solely responsible for administering the trust fund. Effective October 1, 1986, and thereafter;

(a) The membership of the board of trustees for a chapter plan shall consist of five members, two of whom, unless otherwise prohibited by law, shall be legal residents of the municipality or special fire control district, who shall be appointed by the governing body of the municipality or special fire control district, and two of whom shall be full-time firefighters as defined in s. 175.032 who shall be elected by a majority of the active firefighters who are members of such plan. With respect to any chapter plan or local law plan that, on January 1, 1997, allowed retired firefighters to vote in such elections, retirees may continue to vote in such elections. The fifth member shall be chosen by a majority of the previous four members as provided for herein, and such person's name shall be submitted to the governing body of the municipality or special fire control district. Upon receipt of the fifth person's name, the governing body of the municipality or special fire control district shall, as a ministerial duty, appoint such person to the board of trustees as its fifth member. The fifth member shall have the same rights as each of the other four members appointed or elected as herein provided, shall serve as trustee for a period of 2 years, and may succeed himself or herself in office. Each resident member shall serve as trustee for a period of 2 years, unless sooner replaced by the governing body at whose pleasure he or she shall serve, and may succeed himself or herself as a trustee. Each firefighter member shall serve as trustee for a period of 2 years, unless he or she sooner leaves the employment of the municipality or special fire control district as a firefighter, whereupon a successor shall be chosen in the same manner as an original appointment. Each firefighter may succeed himself or herself in office.

(b) The membership of boards of trustees for local law plans shall be as follows:

1. If a municipality or special fire control district has a pension plan for firefighters only, the provisions of paragraph (a) shall apply.

2. If a municipality has a pension plan for firefighters and police officers, the provisions of paragraph (a) shall apply, except that one member of the board shall be a firefighter as defined in s. 175.032 and one member of the board shall be a police officer as defined in s. 185.02, respectively elected by a majority of the active firefighters or police officers who are members of the plan.

3. Any board of trustees operating a local law plan on July 1, 1999, which is combined with a plan for general employees shall hold an election of the firefighters, or firefighters and police officers, if included, to determine whether a plan is to be established for firefighters only, or for firefighters and police officers where included. Based on the election results, a new board shall be established as provided in subparagraph 1. or subparagraph 2., as appropriate. The municipality or fire control district shall enact an ordinance or resolution to implement the new board by October 1, 1999. The newly established board shall take whatever action is necessary to determine the amount of assets which is attributable to firefighters, or firefighters and police officers where included. Such assets shall include all



employer, employee, and state contributions made by or on behalf of firefighters, or firefighters and police officers where included, and any investment income derived from such contributions. All such moneys shall be transferred into the newly established retirement plan, as directed by the board.

With respect to any board of trustees operating a local law plan on June 30, 1986, nothing in this paragraph shall permit the reduction of the membership percentage of firefighters, or of firefighters and police officers where a joint or mixed fund exists. The board of trustees shall meet at least quarterly each year. Each board of trustees shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

(2) The trustees shall by a majority vote elect from their number a chair and a secretary. The secretary of the board shall keep a complete minute book of the actions, proceedings, or hearings of the board. The trustees shall not receive any compensation as such, but may receive expenses and per diem as provided by Florida law.

(3) The board of trustees shall meet at least quarterly each year.

(4) Each board of trustees shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

(5) In any judicial proceeding or administrative proceeding under chapter 120 brought under or pursuant to the provisions of this chapter, the prevailing party shall be entitled to recover the costs thereof, together with reasonable attorney's fees.

(6) The provisions of this section may not be altered by a participating municipality or special fire control district operating a chapter plan or local law plan under this chapter.

Section 6. Section 175.081, Florida Statutes, is amended to read:

175.081 Use of annuity or insurance policies.—When the board of trustees of any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan purchases annuity or life insurance contracts to provide all or any part of the benefits as provided for by this chapter act, the following principles shall be observed:

(1) Only those firefighters who have been members of the firefighters' pension trust fund for 1 year or more may participate in the insured plan.

(2) Individual policies shall be purchased only when a group insurance plan is not feasible.

(3) Each application and policy shall designate the firefighters' pension trust fund as owner of the policy.

(4) Policies shall be written on an annual premium basis.

(5) The type of policy shall be one which for the premium paid provides each individual with the maximum retirement benefit at his or her earliest statutory normal retirement age.

(6) Death benefit, if any, should not exceed:

(a) One hundred times the estimated normal retirement income, based on the assumption that the present rate of compensation continues without change to normal retirement date, or

(b) Twice the annual rate of compensation as of the date of termination of service, or

(c) The single-sum value of the accrued deferred retirement income (beginning at normal retirement date) at date of termination of service, whichever is greatest.

(7) An insurance plan may provide that the assignment of insurance contract to separating firefighters shall be at least equivalent to the return of the firefighters' contributions used to purchase the contract. An assignment of contract discharges the municipality or special fire control district, as appropriate, from all further obligation to the participant under the plan even though the cash value of such contract may be less than the firefighters' contributions.

(8) Provisions shall be made, either by issuance of separate policies or otherwise, that the separating firefighter does not receive cash value and other benefits under the policies assigned to him or her which exceed the present value of his or her vested interest under the firefighters' pension trust fund, inclusive of his or her contribution to the plan; the contributions by the state shall not be exhausted faster merely because the method of funding adopted was through insurance companies.

(9) The firefighter shall have the right at any time to give the board of trustees written instructions designating the primary and contingent beneficiaries to receive death benefits or proceeds and the method of settlement of the death benefit or proceeds, or requesting a change in the beneficiary designation or method of settlement previously made, subject to the terms of the policy or policies on his or her life. Upon receipt of such written instructions, the board of trustees shall take necessary steps to effectuate the designation or change of beneficiary or settlement option.

Section 7. Section 175.091, Florida Statutes, is amended to read:

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

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

(a) By payment to the fund of the net proceeds of the 1.85-percent excise or other similar tax which may be imposed by the municipality or special fire control district upon fire insurance companies, fire insurance associations, or other property insurers on their gross receipts on premiums from holders of policies, which policies cover real or personal property within the corporate limits of such municipality, in the case of a municipal government, and within the legally defined jurisdiction of the district, in the case of a special fire control district. Whenever a municipality maintains a firefighters' pension trust fund under the provisions of this chapter but is partially contained within the boundaries of a special fire control district, that portion of the 1.85-percent excise, license, or other similar tax which is collected for insurance policies covering property within the jurisdiction of both the municipality and the special fire control district shall be given to the firefighters' pension trust fund of the fire service provider. Remaining revenues collected pursuant to this chapter shall be distributed to the municipality or special fire control district according to the location of the insured property.

(b) Except as reduced or increased contributions are authorized by subsection (2), by the payment to the fund of 5 percent of the salary of each uniformed firefighter who is a member or duly enrolled in the fire department of any municipality or special fire control district, which 5 percent shall be deducted by the municipality or special fire control district from the compensation due to the firefighter and paid over to the board of trustees of the firefighters' pension trust fund wherein such firefighter is employed. ~~A firefighter participating in the old age survivors insurance of the federal Social Security Law may limit his or her contribution to the firefighters' pension trust fund to 3 percent of his or her annual compensation and receive reduced benefits as set forth in ss. 175.191(5) and 175.211. No firefighter shall have any right to the money so paid into the fund except as provided in this chapter.~~

(c) By all fines and forfeitures imposed and collected from any firefighter because of the violation of any rule and regulation promulgated by the board of trustees.

(d) By mandatory payment by the municipality or special fire control district of a sum equal to the normal cost of and the amount required to fund ~~over a period of 40 years or on a 40-year basis,~~ any actuarial deficiency shown by an a quinquennial actuarial valuation as provided in part VII of chapter 112. ~~The first such actuarial valuation shall be conducted for the calendar year ending December 31, 1967.~~

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

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

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

(2) Member contribution rates may be adjusted as follows:

(a) The employing municipality or special fire control district, by local ordinance or resolution, may elect to make an employee's contributions. However, under no circumstances may a municipality or special fire control district reduce the member contribution to less than one-half of 1 percent of salary.

(b) Firefighter member contributions may be increased by consent of the members' collective bargaining representative or, if none, by majority consent of firefighter members of the fund to provide greater benefits.

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

Section 8. Section 175.101, Florida Statutes, is amended to read:

175.101 State excise tax on property insurance premiums authorized; procedure.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) Each municipality or special fire control district in this state described and classified in s. 175.041, having a lawfully established firefighters' pension trust fund or municipal fund or special fire control district fund, by whatever name known, providing pension benefits to firefighters as provided under this chapter by whatever name known, may assess and impose on every insurance company, corporation, or other insurer now engaged in or carrying on, or who shall hereinafter engage in or carry on, the business of property insurance as shown by the records of the Department of Insurance an excise tax in addition to any lawful license or excise tax now levied by each of the municipalities or special fire control districts, respectively, amounting to 1.85 percent of the gross amount of receipts of premiums from policyholders on all premiums collected on property insurance policies covering property within the corporate limits of such municipalities or within the legally defined boundaries of special fire control districts, respectively. Whenever the boundaries of a special fire control district that has lawfully established a firefighters' pension trust fund encompass a portion of the corporate territory of a municipality that has also lawfully established a firefighters' pension trust fund, that portion of the tax receipts attributable to insurance policies covering property situated both within the municipality and the special fire control district shall be given to the fire service provider. The agent shall identify the fire service provider on the property owner's application for insurance. Remaining revenues collected pursuant to this chapter shall be distributed to the municipality or special fire control district according to the location of the insured property.

(2) In the case of multiple peril policies with a single premium for both the property and casualty coverages in such policies, 70 percent of such premium shall be used as the basis for the 1.85-percent tax.

(3) This excise tax shall be payable annually on March 1 of each year after the passage of an ordinance, in the case of a municipality, or resolution,

in the case of a special fire control district, assessing and imposing the tax authorized by this section. Installments of taxes shall be paid according to the provision of s. 624.5092(2)(a), (b), and (c).

Section 9. Section 175.111, Florida Statutes, is amended to read:

175.111 Certified copy of ordinance or resolution filed; insurance companies' annual report of premiums; duplicate files; book of accounts.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, whenever any municipality passes an ordinance, or whenever any special fire control district passes a resolution establishing a chapter plan or local law plan, assessing and imposing the taxes authorized in s. 175.101, a certified copy of such ordinance or resolution shall be deposited with the division. Thereafter every insurance company, association, corporation, or other insurer carrying on the business of property insurance on real or personal property, on or before the succeeding March 1 after date of the passage of the ordinance or resolution, shall report fully in writing and under oath to the division and the Department of Revenue a just and true account of all premiums by such insurer received for property insurance policies covering or insuring any real or personal property located within the corporate limits of each such municipality or special fire control district during the period of time elapsing between the date of the passage of the ordinance or resolution and the end of the calendar year succeeding March 1. The report shall include the code designation as prescribed by the division for each piece of insured property, real or personal, located within the corporate limits of each municipality and within the legally defined boundaries of each special fire control district. The aforesaid insurer shall annually thereafter, on March 1, file with the division and the Department of Revenue a similar report covering the preceding year's premium receipts, and every such insurer at the same time of making such reports shall pay to the Department of Revenue the amount of the tax hereinbefore mentioned. Every insurer engaged in carrying on such insurance business in the state shall keep accurate books of accounts of all such business done by it within the corporate limits of each such municipality and within the legally defined boundaries of each such special fire control district, and in such manner as to be able to comply with the provisions of this chapter. Based on the insurers' reports of premium receipts, the division shall prepare a consolidated premium report and shall furnish to any municipality or special fire control district requesting the same a copy of the relevant section of that report.

Section 10. Section 175.121, Florida Statutes, is amended to read:

175.121 Department of Revenue and Division of Retirement to keep accounts of deposits; disbursements.—For any municipality or special fire control district having a chapter or local law plan established pursuant to this chapter:

(1) The Department of Revenue shall keep a separate account of all moneys collected for each municipality and each special fire control district under the provisions of this chapter. All moneys so collected must be transferred to the Police and Firefighters' Premium Tax Trust Fund and shall be

separately accounted for by the division. The moneys budgeted as necessary to pay the expenses of the division for the daily oversight and monitoring of the firefighters' pension plans under this chapter and for the oversight and actuarial reviews conducted under part VII of chapter 112 are annually appropriated from the interest and investment income earned on the moneys collected for each municipality or special fire control district and deposited in the Police and Firefighters' Premium Tax Trust Fund. Interest and investment income remaining thereafter in the trust fund which is unexpended and otherwise unallocated by law shall revert to the General Revenue Fund on June 30 of each year.

(2) The Comptroller shall, on or before ~~July 1~~ June 1 of each year, and at such other times as authorized by the division, draw his or her warrants on the full net amount of money then on deposit in the Police and Firefighters' Premium Tax Trust Fund pursuant to this chapter, specifying the municipalities and special fire control districts to which the moneys must be paid and the net amount collected for and to be paid to each municipality or special fire control district, respectively, subject to the limitation on disbursement under s. 175.122. The sum payable to each municipality or special fire control district is appropriated annually out of the Police and Firefighters' Premium Tax Trust Fund. The warrants of the Comptroller shall be payable to the respective municipalities and special fire control districts entitled to receive them and shall be remitted annually by the division to the respective municipalities and special fire control districts. In lieu thereof, the municipality or special fire control district may provide authorization to the division for the direct payment of the premium tax to the board of trustees. In order for a municipality or special fire control district and its pension fund to participate in the distribution of premium tax moneys under this chapter, all the provisions shall be complied with annually, including state acceptance pursuant to part VII of chapter 112.

(3)(a) All moneys not distributed to municipalities and special fire control districts under this section as a result of the limitation on disbursement contained in s. 175.122, or as a result of any municipality or special fire control district not having qualified in any given year, or portion thereof, shall be transferred to the Firefighters' Supplemental Compensation Trust Fund administered by the Department of Revenue, as provided in s. 633.382.

(b)1. Moneys transferred under paragraph (a) but not needed to support the supplemental compensation program in a given year shall be redistributed pro rata to those participating municipalities and special fire control districts that transfer any portion of their funds to support the supplemental compensation program in that year. Such additional moneys shall be used to cover or offset costs of the retirement plan.

2. To assist the Department of Revenue, the division shall identify those municipalities and special fire control districts that are eligible for redistribution as provided in s. 633.382(4)(c)2., by listing the municipalities and special fire control districts from which funds were transferred under paragraph (a) and specifying the amount transferred by each.

Section 11. Section 175.122, Florida Statutes, is amended to read:

175.122 Limitation of disbursement.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, any municipality or special fire control district participating in the firefighters' pension trust fund pursuant to the provisions of this chapter, whether under a chapter plan or local law plan, shall be limited to receiving any moneys from such fund in excess of that produced by one-half of the excise tax, as provided for in s. 175.101; however, any such municipality or special fire control district receiving less than 6 percent of its fire department payroll from such fund shall be entitled to receive from such fund the amount determined under s. 175.121, in excess of one-half of the excise tax, not to exceed 6 percent of its fire department payroll. Payroll amounts of members included in the Florida Retirement System shall not be included.

Section 12. Section 175.131, Florida Statutes, is amended to read:

175.131 Funds received by municipality or special fire control district; deposit in firefighters' pension trust fund.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, all state and other funds received by any municipality or special fire control district under the provisions of this chapter shall be deposited by such municipality or special fire control district immediately, and under no circumstances more than 5 days after receipt, with the board of trustees. In lieu thereof, the municipality or special fire control district may provide authorization to the division for the direct payment of the premium tax to the board of trustees. The board shall deposit such moneys in the Firefighters' Pension Trust Fund immediately, and under no circumstances more than 5 days after receipt. Employee contributions, however, which are withheld by the employer on behalf of an employee member shall be deposited immediately after each pay period with the board of trustees of the firefighters' pension trust fund at least monthly. Employer contributions shall be deposited at least quarterly.

Section 13. Section 175.141, Florida Statutes, is amended to read:

175.141 Payment of excise tax credit on similar state excise or license tax.—The tax herein authorized to be imposed by each municipality and each special fire control district shall in no wise be in addition to any similar state excise or license tax imposed by part IV of chapter 624, but the payor of the tax hereby authorized shall receive credit therefor on his or her said state excise or license tax and the balance of said state excise or license tax shall be paid to the Department of Revenue Insurance Commissioner and Treasurer as is now provided by law.

Section 14. Section 175.151, Florida Statutes, is amended to read:

175.151 Penalty for failure of insurers to comply with this act.—Should any insurance company, corporation or other insurer fail to comply with the provisions of this act, on or before March 1 of each year as herein provided, the certificate of authority issued to said insurance company, corporation or other insurer to transact business in this state may be canceled and revoked by the Department of Insurance, and it is unlawful for any such insurance company, corporation, or other insurer to transact business thereafter in

this state unless such insurance company, corporation, or other insurer shall be granted a new certificate of authority to transact any business in this state, in compliance with provisions of law authorizing such certificate of authority to be issued. The division is responsible for notifying the Department of Insurance regarding any such failure to comply.

Section 15. Section 175.152, Florida Statutes, is repealed.

Section 16. Section 175.162, Florida Statutes, is amended to read:

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

(1) The normal retirement date of each firefighter will be the first day of the month coincident with or next following the date on which he or she has completed 10 or more years of creditable service and attained age 55 or completed 25 years of creditable service and attained age 52.

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

(b) The amount of monthly retirement income payable to a volunteer firefighter who retires on or after his or her normal retirement date shall be an amount equal to the number of his or her years of credited service multiplied by 2 percent of his or her average final compensation as a volunteer firefighter. ~~If the firefighter has been contributing only 3 percent of his or her salary, the firefighter's monthly retirement income shall be an amount equal to the number of his or her years of credited service multiplied by 1.2 percent of his or her average final compensation.~~

(3) The monthly retirement income payable in the event of normal retirement will be payable on the first day of each month. The first payment will be made on the firefighter's normal retirement date, or on the first day of the month coincident with or next following his or her actual retirement, if



later, and the last payment will be the payment due next preceding the firefighter's death; except that, in the event the firefighter dies after retirement but before he or she has received retirement benefits for a period of 10 years, the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the firefighter for the balance of such 10-year period. If a firefighter continues in the service of the municipality or special fire control district beyond his or her normal retirement date and dies prior to his or her date of actual retirement, without an option made pursuant to s. 175.171 being in effect, monthly retirement income payments will be made for a period of 10 years to a beneficiary (or beneficiaries) designated by the firefighter as if the firefighter had retired on the date on which his or her death occurred.

(4) Early retirement under the plan is retirement from the service of the municipality or special fire control district, with the consent of the municipality or special fire control district, as of the first day of any calendar month which is prior to the firefighter's normal retirement date but subsequent to the date as of which he or she has both attained the age of 50 years and has been a member of this fund for 10 continuous years. In the event of early retirement, payment of retirement income shall be governed as follows: The monthly amount of retirement income payable to a firefighter who retires prior to his or her normal retirement date shall be in the amount computed as described in subsection (2), taking into account the firefighter's credited service to his or her date of actual retirement and final monthly compensation as of such date, such amount of retirement income to be actuarially reduced to take into account the firefighter's younger age and the earlier commencement of retirement income benefits. The amount of monthly income payable in the event of early retirement will be paid in the same manner as in subsection (3). In no event shall the early retirement reduction exceed 3 percent for each year by which the member's age at retirement preceded the member's normal retirement age, as provided in subsection (1).

Section 17. Section 175.171, Florida Statutes, is amended to read:

175.171 Optional forms of retirement income.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) ~~In lieu of the amount and form of retirement income payable in the event of normal or early retirement as specified in s. 175.162, a firefighter, upon written request to the board of trustees and submission of evidence of good health (except that such evidence will not be required if such request is made at least 3 years prior to the date of commencement of retirement income or if such request is made within 6 months following the effective date of the plan, if later), and subject to the approval of the board of trustees, may elect to receive a retirement income or benefit of equivalent actuarial value payable in accordance with one of the following options:~~

(a) A retirement income of larger monthly amount, payable to the firefighter for his or her lifetime only.

(b) A retirement income of a modified monthly amount, payable to the firefighter during the joint lifetime of the firefighter and a ~~dependent~~ joint

pensioner designated by the firefighter, and following the death of either of them, 100 percent, 75 percent, ~~66<sup>2</sup>/<sub>3</sub> percent~~, or 50 percent of such monthly amounts payable to the survivor for the lifetime of the survivor.

(c) Such other amount and form of retirement payments or benefits as, in the opinion of the board of trustees, will best meet the circumstances of the retiring firefighter.

1. The firefighter upon electing any option of this section will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the plan in the event of his or her death, and will have the power to change such designation from time to time, but any such change shall be deemed a new election and will be subject to approval by the board of trustees. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. If a firefighter has elected an option with a joint pensioner or beneficiary and his or her retirement income benefits have commenced, the firefighter may thereafter change the designated joint pensioner or beneficiary, but only if the board of trustees consents to such change and if the joint pensioner last previously designated by the firefighter is alive when the firefighter files with the board of trustees a request for such change.

2. The consent of a firefighter's joint pensioner or beneficiary to any such change shall not be required.

3. The board of trustees may request such evidence of the good health of the joint pensioner that is being removed as it may require and the amount of the retirement income payable to the firefighter upon designation of a new joint pensioner shall be actuarially redetermined taking into account the age and sex of the former joint pensioner, the new joint pensioner, and the firefighter. Each such designation will be made in writing on a form prepared by the board of trustees and on completion will be filed with the board of trustees. In the event that no designated beneficiary survives the firefighter, such benefits as are payable in the event of the death of the firefighter subsequent to his or her retirement shall be paid as provided in s. 175.181.

(2) Retirement income payments shall be made under the option elected in accordance with the provisions of this section and shall be subject to the following limitations:

(a) If a firefighter dies prior to his or her normal retirement date or early retirement date, whichever first occurs, no retirement benefit will be payable under the option to any person, but the benefits, if any, will be determined under s. 175.201.

(b) If the designated beneficiary (or beneficiaries) or joint pensioner dies before the firefighter's retirement under the plan, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the firefighter upon retirement as if the election had not been made, unless a new election is made in accordance with the provisions of this section or a new beneficiary is designated by the firefighter prior to retirement and within 90 days after the death of the beneficiary.

(c) If both the retired firefighter and the beneficiary (or beneficiaries) designated by him or her die before the full payment has been effected under any option providing for payments for a period certain and life thereafter, made pursuant to the provisions of paragraph (1)(c), the board of trustees may, in its discretion, direct that the commuted value of the remaining payments be paid in a lump sum and in accordance with s. 175.181.

(d) If a firefighter continues beyond his or her normal retirement date pursuant to the provisions of s. 175.162(1) and dies prior to actual retirement and while an option made pursuant to the provisions of this section is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a beneficiary (or beneficiaries) designated by the firefighter in the amount or amounts computed as if the firefighter had retired under the option on the date on which death occurred.

(3) No firefighter may make any change in his or her retirement option after the date of cashing or depositing the first retirement check.

Section 18. Section 175.181, Florida Statutes, is amended to read:

175.181 Beneficiaries.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) Each firefighter may, on a form provided for that purpose, signed and filed with the board of trustees, designate a choice of one or more persons, named sequentially or jointly, as his or her beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of his or her death; and each designation may be revoked by such firefighter by signing and filing with the board of trustees a new designation-of-beneficiary form.

(2) If no beneficiary is named in the manner provided by subsection (1), or if no beneficiary designated by the member survives him, a deceased firefighter fails to name a beneficiary in the manner prescribed in subsection (1), or if the beneficiary (or beneficiaries) named by a deceased firefighter predecease the firefighter, the death benefit, if any, which may be payable under the plan with respect to such deceased firefighter shall may be paid by, in the discretion of the board of trustees, either to the estate of such deceased firefighter, provided that the board of trustees, in its discretion, may direct that the commuted value of the remaining monthly income payments be paid in a lump sum.;

Any payment made to any person pursuant to this subsection shall operate as a complete discharge of all obligations under the plan with regard to the deceased firefighter and any other persons with rights under the plan and shall not be subject to review by anyone but shall be final, binding, and conclusive on all persons ever interested hereunder.

~~(a) The spouse or dependent children of the firefighter; or~~

~~(b) The dependent living parents of the firefighter.~~

(3) Notwithstanding any other provision of law to the contrary, the surviving spouse of any pension participant member killed in the line of duty shall not lose survivor retirement benefits if the spouse remarries. The surviving spouse of such deceased member whose benefit terminated because of remarriage shall have the benefit reinstated as of July 1, 1994, at an amount that would have been payable had such benefit not been terminated. ~~This paragraph shall apply to all municipalities which receive state excise tax moneys as provided in s. 175.101.~~

Section 19. Section 175.191, Florida Statutes, is amended to read:

175.191 Disability retirement.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) ~~A firefighter having 10 or more continuous years of credited service or a firefighter who becomes totally and permanently disabled in the line of duty, regardless of length of service, and having contributed to the firefighters' pension trust fund for 10 years or more may retire from the service of the municipality or special fire control district under the plan if, prior to his or her normal retirement date, the firefighter becomes totally and permanently disabled as defined in subsection (2) by reason of any cause other than a cause set out in subsection (3) on or after the effective date of the plan. Such retirement shall herein be referred to as "disability retirement." The provisions for disability other than line-of-duty disability shall not apply to a member who has reached early or normal retirement age.~~

(2) A firefighter will be considered totally disabled if, in the opinion of the board of trustees, he or she is wholly prevented from rendering useful and efficient service as a firefighter; and a firefighter will be considered permanently disabled if, in the opinion of the board of trustees, he or she is likely to remain so disabled continuously and permanently from a cause other than is specified in subsection (3).

(3) A firefighter will not be entitled to receive any disability retirement income if the disability is a result of:

(a) Excessive and habitual use by the firefighter of drugs, intoxicants, or narcotics;

(b) Injury or disease sustained by the firefighter while willfully and illegally participating in fights, riots, or civil insurrections or while committing a crime;

(c) Injury or disease sustained by the firefighter while serving in any armed forces; or

(d) Injury or disease sustained by the firefighter after his or her employment has terminated.

(4) No firefighter shall be permitted to retire under the provisions of this section until he or she is examined by a duly qualified physician or surgeon, to be selected by the board of trustees for that purpose, and is found to be

disabled in the degree and in the manner specified in this section. Any firefighter retiring under this section ~~may~~ shall be examined periodically by a duly qualified physician or surgeon or board of physicians and surgeons, to be selected by the board of trustees for that purpose, to determine if such disability has ceased to exist.

(5) The ~~benefit~~ benefits payable to a firefighter who retires from the service of a municipality or special fire control district due to total and permanent disability as a direct result of a disability ~~commencing prior to his or her normal retirement date~~ is the monthly income payable for 10 years certain and life for which, if the firefighter's disability occurred in the line of duty, his or her monthly benefit shall be the accrued retirement benefit, but shall not be less than 42 percent of his or her average monthly salary at the time of disability. If after 10 years of service the disability is other than in the line of duty, the firefighter's monthly benefit shall be the accrued normal retirement benefit, but shall not be less than 25 percent of his or her average monthly salary at the time of disability.

(6) The monthly retirement income to which a firefighter is entitled in the event of his or her disability retirement shall be payable on the first day of the first month after the board of trustees determines such entitlement. However, the monthly retirement income shall be payable as of the date the board determines such entitlement, and any portion due for a partial month shall be paid together with the first payment. The last payment will be, if the firefighter recovers from the disability ~~prior to his or her normal retirement date~~, the payment due next preceding the date of such recovery or, if the firefighter dies without recovering from the disability, the payment due next preceding his or her death or the 120th monthly payment, whichever is later. In lieu of the benefit payment as provided in this paragraph, a firefighter may select an optional form as provided in s. 175.171. Any monthly retirement income payments due after the death of a disabled firefighter shall be paid to the firefighter's designated beneficiary (or beneficiaries) as provided in ss. 175.181 and 175.201.

(7) If the board of trustees finds that a firefighter who is receiving a disability retirement income is, ~~at any time prior to his or her normal retirement date~~, no longer disabled, as provided herein, the board of trustees shall direct that the disability retirement income be discontinued. "Recovery from disability" as used herein means the ability of the firefighter to render useful and efficient service as a firefighter.

(8) If the firefighter recovers from disability and reenters the service as a firefighter, service will be deemed to have been continuous, but the period beginning with the first month for which he or she received a disability retirement income payment and ending with the date he or she reentered the service ~~may~~ will not be considered as credited service for the purpose of this plan.

Section 20. Section 175.195, Florida Statutes, is created to read:

175.195 False, misleading, or fraudulent statements made to obtain public retirement benefits prohibited; penalty.—

(1) It is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit available under a retirement plan receiving funding under this chapter.

(2)(a) A person who violates subsection (1) commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(b) In addition to any applicable criminal penalty, upon conviction for a violation described in subsection (1), a participant or beneficiary of a pension plan receiving funding under this chapter may, in the discretion of the board of trustees, be required to forfeit the right to receive any or all benefits to which the person would otherwise be entitled under this chapter. For purposes of this paragraph, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

Section 21. Section 175.201, Florida Statutes, is amended to read:

175.201 Death prior to retirement; refunds of contributions; death benefits.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) If a firefighter dies before being eligible to retire under the provisions of this act, the heirs, legatees, beneficiaries, or personal representatives of such deceased firefighter shall be entitled to a refund of 100 percent, without interest, of the contributions made to the firefighters' pension trust fund by such deceased firefighter or, in the event an annuity or life insurance contract has been purchased by the board of trustees on such firefighter, then to the death benefits available under such life insurance or annuity contract subject to the limitations on such death benefits set forth in s. 175.081, whichever amount is greater.

(2) If a firefighter having at least 10 years of credited service dies prior to retirement but has at least 10 years of contributing service, his or her beneficiary is entitled to the benefits otherwise payable to the firefighter at early or normal retirement age.

In the event that the death benefit paid by a life insurance company exceeds the limit set forth in s. 175.081, the excess of the death benefit over the limit shall be paid to the firefighters' pension trust fund. However, death the benefits as provided pursuant to in s. 112.191 or any other state or federal law shall not be included in the calculation of as death or retirement benefits provided under this the provisions of chapter 86-41, Laws of Florida.

Section 22. Section 175.211, Florida Statutes, is amended to read:

175.211 Separation from service; refunds.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) If a firefighter leaves the service of the municipality or special fire control district before accumulating aggregate time of 10 years toward retirement and before being eligible to retire under the provisions of this chapter, the firefighter shall be entitled to a refund of all of his or her contributions made to the firefighters' pension trust fund after July 1, 1963, without interest, less any disability benefits paid to him or her after July 1, 1963.

(2) If a firefighter who has been in the service of the municipality or special fire control district for at least 10 years ~~and has contributed to the firefighters' pension trust fund for at least 10 years~~ elects to leave his or her accrued contributions, if contributions are required, in the firefighters' pension trust fund, such firefighter upon attaining the age of 50 years may retire at the actuarial equivalent of the amount of such retirement income otherwise payable to him or her, as provided in s. 175.162(4), or upon attaining age 55 years may retire as provided in s. 175.162(1).

Section 23. Section 175.221, Florida Statutes, is amended to read:

175.221 Lump-sum payment of small retirement income.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, notwithstanding any provisions of the plan to the contrary, if the monthly retirement income payable to any person entitled to benefits hereunder is less than \$100 \$30, or if the single-sum value of the accrued retirement income is less than \$5,000 \$750, as of the date of retirement or termination of service, whichever is applicable, the board of trustees, in the exercise of its discretion, may specify that the actuarial equivalent of such retirement income be paid in a lump sum.

Section 24. Section 175.231, Florida Statutes, is amended to read:

175.231 Diseases of firefighters suffered in line of duty; presumption.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, any condition or impairment of health of a firefighter caused by tuberculosis, hypertension, or heart disease resulting in total or partial disability or death shall be presumed to have been accidental and suffered in the line of duty unless the contrary is shown by competent evidence, provided ~~that,~~ such firefighter shall have successfully passed a physical examination before entering into such service, which examination failed to reveal any evidence of such condition. This section shall be applicable to all firefighters ~~employed in Florida~~ only with reference to pension and retirement benefits under this chapter.

Section 25. Section 175.241, Florida Statutes, is amended to read:

175.241 Exemption from execution.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, the pensions, annuities, or other benefits accrued or accruing to any person under any chapter plan or local law plan under the provisions of this chapter act and the accumulated contributions and the cash securities in the funds created under this

chapter aet are hereby exempted from any state, county, or municipal tax and shall not be subject to execution or attachment or to any legal process whatsoever, and shall be unassignable.

Section 26. Section 175.251, Florida Statutes, is repealed.

Section 27. Section 175.261, Florida Statutes, is amended to read:

175.261 Annual report to Division of Retirement; actuarial valuations reports.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, the board of trustees for every chapter plan and local law plan shall submit the following reports to the division:

(1) With respect to chapter plans:

(a) Each year, by February 1, the chair or secretary of the board of trustees of each firefighters' pension trust fund operating under a chapter plan shall file a report with the division which contains:

1.(a) A statement of whether in fact the municipality or special fire control district is within the provisions of s. 175.041.

2.(b) An independent audit by a certified public accountant if the fund has ~~\$250,000~~ \$100,000 or more in assets, or a certified statement of accounting if the fund has less than ~~\$250,000~~ \$100,000 or more in assets, for the most recent plan fiscal year of the ~~municipality or special fire control district~~, showing a detailed listing of assets and methods used to value them and a statement of all income and disbursements during the year. Such income and disbursements shall be reconciled with the assets at the beginning of and end of the year.

3.(c) A statistical exhibit showing the total number of firefighters on the force, the number included in the retirement plan and the number ineligible, classified according to the reason for their being ineligible, and the number of disabled firefighters and retired firefighters and their beneficiaries receiving pension payments and the amounts of annual retirement income or pension payments being received by them.

4.(d) A statement of the amount the municipality or special fire control district, or other income source, has contributed to the retirement fund for the most recent plan fiscal year and the amount the municipality or special fire control district will contribute to the retirement fund during its current plan fiscal year.

5.(e) If any benefits are insured with a commercial insurance company, the report should include a statement of the relationship of the insured benefits to the benefits provided by this chapter as well as the name of the insurer and information about the basis of premium rates, mortality table, interest rates, and method used in valuing retirement benefits.

(b)(2) In addition to annual reports provided under paragraph (a), by February 1 of each triennial year, an actuarial valuation of the chapter plan



must be made by the division at least once every 3 years, as provided in s. 112.63, commencing 3 years from the last actuarial valuation of the plan or system for existing plans, or commencing 3 years from issuance of the initial actuarial impact statement submitted under s. 112.63 for newly created plans, beginning with February 1, 1986, and at least every 3 years commencing from the last actuarial report of the plan or system or from February 1, 1987, if no actuarial report has been issued within the 3-year period prior to February 1, 1986, To that end, the chair of the board of trustees for each firefighters' pension trust fund operating under a chapter plan shall report to the division such data as ~~that~~ it needs to complete an actuarial valuation of each fund. The forms for each municipality and special fire control district shall be supplied by the division. The expense of this actuarial valuation shall be borne by the firefighters' pension trust fund established by ss. 175.041 and 175.121. The requirements of this section are supplemental to the actuarial valuations necessary to comply with ss. 11.45 and 218.32.

(2) With respect to local law plans:

(a) Each year, on or before March 15, the trustees of the retirement plan shall submit the following information to the division in order for the retirement plan of such municipality or special fire control district to receive a share of the state funds for the then-current calendar year:

1. A certified copy of each and every instrument constituting or evidencing the plan. This includes the formal plan, including all amendments, the trust agreement, copies of all insurance contracts, and formal announcement material.

2. An independent audit by a certified public accountant if the fund has \$250,000 or more in assets, or a certified statement of accounting if the fund has less than \$250,000 in assets, for the most recent plan year, showing a detailed listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year.

3. A certified statement listing the investments of the plan and a description of the methods used in valuing the investments.

4. A statistical exhibit showing the total number of firefighters, the number included in the plan, and the number ineligible classified according to the reasons for their being ineligible, and the number of disabled and retired firefighters and their beneficiaries receiving pension payments and the amounts of annual retirement income or pension payments being received by them.

5. A certified statement describing the methods, factors, and actuarial assumptions used in determining the cost.

6. A certified statement by an enrolled actuary showing the results of the latest actuarial valuation of the plan and a copy of the detailed worksheets showing the computations used in arriving at the results.

7. A statement of the amount the municipality or special fire control district, or other income source, has contributed toward the plan for the most

recent plan year and will contribute toward the plan for the current plan year.

When any of the items required hereunder is identical to the corresponding item submitted for a previous year, it is not necessary for the trustees to submit duplicate information if they make reference to the item in the previous year's report.

(b) In addition to annual reports provided under paragraph (a), an actuarial valuation of the retirement plan must be made at least once every 3 years, as provided in s. 112.63, commencing 3 years from the last actuarial valuation of the plan or system for existing plans, or commencing 3 years from issuance of the initial actuarial impact statement submitted under s. 112.63 for newly created plans. Such valuation shall be prepared by an enrolled actuary, subject to the following conditions:

1. The assets shall be valued as provided in s. 112.625(7).

2. The cost of the actuarial valuation must be paid by the individual firefighters' retirement fund or by the sponsoring municipality or special fire control district.

3. A report of the valuation, including actuarial assumptions and type and basis of funding, shall be made to the division within 3 months after the date of valuation. If any benefits are insured with a commercial insurance company, the report must include a statement of the relationship of the retirement plan benefits to the insured benefits, the name of the insurer, the basis of premium rates, and the mortality table, interest rate, and method used in valuing the retirement benefits.

Section 28. Section 175.291, Florida Statutes, is repealed.

Section 29. Section 175.301, Florida Statutes, is amended to read:

175.301 Depository for pension funds.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, all funds and securities of the firefighters' pension trust fund of any chapter plan or local law plan under this chapter may be deposited by the board of trustees with the treasurer of the municipality or special fire control district, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he or she is liable for the safekeeping of funds for the municipality or special fire control district. However, any funds and securities so deposited with the treasurer of the municipality or special fire control district shall be kept in a separate fund by the treasurer or clearly identified as such funds and securities of the firefighters' pension trust fund. In lieu thereof, the board of trustees shall deposit the funds and securities of the firefighters' pension trust fund in a qualified public depository as defined in s. 280.02, which depository with regard to such funds and securities shall conform to and be bound by all of the provisions of chapter 280.

Section 30. Section 175.311, Florida Statutes, is amended to read:

175.311 Municipalities, special fire control districts, and boards independent of each other.—In the enforcement and ~~in the~~ interpretation of the provisions of this chapter for any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, each municipality and each special fire control district shall be independent of any other municipality or special fire control district, and the board of trustees of the firefighters' pension trust fund of each municipality and each special fire control district shall function for the municipality or special fire control district that which it serves as trustee. Each board of trustees shall be independent of the municipality or special fire control district for which it serves as board of trustees to the extent required to accomplish the intent, requirements, and responsibilities provided for in this chapter.

Section 31. Section 175.321, Florida Statutes, is repealed.

Section 32. Section 175.331, Florida Statutes, is repealed.

Section 33. Section 175.333, Florida Statutes, is amended to read:

175.333 Discrimination in benefit formula prohibited; restrictions regarding designation of joint annuitants.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter:

(1) ~~No plan established under the provisions of this chapter and participating in the distribution of premium tax moneys as provided in this chapter shall discriminate in its benefit formula based on color, national origin, sex, or marital status; however,~~

(2)(a) If a plan offers a joint annuitant option and the member selects such option, or ~~if a~~ the plan specifies that the member's spouse is to receive the benefits ~~that~~ which continue to be payable upon the death of the member, then, in both of these cases, after retirement the benefits have commenced, a retired member may change his or her designation of joint annuitant or beneficiary only twice.

(b) ~~Any~~ If said retired member who desires to change his or her joint annuitant or beneficiary, ~~the member~~ shall file with the board of trustees of his or her plan a notarized notice of such change either by registered letter or on such a form as is provided by the administrator of the plan. Upon receipt of a completed change of joint annuitant form or such other notice, the board of trustees shall adjust the member's monthly benefit by the application of actuarial tables and calculations developed to ensure that the benefit paid is the actuarial equivalent of the present value of the member's current benefit. Nothing herein shall preclude a plan from actuarially adjusting benefits or offering options based upon sex, age, early retirement, or disability.

(3) Eligibility for coverage under the plan must be based upon length of service or attained age, or both and benefits must be determined by a nondiscriminatory formula based upon:

(a) Length of service and compensation; or

(b) Length of service.

Section 34. Section 175.341, Florida Statutes, 1998 Supplement, is amended to read:

175.341 Duties of Division of Retirement; rulemaking authority; investments by the State Board of Administration.—

(1) The division shall be responsible for the daily oversight and monitoring for actuarial soundness of the firefighters' pension plans, whether chapter or local law plans, established under this chapter, for receiving and holding the premium tax moneys collected under this chapter, and, upon determining compliance with the provisions of this chapter, for disbursing those moneys to the firefighters' pension plans. The funds necessary to pay expenses for such administration shall be annually appropriated from the interest and investment income earned on moneys deposited in the trust fund.

(2) The division has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this chapter.

(3) The State Board of Administration shall invest and reinvest the moneys in the trust fund collected under this chapter in accordance with ss. 215.44-215.53. Costs incurred by the board in carrying out the provisions of this subsection shall be deducted from the interest and investment income accruing to the trust fund.

Section 35. Section 175.351, Florida Statutes, is amended to read:

(Substantial rewording of section. See s. 175.351, F.S., for present text.)

175.351 Municipalities and special fire control districts having their own pension plans for firefighters.—For any municipality, special fire control district, local law municipality, local law special fire control district, or local law plan under this chapter, in order for municipalities and special fire control districts with their own pension plans for firefighters, or for firefighters and police officers, where included, to participate in the distribution of the tax fund established pursuant to s. 175.101, local law plans must meet the minimum benefits and minimum standards set forth in this chapter.

(1) PREMIUM TAX INCOME.—If a municipality has a pension plan for firefighters, or a pension plan for firefighters and police officers, where included, which in the opinion of the division meets the minimum benefits and minimum standards set forth in this chapter, the board of trustees of the pension plan, as approved by a majority of firefighters of the municipality, may:

(a) Place the income from the premium tax in s. 175.101 in such pension plan for the sole and exclusive use of its firefighters, or for firefighters and police officers, where included, where it shall become an integral part of that

pension plan and shall be used to pay extra benefits to the firefighters included in that pension plan; or

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

The premium tax provided by this chapter shall in all cases be used in its entirety to provide extra benefits to firefighters, or to firefighters and police officers, where included. However, local law plans in effect on October 1, 1998, shall be required to comply with the minimum benefit provisions of this chapter only to the extent that additional premium tax revenues become available to incrementally fund the cost of such compliance as provided in s. 175.162(2)(a). When a plan is in compliance with such minimum benefit provisions, as subsequent additional premium tax revenues become available, they shall be used to provide extra benefits. For the purpose of this chapter, "additional premium tax revenues" means revenues received by a municipality or special fire control district pursuant to s. 175.121 that exceed that amount received for calendar year 1997 and the term "extra benefits" means benefits in addition to or greater than those provided to general employees of the municipality. Local law plans created by special act before May 23, 1939, shall be deemed to comply with this chapter.

(2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.—No retirement plan or amendment to a retirement plan shall be proposed for adoption unless the proposed plan or amendment contains an actuarial estimate of the costs involved. No such proposed plan or proposed plan change shall be adopted without the approval of the municipality, special fire control district, or, where permitted, the Legislature. Copies of the proposed plan or proposed plan change and the actuarial impact statement of the proposed plan or proposed plan change shall be furnished to the division prior to the last public hearing thereon. Such statement shall also indicate whether the proposed plan or proposed plan change is in compliance with s. 14, Art. X of the State Constitution and those provisions of part VII of chapter 112 which are not expressly provided in this chapter. Notwithstanding any other provision, only those local law plans created by Special Act of legislation prior to May 23, 1939, shall be deemed to meet the minimum benefits and minimum standards only in this chapter.

(3) Notwithstanding any other provision, with respect to any supplemental plan municipality:

(a) Section 175.032(3)(a) shall not apply, and a local law plan and a supplemental plan may continue to use their definition of compensation or salary in existence on the effective date of this act.

(b) Section 175.061(1)(b) shall not apply, and a local law plan and a supplemental plan shall continue to be administered by a board or boards of trustees numbered, constituted, and selected as the board or boards were numbered, constituted, and selected on January 1, 1997.

(c) The election set forth in paragraph (1)(b) shall be deemed to have been made.

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

Section 36. Section 175.361, Florida Statutes, is amended to read:

175.361 Termination of plan and distribution of fund.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, the plan may be terminated by the municipality or special fire control district. Upon termination of the plan by the municipality or special fire control district for any reason or because of a transfer, merger, or consolidation of governmental units, services, or functions as provided in chapter 121, or upon written notice by the municipality or special fire control district to the board of trustees that contributions under the plan are being permanently discontinued, the rights of all employees to benefits accrued to the date of such termination and the amounts credited to the employees' accounts are non-forfeitable. The fund shall be apportioned and distributed in accordance with the following procedures:

(1) The board of trustees shall determine the date of distribution and the asset value to be distributed, after taking into account the expenses of such distribution.

(2) The board of trustees shall determine the method of distribution of the asset value, that is, whether distribution shall be by payment in cash, by the maintenance of another or substituted trust fund, by the purchase of insured annuities, or otherwise, for each firefighter entitled to benefits under the plan as specified in subsection (3).

(3) The board of trustees shall apportion the asset value as of the date of termination in the manner set forth in this subsection, on the basis that the amount required to provide any given retirement income shall mean the actuarially computed single-sum value of such retirement income, except that if the method of distribution determined under subsection (2) involves the purchase of an insured annuity, the amount required to provide the given retirement income shall mean the single premium payable for such annuity.

(a) Apportionment shall first be made in respect of each retired firefighter receiving a retirement income hereunder on such date, each person receiving a retirement income on such date on account of a retired (but since deceased) firefighter, and each firefighter who has, by such date, become eligible for normal retirement but has not yet retired, in the amount required to provide such retirement income, provided that, if such asset value is less than the aggregate of such amounts, such amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such asset value.

(b) If there is any asset value remaining after the apportionment under paragraph (a), apportionment shall next be made in respect of each firefighter in the service of the municipality or special fire control district on such date who has completed at least 10 years of credited service, ~~in who has contributed to the firefighters' pension trust fund for at least 10 years, and~~ who is not entitled to an apportionment under paragraph (a), in the amount required to provide the actuarial equivalent of the accrued normal retirement income, based on the firefighter's credited service and earnings to such date, and each former participant then entitled to a benefit under the provisions of s. 175.211 who has not by such date reached his or her normal retirement date, in the amount required to provide the actuarial equivalent of the accrued normal retirement income to which he or she is entitled under s. 175.211; provided that, if such remaining asset value is less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(c) If there is any asset value after the apportionments under paragraphs (a) and (b), apportionment shall lastly be made in respect of each firefighter in the service of the municipality or special fire control district on such date who is not entitled to an apportionment under paragraphs (a) and (b) in the amount equal to the firefighter's total contributions to the plan to date of termination; provided that, if such remaining asset value is less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(d) In the event that there is asset value remaining after the full apportionment specified in paragraphs (a), (b), and (c), such excess shall be returned to the municipality or special fire control district, less return to the state of the state's contributions, provided that, if the excess is less than the total contributions made by the municipality or special fire control district and the state to date of termination of the plan, such excess shall be divided proportionately to the total contributions made by the municipality or special fire control district and the state.

(4) The board of trustees shall distribute, in accordance with the manner of distribution determined under subsection (2), the amounts apportioned under subsection (3).

If, after a period of 24 months after the date on which the plan terminated or the date on which the board received written notice that the contributions thereunder were being permanently discontinued, the municipality or special fire control district or the board of trustees of the firefighters' pension trust fund affected has not complied with all the provisions in this section, the division shall effect the termination of the fund in accordance with this section.

Section 37. Section 175.371, Florida Statutes, is amended to read:

175.371 Transfer to another state retirement system; benefits payable.—  
For any municipality, special fire control district, chapter plan, local law

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

(1) Any firefighter who has a vested right to benefits under a pension plan created pursuant to the provisions of this chapter and who elects to participate in another state retirement system may not receive a benefit under the provisions of the latter retirement system for any year's service for which benefits are paid under the provisions of the pension plan created pursuant to this chapter.

(2) When every active participant in any pension plan created pursuant to this chapter elects to transfer to another state retirement system, the pension plan created pursuant to this chapter shall be terminated and the assets distributed in accordance with s. 175.361. If some participants in a pension plan created pursuant to this chapter elect to transfer to another state retirement system and other participants elect to remain in the existing plan created pursuant to this chapter, the plan created pursuant to this chapter shall continue to receive state premium tax moneys remain in effect until fully funded. "Fully funded" means that the present value of all benefits, accrued and projected, is less than the available assets and the present value of future member contributions and future plan sponsor contributions on an actuarial entry age cost funding basis. The plan shall remain in effect until the last active participant has terminated and shall then be terminated in accordance with s. 175.361.

Section 38. Section 175.381, Florida Statutes, is amended to read:

(Substantial rewording of section. See s. 175.381, F.S., for present text.)

175.381 Applicability.—This act shall apply to all municipalities, special fire control districts, chapter plans, local law municipalities, local law special fire control districts, or local law plans presently existing or to be created pursuant to this chapter. Those plans presently existing pursuant to s. 175.351 and not in compliance with the provisions of this act must comply no later than December 31, 1999. However, the plan sponsor of any plan established by special act of the Legislature shall have until July 1, 2000, to comply with the provisions of this act, except as otherwise provided in this act with regard to establishment and election of board members. The provisions of this act shall be construed to establish minimum standards and minimum benefit levels, and nothing contained in this act or in chapter 175 shall operate to reduce presently existing rights or benefits of any firefighter, directly, indirectly, or otherwise.

Section 39. Section 175.391, Florida Statutes, is repealed.

Section 40. Section 175.401, Florida Statutes, is amended to read:

175.401 Retiree health insurance subsidy.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, under the broad grant of home rule powers under the Florida Constitution and chapter 166, municipalities have the authority to establish and administer locally funded



health insurance subsidy programs. In addition, special fire control districts may, by resolution, establish and administer locally funded health insurance subsidy programs. Pursuant thereto:

(1) PURPOSE.—The purpose of this section is to allow municipalities and special fire control districts the option to use premium tax moneys, as provided for under this chapter, to establish and administer health insurance subsidy programs which will provide a monthly subsidy payment to retired members of any firefighters' pension trust fund system or plan as provided under this chapter, or to beneficiaries who are spouses or financial dependents entitled to receive benefits under such a plan, in order to assist such retired members or beneficiaries in paying the costs of health insurance.

(2) RETIREE HEALTH INSURANCE SUBSIDY TRUST FUNDS; ESTABLISHMENT AND TERMINATION.—

(a) Any municipality or special fire control district having a firefighters' pension trust fund system or plan as provided under this chapter may, in its discretion, establish by ordinance or resolution, as appropriate, a trust fund to be known as the firefighters' retiree health insurance subsidy trust fund. This fund may be a separate account established for such purpose in the existing firefighters' pension fund, provided that all funds deposited in such account are segregated from, and not commingled with, pension funds or other public moneys and that the account otherwise conforms to the requirements of subsection (8). The trust fund shall be used to account for all moneys received and disbursed pursuant to this section.

(b) Prior to the second reading of the ordinance before the municipal legislative body, or of the resolution before the governing body of the special fire control district, an actuarial valuation must be performed by an enrolled actuary as provided in s. 112.63, and copies of the valuation and the proposed implementing ordinance or resolution shall be furnished to the division.

(c) The subsidy program may, at the discretion of the municipal governing body, be permanently discontinued by municipal ordinance, and at the discretion of the governing body of a special fire control district may be permanently discontinued by resolution, at any time, subject to the requirements of any applicable collective bargaining agreement, in the same manner and subject to the same conditions established for plan termination and fund distribution under s. 175.361.

(3) FUNDING.—Trust funds established pursuant to this section shall be funded in the following manner:

(a) By payment to the fund of an amount equivalent to one-half of the net increase over the previous tax year in the premium tax funds provided for in this chapter, said amount to be established in the implementing ordinance or resolution.

(b) By no less than one-half of 1 percent of the base salary of each firefighter, for so long as the firefighter is employed and covered by a pension

plan established pursuant to this chapter. The municipality or special fire control district, with approval of the board of trustees, may increase member contributions if needed to fund benefits greater than the minimums established in this section.

(c) By payment by the municipality or special fire control district, on at least a quarterly basis, of whatever sum is determined necessary to maintain the actuarial soundness of the fund in accordance with s. 112.64.

Such contributions and payments shall be submitted to the board of trustees of the firefighters' pension trust fund, or the plan trustees in the case of local law plans established under s. 175.351, and deposited in the firefighters' retiree health insurance subsidy trust fund, in the same manner and subject to the same time constraints as provided under s. 175.131.

(4) **ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.**—A person who has contributed to the retiree health insurance subsidy trust fund and retires under a firefighters' pension trust fund system or plan as provided under this chapter, including any local law plan as provided under s. 175.351, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under such a plan, is eligible for health insurance subsidy payments provided under this section. However, the fund, with approval of the board of trustees and approval of the municipality or special fire control district, may provide coverage to retirees and beneficiaries when the retirees have not contributed to the fund as provided in subsection (3). Payment of the retiree health insurance subsidy shall be made only after coverage for health insurance for the retiree or beneficiary has been certified in writing to the board of trustees of the firefighters' pension trust fund.

(5) **RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.**—Beginning on the effective date established in the implementing ordinance or resolution, each eligible retiree, or beneficiary who is a spouse or financial dependent thereof, shall receive a monthly retiree health insurance subsidy payment equal to the aggregate number of years of service, as defined in s. 175.032, completed at the time of retirement multiplied by an amount determined in the implementing ordinance or resolution, but no less than \$3 for each year of service. Nothing herein shall be construed to restrict the plan sponsor from establishing, in the implementing ordinance or resolution, a cap of no less than 30 years upon the number of years' service for which credit will be given toward a health insurance subsidy or a maximum monthly subsidy amount.

(6) **PAYMENT OF RETIREE HEALTH INSURANCE SUBSIDY.**—Beginning on the effective date established in the implementing ordinance or resolution, any monthly retiree health insurance subsidy amount due and payable under this section shall be paid to retired members, or their eligible beneficiaries, by the board of trustees of the firefighters' pension trust fund, or the plan trustees in the case of local law plans established under s. 175.351, in the same manner as provided by s. 175.071(1)(c) for drafts upon the pension fund.

(7) **INVESTMENT OF THE TRUST FUND.**—The trustees of the firefighters' pension trust fund, or the plan trustees in the case of local law plans

established under s. 175.351, are hereby authorized to invest and reinvest the funds of the firefighters' retiree health insurance subsidy trust fund in the same manner and subject to the same conditions as apply hereunder to the investment of firefighters' pension funds under s. 175.071.

(8) DEPOSIT OF HEALTH INSURANCE SUBSIDY FUNDS.—All funds ~~and securities~~ of the health insurance subsidy fund may be deposited by the board of trustees with the treasurer of the municipality or special fire control district, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he or she is liable for the safekeeping of funds for the municipality or special fire control district. Any funds so deposited shall be segregated by the treasurer in a separate fund, clearly identified as funds ~~and securities~~ of the health insurance subsidy fund. In lieu thereof, the board of trustees shall deposit the funds ~~and securities~~ of the health insurance subsidy fund in a qualified public depository as defined in s. 280.02, which shall conform to and be bound by the provisions of chapter 280 with regard to such funds. In no case shall the funds of the health insurance subsidy fund be deposited in any financial institution, brokerage house trust company, or other entity that is not a public depository as provided by s. 280.02.

(9) SEPARATION FROM SERVICE; REFUNDS.—Any firefighter who terminates employment with a municipality or special fire control district having a retiree health insurance subsidy trust fund system or plan as provided under this section shall be entitled to a refund of all employee contributions he or she made to that trust fund, without interest, regardless of whether the firefighter has vested for purposes of retirement. Any firefighter who has vested for purposes of retirement in the service of the municipality or special fire control district, and has contributed to the firefighters' retiree health insurance subsidy trust fund for so long as he or she was eligible to make such contributions, may, in his or her discretion, elect to leave his or her accrued contributions in the fund, whereupon, such firefighter shall, upon retiring and commencing to draw retirement benefits, receive a health insurance subsidy based upon his or her aggregate number of years of service, as defined in s. 175.032.

(10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS; AUDITS; RULES; ADMINISTRATIVE COSTS.—The board of trustees of the firefighters' pension trust fund, or the plan trustees in the case of local law plans established under s. 175.351, shall be solely responsible for administering the health insurance subsidy trust fund. Pursuant thereto:

(a) As part of its administrative duties, no less frequently than every 3 years, the board shall have an actuarial valuation of the firefighters' retiree health insurance subsidy trust fund prepared as provided in s. 112.63 by an enrolled actuary, covering the same reporting period or plan year used for the firefighters' pension plan, and shall submit a report of the valuation, including actuarial assumptions and type and basis of funding, to the division.

(b) By February 1 of each year, the trustees shall file a report with the division, containing an independent audit by a certified public accountant

if the fund has ~~\$250,000~~ \$100,000 or more in assets, or a certified statement of accounting if the fund has less than ~~\$250,000~~ \$100,000 in assets, for the most recent plan ~~fiscal year of the municipality or special fire control district~~, showing a detailed listing of assets and methods used to value them and a statement of all income and disbursements during the year. Such income and disbursements shall be reconciled with the assets at the beginning of and end of the year.

(c) The trustees may adopt such rules and regulations as are necessary for the effective and efficient administration of this section.

(d) At the discretion of the plan sponsor, the cost of administration may be appropriated from the trust fund or paid directly by the plan sponsor.

(11) **BENEFITS.**—Subsidy payments shall be payable under the firefighters' retiree health insurance subsidy program only to participants in the program or their beneficiaries. Such subsidy payments shall not be subject to assignment, execution, or attachment or to any legal process whatsoever, and shall be in addition to any other benefits to which eligible recipients are entitled under any workers' compensation law, pension law, collective bargaining agreement, municipal or county ordinance, or any other state or federal statute.

(12) **DISTRIBUTION OF PREMIUM TAXES; COMPLIANCE REQUIRED.**—Premium tax dollars for which spending authority is granted under this section shall be distributed from the Police and Firefighters' Premium Tax Trust Fund and remitted annually to municipalities and special fire control districts in the same manner as provided under this chapter for firefighters' pension funds. Once a health insurance subsidy plan has been implemented by a municipality or special fire control district under this section, in order for the municipality or special fire control district to participate in the distribution of premium tax dollars authorized under this section, all provisions of this section, including state acceptance pursuant to part VII of chapter 112, shall be complied with, and said premium tax dollars may be withheld for noncompliance.

Section 41. Section 185.01, Florida Statutes, is amended to read:

185.01 Legislative declaration.—

(1) It is hereby found and declared by the Legislature that police officers as hereinafter defined perform both state and municipal functions; that they make arrests for violations of state traffic laws on public highways; that they keep the public peace; that they conserve both life and property; and that their activities are vital to public welfare of this state. Therefore the Legislature declares that it is a proper and legitimate state purpose to provide a uniform retirement system for the benefit of police officers as hereinafter defined and intends, in implementing the provisions of s. 14, Art. X of the State Constitution as they relate to municipal police officers' retirement trust fund systems and plans, that such retirement systems or plans be managed, administered, operated, and funded in such manner as to maximize the protection of police officers' retirement trust funds. Therefore, the

Legislature hereby determines and declares that the provisions of this act fulfill an important state interest.

(2) This chapter hereby establishes, for all municipal pension plans now or hereinafter provided for under this chapter, including chapter plans and local law plans, minimum benefits and minimum standards for the operation and funding of such municipal police officers' retirement trust fund systems and plans, hereinafter referred to as municipal police officers' retirement trust funds. The minimum benefits and minimum standards set forth in this chapter may not be diminished by local ordinance or by special act of the Legislature, nor may the minimum benefits or minimum standards be reduced or offset by any other local, state, or federal plan that may include police officers in its operation, except as provided under s. 112.65.

Section 42. Section 185.02, Florida Statutes, is amended to read:

(Substantial rewording of section. See s. 185.02, F.S., for present text.)

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

(1) “Average final compensation” means one-twelfth of the average annual compensation of the 5 best years of the last 10 years of creditable service prior to retirement, termination, or death.

(2) “Casualty insurance” means automobile public liability and property damage insurance to be applied at the place of residence of the owner, or if the subject is a commercial vehicle, to be applied at the place of business of the owner; automobile collision insurance; fidelity bonds; burglary and theft insurance; and plate glass insurance. “Multiple peril” means a combination or package policy that includes both property coverage and casualty coverage for a single premium.

(3) “Chapter plan” means a separate defined benefit pension plan for police officers which incorporates by reference the provisions of this chapter and has been adopted by the governing body of a municipality as provided in s. 185.08. Except as may be specifically authorized in this chapter, provisions of a chapter plan may not differ from the plan provisions set forth in ss. 185.01-185.341 and 185.36-185.42. Actuarial valuations of chapter plans shall be conducted by the division as provided by s. 185.221(1)(b).

(4) “Compensation” or “salary” means the total cash remuneration including “overtime” paid by the primary employer to a police officer for services rendered, but not including any payments for extra duty or a special detail work performed on behalf of a second party employer. However, a local law plan may limit the amount of overtime payments which can be used for retirement benefit calculation purposes, but in no event shall such overtime limit be less than 300 hours per officer per calendar year.

(a) Any retirement trust fund or plan which now or hereafter meets the requirements of this chapter shall not, solely by virtue of this subsection, reduce or diminish the monthly retirement income otherwise payable to each police officer covered by the retirement trust fund or plan.

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

(c) For any person who first becomes a member in any plan year beginning on or after January 1, 1996, compensation for any plan year shall not include any amounts in excess of the Internal Revenue Code Section 401(a)(17) limitation [as amended by the Omnibus Budget Reconciliation Act of 1993], which limitation of \$150,000 shall be adjusted as required by federal law for qualified government plans and shall be further adjusted for changes in the cost of living in the manner provided by Internal Revenue Code Section 401(a)(17)(B). For any person who first became a member prior to the first plan year beginning on or after January 1, 1996, the limitation on compensation shall be not less than the maximum compensation amount that was allowed to be taken into account under the plan as in effect on July 1, 1993, which limitation shall be adjusted for changes in the cost of living since 1989 in the manner provided by Internal Revenue Code Section 401(a)(17)(1991).

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

(a) No police officer will receive credit for years or fractional parts of years of service if he or she has withdrawn his or her contributions to the fund for those years or fractional parts of years of service, unless the police officer repays into the fund the amount he or she has withdrawn, plus interest as determined by the board. The member shall have at least 90 days after his or her reemployment to make repayment.

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

(c) Credited service under this chapter shall be provided only for service as a police officer, as defined in subsection (11), or for military service and shall not include credit for any other type of service. A municipality may, by

local ordinance, provide for the purchase of credit for military service occurring prior to employment as well as prior service as a police officer for some other employer as long as the police officer is not entitled to receive a benefit for such other prior service as a police officer.

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

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

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

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

(6) “Deferred Retirement Option Plan” or “DROP” means a local law plan retirement option in which a police officer may elect to participate. A police officer may retire for all purposes of the plan and defer receipt of retirement benefits into a DROP account while continuing employment with his employer. However, a police officer who enters the DROP and who is otherwise eligible to participate shall not thereby be precluded from participating, or continuing to participate, in a supplemental plan in existence on, or created after, the effective date of this act.

(7) “Division” means the Division of Retirement of the Department of Management Services.

(8) “Enrolled actuary” means an actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries.

(9) “Local law municipality” is any municipality in which there exists a local law plan.

(10) “Local law plan” means a defined benefit pension plan for police officers or for police officers and firefighters, where included, as described in s. 185.35, established by municipal ordinance or special act of the Legislature, which enactment sets forth all plan provisions. Local law plan provisions may vary from the provisions of this chapter, provided that required minimum benefits and minimum standards are met. Any such variance shall provide a greater benefit for police officers. Actuarial valuations of local law plans shall be conducted by an enrolled actuary as provided in s. 185.221(2)(b).

(11) “Police officer” means any person who is elected, appointed, or employed full time by any municipality, who is certified or required to be

certified as a law enforcement officer in compliance with s. 943.1395, who is vested with authority to bear arms and make arrests, and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. This definition includes all certified supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law enforcement officers, but does not include part-time law enforcement officers or auxiliary law enforcement officers as the same are defined in s. 943.10(6) and (8), respectively. For the purposes of this chapter only, "police officer" also shall include a public safety officer who is responsible for performing both police and fire services. Any plan may provide that the police chief shall have an option to participate, or not, in that plan.

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

(13) "Retiree" or "retired police officer" means a police officer who has entered retirement status. For the purposes of a plan that includes a Deferred Retirement Option Plan (DROP), a police officer who enters the DROP shall be considered a retiree for all purposes of the plan. However, a police officer who enters the DROP and who is otherwise eligible to participate shall not thereby be precluded from participating, or continuing to participate, in a supplemental plan in existence on, or created after, the effective date of this act.

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

(15) "Supplemental plan" means a plan to which deposits of the premium tax moneys as provided in s. 185.08 are made to provide extra benefits to police officers, or police officers and firefighters where included, under this chapter. Such a plan is an element of a local law plan and exists in conjunction with a defined benefit plan that meets the minimum benefits and minimum standards of this chapter.

(16) "Supplemental plan municipality" means any local law municipality in which there existed a supplemental plan as of January 1, 1997.

Section 43. Section 185.03, Florida Statutes, is amended to read:

185.03 Municipal police officers' retirement trust funds; creation; applicability of provisions; participation by public safety officers.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:



(1) ~~There shall be established may be hereby created a special fund exclusively for the purpose of this chapter, which in the case of chapter plans shall to be known as the "Municipal Police Officers' Retirement Trust Fund," exclusively for the purposes provided in this chapter, in each municipality of this state, heretofore or hereafter created, which now has or which may hereafter have a regularly organized police department, and which now owns and uses or which may hereafter own and use equipment and apparatus of a value exceeding \$500 in serviceable condition for the prevention of crime and for the preservation of life and property, and which does not presently have established by law a similar fund.~~

(2) The provisions of this chapter act shall apply only to municipalities organized and established pursuant to the laws of the state, and said provisions shall not apply to the unincorporated areas of any county or counties nor shall the provisions hereof apply to any governmental entity whose police officers employees are eligible to participate for membership in the Florida Retirement System a state or state and county retirement system.

(3) No municipality shall establish more than one retirement plan for public safety officers which is supported in whole or in part by the distribution of premium tax funds as provided by this chapter or chapter 175, nor shall any municipality establish a retirement plan for public safety officers which receives premium tax funds from both this chapter and chapter 175.

Section 44. Section 185.04, Florida Statutes, is amended to read:

185.04 Actuarial deficits not state obligations.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, actuarial deficits, if any, arising under this chapter are shall not be the obligation of the state.

Section 45. Section 185.05, Florida Statutes, is amended to read:

185.05 Board of trustees; members, terms of office; meetings; legal entity; costs; attorney's fees.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1) In each municipality described in s. 185.03 there is hereby created a board of trustees of the municipal police officers' retirement trust fund, which shall be solely responsible for administering the trust fund. Effective October 1, 1986, and thereafter;

(a) The membership of the board of trustees for chapter plans shall consist of five members, two of whom, unless otherwise prohibited by law, shall be legal residents of the municipality, who shall be appointed by the legislative body of the municipality, and two of whom shall be police officers as defined in s. 185.02 who shall be elected by a majority of the active police officers who are members of such plan. With respect to any chapter plan or local law plan that, on January 1, 1997, allowed retired police officers to vote in such elections, retirees may continue to vote in such elections. The fifth member shall be chosen by a majority of the previous four members, and such person's name shall be submitted to the legislative body of the municipality. Upon receipt of the fifth person's name, the legislative body of the

municipality shall, as a ministerial duty, appoint such person to the board of trustees as its fifth member. The fifth member shall have the same rights as each of the other four members appointed or elected as herein provided, shall serve as trustee for a period of 2 years, and may succeed himself or herself in office. Each resident member shall serve as trustee for a period of 2 years, unless sooner replaced by the legislative body at whose pleasure the member shall serve, and may succeed himself or herself as a trustee. ~~However, the terms of the mayor, or corresponding chief executive officer of the municipality, and the chief of the police department as members of the board of trustees as provided in chapter 28230, Laws of Florida, 1953, as amended, together with any city manager and member of the legislative body of the municipality as members of the board of trustees shall terminate on September 30, 1986. Each police officer member shall serve as trustee for a period of 2 years, unless he or she sooner leaves the employment of the municipality as a police officer, whereupon the legislative body of the municipality shall choose a successor in the same manner as an original appointment. Each police officer may succeed himself or herself in office. The board of trustees shall meet at least quarterly each year. Each board of trustees shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.~~

(b) The membership of boards of trustees for local law plans shall be as follows:

1. If a municipality has a pension plan for police officers only, the provisions of paragraph (a) shall apply.

2. If a municipality has a pension plan for police officers and firefighters, the provisions of paragraph (a) shall apply, except that one member of the board shall be a police officer as defined in s. 185.02 and one member shall be a firefighter as defined in s. 175.032, respectively, elected by a majority of the active firefighters and police officers who are members of the plan.

3. Any board of trustees operating a local law plan on July 1, 1999, which is combined with a plan for general employees shall hold an election of the police officers, or police officers and firefighters if included, to determine whether a plan is to be established for police officers only, or for police officers and firefighters where included. Based on the election results, a new board shall be established as provided in subparagraph 1. or subparagraph 2., as appropriate. The municipality shall enact an ordinance to implement the new board by October 1, 1999. The newly established board shall take whatever action is necessary to determine the amount of assets which is attributable to police officers, or police officers and firefighters where included. Such assets shall include all employer, employee, and state contributions made by or on behalf of police officers, or police officers and firefighters where included, and any investment income derived from such contributions. All such moneys shall be transferred into the newly established retirement plan, as directed by the board.

With respect to any board of trustees operating a local law plan on June 30, 1986, nothing in this paragraph shall permit the reduction of the membership percentage of police officers or police officers and firefighters.

(2) The trustees shall by majority vote elect from its members a chair and a secretary. The secretary of the board shall keep a complete minute book of the actions, proceedings, or hearings of the board. The trustees shall not receive any compensation as such, but may receive expenses and per diem as provided by Florida law.

(3) The board of trustees shall meet at least quarterly each year.

(4) Each board of trustees shall be a legal entity that shall have, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature, and description.

(5) In any judicial proceeding or administrative proceeding under chapter 120 brought under or pursuant to the provisions of this chapter, the prevailing party shall be entitled to recover the costs thereof, together with reasonable attorney's fees.

(6) The provisions of this section may not be altered by a participating municipality operating a chapter or local law plan under this chapter.

Section 46. Section 185.061, Florida Statutes, is amended to read:

185.061 Use of annuity or insurance policies.—When the board of trustees of any municipality, chapter plan, local law municipality, or local law plan purchases annuity or life insurance contracts to provide all or part of the benefits promised by this chapter, the following principles shall be observed:

(1) Only those officers who have been members of the retirement trust fund for 1 year or longer may be included in the insured plan.

(2) Individual policies shall be purchased only when a group insurance plan is not feasible.

(3) Each application and policy shall designate the pension fund as owner of the policy.

(4) Policies shall be written on an annual premium basis.

(5) The type of policy shall be one which for the premium paid provides each individual with the maximum retirement benefit at his or her earliest statutory normal retirement age.

(6) Death benefit, if any, should not exceed:

(a) One hundred times the estimated normal monthly retirement income, based on the assumption that the present rate of compensation continues without change to normal retirement date, or

(b) Twice the annual rate of compensation as of the date of termination of service, or

(c) The single-sum value of the accrued deferred retirement income (beginning at normal retirement date) at date of termination of service, whichever is greatest.

(7) An insurance plan may provide that the assignment of insurance contract to separating officer shall be at least equivalent to the return of the officer's contributions used to purchase the contract. An assignment of contract discharges the municipality from all further obligation to the participant under the plan even though the cash value of such contract may be less than the employee's contributions.

(8) Provisions shall be made, either by issuance of separate policies, or otherwise, that the separating officer does not receive cash values and other benefits under the policies assigned to the officer which exceed the present value of his or her vested interest under the retirement plan, inclusive of the officer's contribution to the plan, the contributions by the state shall not be exhausted faster merely because the method of funding adopted was through insurance companies.

(9) The police officer shall have the right at any time to give the board of trustees written instructions designating the primary and contingent beneficiaries to receive death benefit or proceeds and the method of the settlement of the death benefit or proceeds, or requesting a change in the beneficiary, designation or method of settlement previously made, subject to the terms of the policy or policies on the officer's life. Upon receipt of such written instructions, the board of trustees shall take the necessary steps to effectuate the designation or change of beneficiary or settlement option.

Section 47. Section 185.07, Florida Statutes, is amended to read:

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

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

(a) By the net proceeds of the .85-percent excise tax which may be imposed by the respective cities and towns upon certain casualty insurance companies on their gross receipts of premiums from holders of policies, which policies cover property within the corporate limits of such municipalities, as is hereinafter expressly authorized.

(b) Except as reduced or increased contributions are authorized by subsection (2), by the payment to the fund of 5 percent of the salary of each full-time police officer duly appointed and enrolled as a member of such police department, which 5 percent shall be deducted by the municipality from the compensation due to the police officer and paid over to the board of trustees of the retirement trust fund wherein such police officer is employed, provided that no deductions shall be made after an officer has passed his or her normal retirement date. No police officer shall have any right to the said money so paid into the said fund except as provided in this chapter.

(c) By all fines and forfeitures imposed and collected from any police officer because of the violation of any rule adopted and regulation promulgated by the board of trustees.

(d) By payment by the municipality or other sources of a sum equal to the normal cost and the amount required to fund ~~over a 40-year basis~~ any actuarial deficiency shown by an a quinquennial actuarial valuation as provided in part VII of chapter 112. ~~The first such actuarial valuation shall be conducted for the calendar year ending December 31, 1963.~~

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

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

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

(2) Member contribution rates may be adjusted as follows:

(a) The employing municipality, by local ordinance, may elect to make an employee's contributions. However, under no circumstances may a municipality reduce the member contribution to less than one-half of 1 percent of salary.

(b) Police officer member contributions may be increased by consent of the members' collective bargaining representative or, if none, by majority consent of police officer members of the fund to provide greater benefits.

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

Section 48. Section 185.08, Florida Statutes, is amended to read:

185.08 State excise tax on casualty insurance premiums authorized; procedure.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1) Each incorporated municipality in this state described and classified in s. 185.03, as well as each other city or town of this state which on July 31, 1953, had a lawfully established municipal police officers' retirement trust fund or city fund, by whatever name known, providing pension or relief benefits to police officers as provided under this chapter ~~by whatever name known,~~ may assess and impose on every insurance company, corporation, or other insurer now engaged in or carrying on, or who shall hereafter engage in or carry on, the business of casualty insurance as shown by records of the Department of Insurance, an excise tax in addition to any lawful license or excise tax now levied by each of the said municipalities, respectively, amounting to .85 percent of the gross amount of receipts of premiums from policyholders on all premiums collected on casualty insurance policies covering property within the corporate limits of such municipalities, respectively.

(2) In the case of multiple peril policies with a single premium for both property and casualty coverages in such policies, 30 percent of such premium shall be used as the basis for the .85-percent tax above.

(3) The Said excise tax shall be payable annually March 1 of each year after the passing of an ordinance assessing and imposing the tax herein authorized. Installments of taxes shall be paid according to the provisions of s. 624.5092(2)(a), (b), and (c).

Section 49. Section 185.09, Florida Statutes, is amended to read:

185.09 Report of premiums paid; date tax payable.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, whenever any municipality passes an ordinance establishing a chapter plan or local law plan and assessing and imposing the tax authorized in s. 185.08, a certified copy of such ordinance shall be deposited with the division; and thereafter every insurance company, corporation, or other insurer carrying on the business of casualty insuring, on or before the succeeding March 1 after date of the passage of the ordinance, shall report fully in writing to the division and the Department of Revenue a just and true account of all premiums received by such insurer for casualty insurance policies covering or insuring any property located within the corporate limits of such municipality during the period of time elapsing between the date of the passage of the ordinance and the end of the calendar year succeeding March 1. The aforesaid insurer shall annually thereafter, on March 1, file with the division and the Department of Revenue a similar report covering the preceding year's premium receipts. Every such insurer shall, at the time of making such report, pay to the Department of Revenue the amount of the tax heretofore mentioned. Every insurer engaged in carrying on a general casualty insurance business in the state shall keep accurate books of account of all such business done by it within the limits of such incorporated municipality in such a manner as to be able to comply with the provisions of this chapter. Based on the insurers' reports of premium receipts, the division shall prepare a consolidated premium report and shall furnish to any municipality requesting the same a copy of the relevant section of that report.

Section 50. Section 185.10, Florida Statutes, is amended to read:

185.10 Department of Revenue and Division of Retirement to keep accounts of deposits; disbursements.—For any municipality having a chapter plan or local law plan under this chapter:

(1) The Department of Revenue shall keep a separate account of all moneys collected for each municipality under the provisions of this chapter. All moneys so collected must be transferred to the Police and Firefighters' Premium Tax Trust Fund and shall be separately accounted for by the division. The moneys budgeted as necessary to pay the expenses of the division for the daily oversight and monitoring of the police officers' retirement plans under this chapter and for the oversight and actuarial reviews conducted under part VII of chapter 112 are annually appropriated from the interest and investment income earned on the moneys collected for each municipality or special fire control district and deposited in the Police and Firefighters' Premium Tax Trust Fund. Interest and investment income remaining thereafter in the trust fund which is unexpended and otherwise unallocated by law shall revert to the General Revenue Fund on June 30 of each year.

(2) The Comptroller shall, on or before ~~July 1~~ June 1 of each year, and at such other times as authorized by the division, draw his or her warrants on the full net amount of money then on deposit pursuant to this chapter in the Police and Firefighters' Premium Tax Trust Fund, specifying the municipalities to which the moneys must be paid and the net amount collected for and to be paid to each municipality, respectively. The sum payable to each municipality is appropriated annually out of the Police and Firefighters' Premium Tax Trust Fund. The warrants of the Comptroller shall be payable to the respective municipalities entitled to receive them and shall be remitted annually by the division to the respective municipalities. In lieu thereof, the municipality may provide authorization to the division for the direct payment of the premium tax to the board of trustees. In order for a municipality and its retirement fund to participate in the distribution of premium tax moneys under this chapter, all the provisions shall be complied with annually, including state acceptance pursuant to part VII of chapter 112.

Section 51. Section 185.11, Florida Statutes, is amended to read:

185.11 Funds received by municipalities, deposit in retirement trust fund.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, all state and other funds received by any municipality under the provisions of this chapter shall be deposited by the said municipality immediately, and under no circumstances more than 5 days after receipt, with the board of trustees. In lieu thereof, the municipality may provide authorization to the division for the direct payment of the premium tax to the board of trustees. The board shall deposit such moneys in the Municipal Police Officers' Retirement Trust Fund immediately, and under no circumstances more than 5 days after receipt. Employee contributions, however, which are withheld by the employer on behalf of an employee member shall be deposited immediately after each pay period with the board of trustees of the municipal police officers' retirement trust fund. Employer contributions shall be deposited at least quarterly at least monthly.

Section 52. Section 185.12, Florida Statutes, is amended to read:

185.12 Payment of excise tax credit on similar state excise or license tax.—The tax herein authorized shall in nowise be additional to the similar state excise or license tax imposed by part IV, chapter 624, but the payor of the tax hereby authorized shall receive credit therefor on his or her ~~said~~ state excise or license tax and the balance of said state excise or license tax shall be paid to the Department of Revenue Insurance Commissioner and Treasurer as ~~is now~~ provided by law.

Section 53. Section 185.13, Florida Statutes, is amended to read:

185.13 Failure of insurer to comply with chapter; penalty.—Should any insurance company, corporation or other insurer fail to comply with the provisions of this chapter, on or before March 1 in each year as herein provided, the certificate of authority issued to said insurance company, corporation or other insurer to transact business in this state may be canceled and revoked by the Department of Insurance, and it is unlawful for any

such insurance company, corporation or other insurer to transact any business thereafter in this state unless such insurance company, corporation or other insurer shall be granted a new certificate of authority to transact business in this state, in compliance with provisions of law authorizing such certificate of authority to be issued. The division shall be responsible for notifying the Department of Insurance regarding any such failure to comply.

Section 54. Section 185.14, Florida Statutes, is repealed.

Section 55. Section 185.15, Florida Statutes, is repealed.

Section 56. Section 185.16, Florida Statutes, is amended to read:

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

(1) ~~The normal retirement date of each police officer will be the first day of the month coincident with or next following the date on which the police officer has completed 10 or more years of creditable service and attained age 55 or completed 25 years of creditable service and attained age 52. A police officer who retires after his or her normal retirement date will upon actual retirement be entitled to receive the same amount of monthly retirement income that the police officer would have received had he or she retired on his or her normal retirement date.~~

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

(3) ~~The monthly retirement income payable in the event of normal retirement will be payable on the first day of each month. The first payment will be made on the police officer's normal retirement date, or on the first day of the month coincident with or next following the police officer's actual retirement, if later, and the last payment will be the payment due next preceding the police officer's death; except that, in the event the police officer dies after retirement but before receiving retirement benefits for a period of 10 years, the same monthly benefit will be paid to the beneficiary (or beneficiaries) as designated by the police officer for the balance of such 10-year~~



period, or, if no beneficiary is designated, to the ~~surviving spouse, descendants, heirs at law, or~~ estate of the police officer, as provided in s. 185.162. If a police officer continues in the service of the city beyond his or her normal retirement date and dies prior to the date of actual retirement, without an option made pursuant to s. 185.161 being in effect, monthly retirement income payments will be made for a period of 10 years to a beneficiary (or beneficiaries) designated by the police officer as if the police officer had retired on the date on which death occurred, or, if no beneficiary is designated, to the ~~surviving spouse, descendants, heirs at law, or~~ estate of the police officer, as provided in s. 185.162.

(4) Early retirement under the plan is retirement from the service of the city, with the consent of the city, as of the first day of any calendar month which is prior to the police officer's normal retirement date but subsequent to the date as of which the police officer has both attained the age of 50 years and completed 10 years of contributing service. In the event of early retirement, payment of retirement income will be governed as follows:

(a) The early retirement date shall be the first day of the calendar month coincident with or immediately following the date a police officer retires from the service of the city under the provisions of this section prior to his or her normal retirement date.

(b) The monthly amount of retirement income payable to a police officer who retires prior to his or her normal retirement date under the provisions of this section shall be an amount computed as described in subsection (2), taking into account his or her credited service to the date of actual retirement and his or her final monthly compensation as of such date, such amount of retirement income to be actuarially reduced to take into account the police officer's younger age and the earlier commencement of retirement income payments. In no event shall the early retirement reduction exceed 3 percent for each year by which the member's age at retirement preceded the member's normal retirement age, as provided in subsection (1).

(c) The retirement income payable in the event of early retirement will be payable on the first day of each month. The first payment will be made on the police officer's early retirement date and the last payment will be the payment due next preceding the retired police officer's death; except that, in the event the police officer dies before receiving retirement benefits for a period of 10 years, the same monthly benefit will be paid to the beneficiary designated by the police officer for the balance of such 10-year period, or, if no designated beneficiary is surviving, the same monthly benefit for the balance of such 10-year period shall be payable as provided in s. 185.162.

Section 57. Section 185.161, Florida Statutes, is amended to read:

185.161 Optional forms of retirement income.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1)(a) In lieu of the amount and form of retirement income payable in the event of normal or early retirement as specified in s. 185.16, a police officer, upon written request to the board of trustees ~~and submission of evidence of good health (except that such evidence will not be required if such request~~

~~is made at least 3 years prior to the date of commencement of retirement income or if such request is made within 6 months following the effective date of the plan, if later),~~ and subject to the approval of the board of trustees, may elect to receive a retirement income or benefit of equivalent actuarial value payable in accordance with one of the following options:

1. A retirement income of larger monthly amount, payable to the police officer for his or her lifetime only.
2. A retirement income of a modified monthly amount, payable to the police officer during the joint lifetime of the police officer and a joint pensioner designated by the police officer, and following the death of either of them, 100 percent, 75 percent, 66 $\frac{2}{3}$  percent, or 50 percent of such monthly amount payable to the survivor for the lifetime of the survivor.
3. Such other amount and form of retirement payments or benefit as, in the opinion of the board of trustees, will best meet the circumstances of the retiring police officer.

(b) The police officer upon electing any option of this section will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable under the plan in the event of the police officer's death, and will have the power to change such designation from time to time but any such change shall be deemed a new election and will be subject to approval by the pension committee. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. If a police officer has elected an option with a joint pensioner or beneficiary and his or her retirement income benefits have commenced, he or she may thereafter change the designated joint pensioner or beneficiary but only if the board of trustees consents to such change and if the joint pensioner last previously designated by the police officer is alive when he or she files with the board of trustees a request for such change. The consent of a police officer's joint pensioner or beneficiary to any such change shall not be required. The board of trustees may request such evidence of the good health of the joint pensioner that is being removed as it may require and the amount of the retirement income payable to the police officer upon the designation of a new joint pensioner shall be actuarially redetermined taking into account the ages and sex of the former joint pensioner, the new joint pensioner, and the police officer. Each such designation will be made in writing on a form prepared by the board of trustees, and on completion will be filed with the board of trustees. In the event that no designated beneficiary survives the police officer, such benefits as are payable in the event of the death of the police officer subsequent to his or her retirement shall be paid as provided in s. 185.162.

(2) Retirement income payments shall be made under the option elected in accordance with the provisions of this section and shall be subject to the following limitations:

(a) If a police officer dies prior to his or her normal retirement date or early retirement date, whichever first occurs, no benefit will be payable under the option to any person, but the benefits, if any, will be determined under s. 185.21.

(b) If the designated beneficiary (or beneficiaries) or joint pensioner dies before the police officer's retirement under the plan, the option elected will be canceled automatically and a retirement income of the normal form and amount will be payable to the police officer upon his or her retirement as if the election had not been made, unless a new election is made in accordance with the provisions of this section or a new beneficiary is designated by the police officer prior to his or her retirement and within 90 days after the death of the beneficiary.

(c) If both the retired police officer and the designated beneficiary (or beneficiaries) die before the full payment has been effected under any option providing for payments for a period certain and life thereafter, made pursuant to the provisions of subparagraph (1)(a)3., the board of trustees may, in its discretion, direct that the commuted value of the remaining payments be paid in a lump sum and in accordance with s. 185.162.

(d) If a police officer continues beyond his or her normal retirement date pursuant to the provisions of s. 185.16(1) and dies prior to actual retirement and while an option made pursuant to the provisions of this section is in effect, monthly retirement income payments will be made, or a retirement benefit will be paid, under the option to a beneficiary (or beneficiaries) designated by the police officer in the amount or amounts computed as if the police officer had retired under the option on the date on which death occurred.

(3) No police officer may make any change in his or her retirement option after the date of cashing or depositing his or her first retirement check.

Section 58. Section 185.162, Florida Statutes, is amended to read:

185.162 Beneficiaries.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1) Each police officer may, on a form, provided for that purpose, signed and filed with the board of trustees, designate a choice of one or more persons, named sequentially or jointly, as his or her beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of the police officer's death, and each designation may be revoked by such police officer by signing and filing with the board of trustees a new designation or beneficiary form.

(2) If no beneficiary is named in the manner provided by subsection (1), or if no beneficiary designated by the member survives him or her a deceased police officer failed to name a beneficiary in the manner above prescribed, or if the beneficiary (or beneficiaries) named by a deceased police officer predeceases the police officer, the death benefit, if any, which may be payable under the plan with respect to such deceased police officer shall ~~may~~ be paid ~~by, in the discretion of the board of trustees, either to:~~

(a) ~~Any one or more of the persons comprising the group consisting of the police officer's spouse, the police officer's descendants, the police officer's parents, or the police officer's heirs at law, and the board of trustees may pay the entire benefit to any member of such group or apportion such benefit~~

~~among any two or more of them in such shares as the board of trustees, in its sole discretion, shall determine, or~~

(b) ~~the estate of such deceased police officer, provided that in any of such cases the board of trustees, in its discretion, may direct that the commuted value of the remaining monthly income payments be paid in a lump sum. Any payment made to any person pursuant to this subsection the power and discretion conferred upon the board of trustees by the preceding sentence shall operate as a complete discharge of all obligations under the plan with regard to such deceased police officer and shall not be subject to review by anyone, but shall be final, binding and conclusive on all persons ever interested hereunder.~~

(3) ~~Notwithstanding any other provision of law to the contrary, the surviving spouse of any pension participant member killed in the line of duty shall not lose survivor retirement benefits if the spouse remarries. The surviving spouse of such deceased member whose benefit terminated because of remarriage shall have the benefit reinstated as of July 1, 1994, at an amount that would have been payable had such benefit not been terminated. This paragraph shall apply to all municipalities which receive state excise tax moneys as provided in s. 185.08.~~

Section 59. Section 185.18, Florida Statutes, is amended to read:

185.18 Disability retirement.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1) ~~A police officer having 10 or more years of credited service, or a police officer who becomes totally and permanently disabled in the line of duty, regardless of length of service, and having contributed to the municipal police officers' retirement trust fund for 10 years or more may retire from the service of the city under the plan if, prior to the police officer's normal retirement date, he or she becomes totally and permanently disabled as defined in subsection (2) by reason of any cause other than a cause set out in subsection (3) on or after the effective date of the plan. Such retirement shall herein be referred to as disability retirement. The provisions for disability other than line-of-duty disability shall not apply to a member who has reached early or normal retirement age.~~

(2) A police officer will be considered totally disabled if, in the opinion of the board of trustees, he or she is wholly prevented from rendering useful and efficient service as a police officer; and a police officer will be considered permanently disabled if, in the opinion of the board of trustees, such police officer is likely to remain so disabled continuously and permanently from a cause other than as specified in subsection (3).

(3) A police officer will not be entitled to receive any disability retirement income if the disability is a result of:

(a) Excessive and habitual use by the police officer of drugs, intoxicants or narcotics;

(b) Injury or disease sustained by the police officer while willfully and illegally participating in fights, riots, civil insurrections or while committing a crime;

(c) Injury or disease sustained by the police officer while serving in any armed forces;

(d) Injury or disease sustained by the police officer after employment has terminated;

(e) Injury or disease sustained by the police officer while working for anyone other than the city and arising out of such employment.

(4) No police officer shall be permitted to retire under the provisions of this section until examined by a duly qualified physician or surgeon, to be selected by the board of trustees for that purpose, and is found to be disabled in the degree and in the manner specified in this section. Any police officer retiring under this section may ~~shall~~ be examined periodically by a duly qualified physician or surgeon or board of physicians and surgeons to be selected by the board of trustees for that purpose, to determine if such disability has ceased to exist.

(5) The benefit payable to a police officer who retires from the service of the city with a total and permanent disability as a result of a disability ~~commencing prior to the police officer's normal retirement date~~ is the monthly income payable for 10 years certain and life for which, if the police officer's disability occurred in the line of duty, his or her monthly benefit shall be the accrued retirement benefit, but shall not be less than 42 percent of his or her average monthly compensation as of the police officer's disability retirement date. If after 10 years of service the disability is other than in the line of duty, the police officer's monthly benefit shall be the accrued normal retirement benefit, but shall not be less than 25 percent of his or her average monthly compensation as of the police officer's disability retirement date.

(6)(a) The monthly retirement income to which a police officer is entitled in the event of his or her disability retirement shall be payable on the first day of the first month after the board of trustees determines such entitlement. However, the monthly retirement income shall be payable as of the date the board determines such entitlement, and any portion due for a partial month shall be paid together with the first payment.

(b) The last payment will be,:

1. if the police officer recovers from the disability ~~prior to his or her normal retirement date~~, the payment due next preceding the date of such recovery; or,

2. if the police officer dies without recovering from his or her disability ~~or attains his or her normal retirement date while still disabled~~, the payment due next preceding death or the 120th monthly payment, whichever is later. In lieu of the benefit payment as provided in this subsection, a police officer may select an optional form as provided in s. 185.161.

(e) Any monthly retirement income payments due after the death of a disabled police officer shall be paid to the police officer's designated beneficiary (or beneficiaries) as provided in ss. 185.162 and 185.21.

(7) If the board of trustees finds that a police officer who is receiving a disability retirement income is, ~~at any time prior to the police officer's normal retirement date,~~ no longer disabled, as provided herein, the board of trustees shall direct that the disability retirement income be discontinued. Recovery from disability as used herein shall mean the ability of the police officer to render useful and efficient service as a police officer.

(8) If the police officer recovers from disability and reenters the service of the city as a police officer, his or her service will be deemed to have been continuous, but the period beginning with the first month for which the police officer received a disability retirement income payment and ending with the date he or she reentered the service of the city ~~may~~ will not be considered as credited service for the purposes of the plan.

Section 60. Section 185.185, Florida Statutes, is created to read:

185.185 False, misleading, or fraudulent statements made to obtain public retirement benefits prohibited; penalty.—

(1) It is unlawful for a person to willfully and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit available under a retirement plan receiving funding under this chapter.

(2)(a) A person who violates subsection (1) commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(b) In addition to any applicable criminal penalty, upon conviction for a violation described in subsection (1), a participant or beneficiary of a pension plan receiving funding under this chapter may, in the discretion of the board of trustees, be required to forfeit the right to receive any or all benefits to which the person would otherwise be entitled under this chapter. For purposes of this paragraph, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

Section 61. Section 185.19, Florida Statutes, is amended to read:

185.19 Separation from municipal service; refunds.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1) If ~~Should~~ any police officer ~~leaves~~ leave the service of the municipality before accumulating aggregate time of 10 years toward retirement and before being eligible to retire under the provisions of this chapter, such police officer shall be entitled to a refund of all of his or her contributions made to the municipal police officers' retirement trust fund without interest, less any benefits paid to him or her.

(2) ~~If Should any police officer who has been in the service of the municipality for at least 10 years elects and has contributed to the municipal police officers' retirement trust fund for at least 10 years ~~elect~~ to leave his or her accrued contributions, if contributions are required, in the municipal police officers' retirement trust fund, such police officer upon attaining age 50 years or more may retire at the actuarial equivalent of the amount of such retirement income otherwise payable to him or her, as provided in s. 185.16(4), or, upon attaining age 55 years, may retire as provided in s. 185.16(2).~~

Section 62. Section 185.191, Florida Statutes, is amended to read:

185.191 Lump-sum payment of small retirement income.—~~For any municipality, chapter plan, local law municipality, or local law plan under this chapter, notwithstanding any provision of the plan to the contrary, if the monthly retirement income payable to any person entitled to benefits hereunder is less than \$100 \$30 or if the single-sum value of the accrued retirement income is less than \$2,500 \$750 as of the date of retirement or termination of service, whichever is applicable, the board of trustees, in the exercise of its discretion, may specify that the actuarial equivalent of such retirement income be paid in a lump sum.~~

Section 63. Section 185.21, Florida Statutes, is amended to read:

185.21 Death prior to retirement; refunds of contributions or payment of death benefits.—~~For any municipality, chapter plan, local law municipality, or local law plan under this chapter:~~

(1) ~~If a Should any police officer dies die before being eligible to retire under the provisions of this chapter, the heirs, legatees, beneficiaries, or personal representatives ~~representative~~ of such deceased police officer shall be entitled to a refund of 100 percent, without interest, of the contributions made to the municipal police officers' retirement trust fund by such deceased police officer or, in the event an annuity or life insurance contract has been purchased by the board on such police officer, then to the death benefits available under such life insurance or annuity contract, subject to the limitations on such death benefits set forth in s. 185.061 whichever amount is greater.~~

(2) ~~If a any police officer having at least 10 years of credited service dies prior to retirement but has at least 10 years of contributing service, his or her beneficiary is entitled to the benefits otherwise payable to the police officer at early or normal retirement age.~~

In the event that ~~a~~ the death benefit paid by a life insurance company exceeds the limit set forth in s. 185.061(6), the excess of the death benefit over the limit shall be paid to the municipal police officers' retirement trust fund. However, ~~death~~ the benefits as provided pursuant to ~~in~~ s. 112.19 or any other state or federal law shall not be included in the calculation of ~~as~~ death or retirement benefits provided ~~under the provisions of~~ this chapter.

Section 64. Section 185.221, Florida Statutes, is amended to read:

185.221 Annual report to Division of Retirement; actuarial valuations reports.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, the board of trustees for every chapter plan and local law plan shall submit the following reports to the division:

(1) With respect to chapter plans:

~~(a)~~(4) Each year by February 1, the chair or secretary of each municipal police officers' retirement trust fund operating a chapter plan shall file a report with the division which contains:

~~1.~~(a) A statement of whether in fact the municipality is within the provisions of s. 185.03.

~~2.~~(b) An independent audit by a certified public accountant if the fund has ~~\$250,000~~ ~~\$100,000~~ or more in assets, or a certified statement of accounting if the fund has less than ~~\$250,000~~ ~~\$100,000~~ in assets, for the most recent plan fiscal year of the municipality, showing a detailed listing of assets and methods used to value them and a statement of all income and disbursements during the year. Such income and disbursements shall be reconciled with the assets at the beginning and end of the year.

~~3.~~(c) A statistical exhibit showing the total number of police officers on the force of the municipality, the number included in the retirement plan and the number ineligible classified according to the reasons for their being ineligible, and the number of disabled and retired police officers and their beneficiaries receiving pension payments and the amounts of annual retirement income or pension payments being received by them.

~~4.~~(d) A statement of the amount the municipality, or other income source, has contributed to the retirement plan for the most recent plan year ending with the preceding December 31 and the amount the municipality will contribute to the retirement plan for the current plan calendar year.

~~5.~~(e) If any benefits are insured with a commercial insurance company, the report shall include a statement of the relationship of the insured benefits to the benefits provided by this chapter. This report shall also contain information about the insurer, basis of premium rates and mortality table, interest rate and method used in valuing retirement benefits.

~~(b)~~(2) In addition to annual reports provided under paragraph (a), by February 1 of each triennial year, an actuarial valuation of the chapter plan must be made by the division at least once every 3 years, as provided in s. 112.63, commencing 3 years from the last actuarial valuation of the plan or system for existing plans, or commencing 3 years from the issuance of the initial actuarial impact statement submitted under s. 112.63 for newly created plans. To that end ~~By February 1 of each triennial year beginning with February 1, 1986, and at least every 3 years commencing from the last actuarial report of the plan or system or from February 1, 1987, if no actuarial report has been issued within the 3-year period prior to February 1, 1986,~~ the chair of the board of trustees for each municipal police officers' retirement trust fund operating under a chapter plan shall report to the division such data as that the division needs to complete an actuarial valuation of



each fund. The forms for each municipality shall be supplied by the division. The expense of the actuarial valuation shall be borne by the municipal police officers' retirement trust fund established by s. 185.10. The requirements of this section are supplemental to the actuarial valuations necessary to comply with ss. 11.45 and 218.32.

(2) With respect to local law plans:

(a) Each year, on or before March 15, the trustees of the retirement plan shall submit the following information to the division in order for the retirement plan of such municipality to receive a share of the state funds for the then-current calendar year:

1. A certified copy of each and every instrument constituting or evidencing the plan. This includes the formal plan, including all amendments, the trust agreement, copies of all insurance contracts, and formal announcement materials.

2. An independent audit by a certified public accountant if the fund has \$250,000 or more in assets, or a certified statement of accounting if the fund has less than \$250,000 in assets, for the most recent plan year, showing a detailed listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year.

3. A certified statement listing the investments of the plan and a description of the methods used in valuing the investments.

4. A statistical exhibit showing the total number of police officers, the number included in the plan, and the number ineligible classified according to the reasons for their being ineligible, and the number of disabled and retired police officers and their beneficiaries receiving pension payments and the amounts of annual retirement income or pension payments being received by them.

5. A certified statement describing the methods, factors, and actuarial assumptions used in determining the cost.

6. A certified statement by an enrolled actuary showing the results of the latest actuarial valuation of the plan and a copy of the detailed worksheets showing the computations used in arriving at the results.

7. A statement of the amount the municipality, or other income source, has contributed toward the plan for the most recent plan year and will contribute toward the plan for the current plan year.

When any of the items required hereunder is identical to the corresponding item submitted for a previous year, it is not necessary for the trustees to submit duplicate information if they make reference to the item in the previous year's report.

(b) In addition to annual reports provided under paragraph (a), an actuarial valuation of the retirement plan must be made at least once every 3

years, as provided in s. 112.63, commencing 3 years from the last actuarial valuation of the plan or system for existing plans, or commencing 3 years from issuance of the initial actuarial impact statement submitted under s. 112.63 for newly created plans. Such valuation shall be prepared by an enrolled actuary, subject to the following conditions:

1. The assets shall be valued as provided in s. 112.625(7).
2. The cost of the actuarial valuation must be paid by the individual police officer's retirement trust fund or by the sponsoring municipality.
3. A report of the valuation, including actuarial assumptions and type and basis of funding, shall be made to the division within 3 months after the date of the valuation. If any benefits are insured with a commercial insurance company, the report must include a statement of the relationship of the retirement plan benefits to the insured benefits, the name of the insurer, the basis of premium rates, and the mortality table, interest rate, and method used in valuing the retirement benefits.

Section 65. Subsection (1) of section 185.23, Florida Statutes, 1998 Supplement, is amended to read:

185.23 Duties of Division of Retirement; rulemaking; investment by State Board of Administration.—

(1) The division shall be responsible for the daily oversight and monitoring for actuarial soundness of the municipal police officers' retirement plans, whether chapter or local law plans, established under this chapter, for receiving and holding the premium tax moneys collected under this chapter, and, upon determining compliance with the provisions on this chapter, for disbursing those moneys to the municipal police officers' retirement plans. The funds to pay the expenses for such administration shall be annually appropriated from the interest and investment income earned on moneys deposited in the trust fund.

Section 66. Section 185.25, Florida Statutes, is amended to read:

185.25 Exemption from execution.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, the pensions, annuities, or any other benefits accrued or accruing to any person under any municipality, chapter plan, local law municipality, or local law plan under the provisions of this chapter and the accumulated contributions and the cash securities in the funds created under this chapter are hereby exempted from any state, county or municipal tax of the state and shall not be subject to execution or attachment or to any legal process whatsoever and shall be unassignable.

Section 67. Section 185.27, Florida Statutes, is repealed.

Section 68. Section 185.29, Florida Statutes, is repealed.

Section 69. Section 185.30, Florida Statutes, is amended to read:

185.30 Depository for retirement fund.—~~For any municipality, chapter plan, local law municipality, or local law plan under this chapter, all funds and securities of the municipal police officers' retirement trust fund of any municipality, chapter plan, local law municipality, or local law plan under this chapter~~ may be deposited by the board of trustees with the treasurer of the municipality acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he or she is liable for the safekeeping of funds for the municipality. However, any funds ~~and securities~~ so deposited with the treasurer of the municipality shall be kept in a separate fund by the municipal treasurer or clearly identified as such funds ~~and securities~~ of the municipal police officers' retirement trust fund. In lieu thereof, the board of trustees shall deposit the funds ~~and securities~~ of the municipal police officers' retirement trust fund in a qualified public depository as defined in s. 280.02, which depository with regard to such funds ~~and securities~~ shall conform to and be bound by all of the provisions of chapter 280.

Section 70. Section 185.31, Florida Statutes, is amended to read:

185.31 Municipalities and boards independent of other municipalities and boards and of each other.—In the enforcement and ~~in the~~ interpretation of the provisions of this chapter for any municipality, chapter plan, local law municipality, or local law plan under this chapter, each municipality shall be independent of any other municipality, and the board of trustees of the municipal police officers' retirement trust fund of each municipality shall function for the municipality which they are to serve as trustees. Each board of trustees shall be independent of each municipality for which it serves as board of trustees to the extent required to accomplish the intent, requirements, and responsibilities provided for in this chapter.

Section 71. Section 185.32, Florida Statutes, is repealed.

Section 72. Section 185.34, Florida Statutes, is amended to read:

185.34 Disability in line of duty.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, any condition or impairment of health of any and all police officers employed in the state caused by tuberculosis, hypertension, heart disease, or hardening of the arteries, resulting in total or partial disability or death, shall be presumed to be accidental and suffered in line of duty unless the contrary be shown by competent evidence. Any condition or impairment of health caused directly or proximately by exposure, which exposure occurred in the active performance of duty at some definite time or place without willful negligence on the part of the police officer, resulting in total or partial disability, shall be presumed to be accidental and suffered in the line of duty, provided that such police officer shall have successfully passed a physical examination upon entering such service, which physical examination including electrocardiogram failed to reveal any evidence of such condition, and, further, that such presumption shall not apply to benefits payable under or granted in a policy of life insurance or disability insurance. This section shall be applicable to all police officers ~~employed in this state~~ only with reference to pension and retirement benefits under this chapter.

Section 73. Section 185.341, Florida Statutes, is amended to read:

185.341 Discrimination in benefit formula prohibited; restrictions regarding designation of joint annuitants.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

~~(1) No plan established under the provisions of this chapter and participating in the distribution of premium tax moneys as provided in this chapter shall discriminate in its benefit formula based on color, national origin, sex, or marital status; however,~~

~~(2)(a) If a plan offers a joint annuitant option and the member selects such option, or if a the plan specifies that the member's spouse is to receive the benefits that which continue to be payable upon the death of the member, then, in both of these cases, after retirement the benefits have commenced, a retired member may change the designation of joint annuitant or beneficiary only twice.~~

~~(b) Any If said retired member who desires to change the joint annuitant or beneficiary, he or she shall file with the board of trustees of his or her plan a notarized notice of such change either by registered letter or on such a form as is provided by the administrator of the plan. Upon receipt of a completed change of joint annuitant form or such other notice, the board of trustees shall adjust the member's monthly benefit by the application of actuarial tables and calculations developed to ensure that the benefit paid is the actuarial equivalent of the present value of the member's current benefit. Nothing herein shall preclude a plan from actuarially adjusting benefits or offering options based upon sex, age, early retirement, or disability.~~

(3) Eligibility for coverage under the plan must be based upon length of service, or attained age, or both, and benefits must be determined by a nondiscriminatory formula based upon:

(a) Length of service and compensation; or

(b) Length of service.

Section 74. Section 185.35, Florida Statutes, is amended to read:

185.35 Municipalities having their own pension plans for police officers.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter,

~~(4) in order for municipalities with their own pension plans for police officers or for police officers, and firefighters where included, other employees to participate in the distribution of the tax fund established pursuant to s. in ss. 185-07, 185.08, local law plans and 185-09, their retirement funds must meet the minimum benefits and minimum standards set forth in this chapter each of the following standards:~~

(1) PREMIUM TAX INCOME.—If a municipality has a pension plan for police officers, or for police officers and firefighters where included, which, in the opinion of the division, meets the minimum benefits and minimum

standards set forth in this chapter, the board of trustees of the pension plan, as approved by a majority of police officers of the municipality, may:

(a) Place the income from the premium tax in s. 185.08 in such pension plan for the sole and exclusive use of its police officers, or its police officers and firefighters where included, where it shall become an integral part of that pension plan and shall be used to pay extra benefits to the police officers included in that pension plan; or

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

The premium tax provided by this chapter shall in all cases be used in its entirety to provide extra benefit to police officers, or to police officers and firefighters, where included. However, local law plans in effect on October 1, 1998, shall be required to comply with the minimum benefit provisions of this chapter only to the extent that additional premium tax revenues become available to incrementally fund the cost of such compliance as provided in s. 185.16(2). When a plan is in compliance with such minimum benefit provisions, as subsequent additional tax revenues become available, they shall be used to provide extra benefits. For the purpose of this chapter, "additional premium tax revenues" means revenues received by a municipality pursuant to s. 185.10 that exceed the amount received for calendar year 1997 and the term "extra benefits" means benefits in addition to or greater than those provided to general employees of the municipality. Local law plans created by special act before May 23, 1939, shall be deemed to comply with this chapter.

(2) ADOPTION OR REVISION OF A LOCAL LAW PLAN.—

~~(a) The plan must be for the purpose of providing retirement and disability income for police officers.~~

~~(b) The normal retirement age, if any, must not be higher than age 60.~~

~~(c) If the plan provides for a stated period of service as a requirement to receive a retirement income, that period must not be higher than 30 years.~~

~~(d) The benefit formula to determine the amount of monthly pension must be equal to at least 2 percent for each year of the police officer's credited service, multiplied by his or her average final compensation. However, if current state contributions pursuant to this chapter are not adequate to fund the additional benefits to meet the minimum requirements in this chapter, only increment increases shall be required as state moneys are adequate to provide. Such increments shall be provided as state moneys become available.~~

~~(e) If a ceiling on the monthly payment is stated in the plan, it should be no lower than \$100.~~

~~(f) Death or survivor benefits and disability benefits may be incorporated into the plan as the municipality wishes but in no event should the single-sum value of such benefits as of the date of termination of service because of death or disability exceed:~~

~~1.—One hundred times the estimated normal monthly retirement income, based on the assumption that the present rate of compensation continues without change to normal retirement date,~~

~~2.—Twice the annual rate of compensation as of the date of termination of service, or~~

~~3.—The single-sum value of the accrued deferred retirement income (beginning at normal retirement date) at date of termination of service,~~

~~whichever is greatest; however, nothing in this paragraph shall require any reduction in death or disability benefits provided by a retirement plan in effect on July 1, 1959.~~

~~(g) Eligibility for coverage under the plan must be based upon length of service, or attained age, or both, and benefits must be determined by a nondiscriminatory formula based upon:~~

~~1.—Length of service and compensation, or~~

~~2.—Length of service.~~

~~The retirement plan shall require participants to contribute toward the cost of the plan an amount which shall not be less than 1 percent of salary, and it must set forth the termination rights, if any, of an employee in the event of the separation or withdrawal of an employee before retirement.~~

~~(h) An actuarial valuation of the retirement plan must be made at least once in every 5 years commencing with December 31, 1963, and at least every 3 years commencing from the last actuarial report of the plan or system or from October 1, 1986, if no actuarial report has been issued within the 3 years prior to October 1, 1983. Such valuation shall be prepared by an enrolled actuary.~~

~~1.—The cost of the actuarial valuation must be paid by the individual retirement fund or by the municipality.~~

~~2.—A report of the valuation, including actuarial assumptions and type and basis of funding, shall be made to the division within 3 months after the date of valuation. If any benefits are insured with a commercial insurance company, the report shall include a statement of the relationship of the retirement plan benefits to the insured benefits and, in addition, the name of the insurer, basis of premium rates, and the mortality table, interest rate, and method used in valuing retirement benefits.~~

~~(i) Commencing on July 1, 1964, the municipality shall contribute to the plan annually an amount which together with the contributions from the police officers, the amount derived from the premium tax provided in s.~~

185.08, and other income sources will be sufficient to meet the normal cost of the plan and to fund the actuarial deficiency over a period not longer than 40 years.

(j) ~~No retirement plan or amendment to a retirement plan shall be proposed for adoption unless the proposed plan or amendment contains an actuarial estimate of the costs involved. No such proposed plan or proposed plan change shall be adopted without the approval of the municipality or, where permitted, the Legislature. Copies of the proposed plan or proposed plan change and the actuarial impact statement of the proposed plan or proposed plan change shall be furnished to the division prior to the last public hearing thereon. Such statement shall also indicate whether the proposed plan or proposed plan change is in compliance with s. 14, Art. X of the State Constitution and those provisions of part VII of chapter 112 which are not expressly provided in this chapter. Notwithstanding any other provision, only those local law plans created by Special Act of legislation prior to May 23, 1939, shall be deemed to meet the minimum benefits and minimum standards only in this chapter.~~

(k) ~~Each year on or before March 15, the trustees of the retirement plan must submit the following information to the division in order for the retirement plan of such municipality to receive a share of state funds for the then current calendar year; when any of these items would be identical with the corresponding item submitted for a previous year, it is not necessary for the trustees to submit duplicate information if they make reference to the item in such previous year's report:~~

1. ~~A certified copy of each and every instrument constituting or evidencing the plan.~~

2. ~~An independent audit by a certified public accountant if the fund has \$100,000 or more in assets, or a certified statement of accounting if the fund has less than \$100,000 in assets, for the most recent fiscal year of the municipality showing a detailed listing of assets and a statement of all income and disbursements during the year. Such income and disbursements must be reconciled with the assets at the beginning and end of the year.~~

3. ~~A certified statement listing the investments of the plan and a description of the methods used in valuing the investments.~~

4. ~~A statistical exhibit showing the total number of police officers, the number included in the plan, and the number ineligible classified according to the reasons for their being ineligible.~~

5. ~~A statement of the amount the municipality and other income sources have contributed toward the plan or will contribute toward the plan for the current calendar year.~~

(2) ~~If a municipality has a police officers' retirement plan which, in the opinion of the division, meets the standards set forth in subsection (1), the board of trustees of the pension plan, as approved by a majority of the police officers of the municipality affected, or the official pension committee, as approved by a majority of the police officers of the municipality affected, may~~

~~place the income from the premium tax in s. 185.08 in its existing pension fund for the sole and exclusive use of its police officers (or for firefighters and police officers where included), where it shall become an integral part of that fund, or may use the income to pay extra benefits to the police officers included in the fund.~~

(3) Notwithstanding any other provision, with respect to any supplemental plan municipality:

(a) Section 185.02(4)(a) shall not apply, and a local law plan and a supplemental plan may continue to use their definition of compensation or salary in existence on the effective date of this act.

(b) Section 185.05(1)(b) shall not apply, and a local law plan and a supplemental plan shall continue to be administered by a board or boards of trustees numbered, constituted, and selected as the board or boards were numbered, constituted, and selected on January 1, 1997.

(c) The election set forth in paragraph (1)(b) shall be deemed to have been made.

~~(4)(3) The retirement plan setting forth the benefits and the trust agreement, if any, covering the duties and responsibilities of the trustees and the regulations of the investment of funds must be in writing and copies made available to the participants and to the general public.~~

~~(4)(a) The membership of the board of trustees for pension plans operated pursuant to this section shall be as follows:~~

~~1. If a municipality has a pension plan for police officers only, the provisions of s. 185.05 shall apply.~~

~~2. If a municipality has a pension plan for police officers and firefighters, the provisions of s. 185.05 shall apply, except that two members of the board shall be police officers or firefighters who shall be elected by a majority of the police officers and firefighters who are members of the plan.~~

~~3. If a municipality has a pension plan for police officers and general employees, at least one member of the board shall be a police officer who shall be elected by a majority of the police officers who are members of the plan.~~

~~4. If a municipality has a pension plan for police officers, firefighters, and general employees, at least one member of the board shall be a police officer or firefighter who shall be elected by a majority of the police officers and firefighters who are members of the plan.~~

~~(b) Nothing in this section shall permit the reduction of the membership percentage of police officers, or police officers and firefighters where a joint or mixed fund exists, on any board of trustees operating a pension plan pursuant to this section on June 30, 1986.~~

~~(5) The provisions of this section and s. 185.05 may not be changed by a participating municipality operating a pension plan pursuant to this section.~~



Section 75. Section 185.36, Florida Statutes, is repealed.

Section 76. Section 185.37, Florida Statutes, is amended to read:

185.37 Termination of plan and distribution of fund.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, the plan may be terminated by the municipality. Upon termination of the plan by the municipality for any reason, or because of a transfer, merger, or consolidation of governmental units, services, or functions as provided in chapter 121, or upon written notice to the board of trustees by the municipality that contributions under the plan are being permanently discontinued, the rights of all employees to benefits accrued to the date of such termination or discontinuance and the amounts credited to the employees' accounts are nonforfeitable. The fund shall be apportioned and distributed in accordance with the following procedures:

(1) The board of trustees shall determine the date of distribution and the asset value to be distributed, after taking into account the expenses of such distribution.

(2) The board of trustees shall determine the method of distribution of the asset value, that is, whether distribution shall be by payment in cash, by the maintenance of another or substituted trust fund, by the purchase of insured annuities, or otherwise, for each police officer entitled to benefits under the plan, as specified in subsection (3).

(3) The board of trustees shall apportion the asset value as of the date of termination in the manner set forth in this subsection, on the basis that the amount required to provide any given retirement income shall mean the actuarially computed single-sum value of such retirement income, except that if the method of distribution determined under subsection (2) involves the purchase of an insured annuity, the amount required to provide the given retirement income shall mean the single premium payable for such annuity.

(a) Apportionment shall first be made in respect of each retired police officer receiving a retirement income hereunder on such date, each person receiving a retirement income on such date on account of a retired (but since deceased) police officer, and each police officer who has, by such date, become eligible for normal retirement but has not yet retired, in the amount required to provide such retirement income, provided that, if such asset value is less than the aggregate of such amounts, such amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such asset value.

(b) If there is any asset value remaining after the apportionment under paragraph (a), apportionment shall next be made in respect of each police officer in the service of the municipality on such date who has completed at least 10 years of credited service, ~~in who has contributed to the municipal police officers' retirement trust fund for at least 10 years,~~ and who is not entitled to an apportionment under paragraph (a), in the amount required to provide the actuarial equivalent of the accrued normal retirement income, based on the police officer's credited service and earnings to such date, and

each former participant then entitled to a benefit under the provisions of s. 185.19 who has not by such date reached his or her normal retirement date, in the amount required to provide the actuarial equivalent of the accrued normal retirement income to which he or she is entitled under s. 185.19, provided that, if such remaining asset value is less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(c) If there is an asset value after the apportionments under paragraphs (a) and (b), apportionment shall lastly be made in respect of each police officer in the service of the municipality on such date who is not entitled to an apportionment under paragraphs (a) and (b) in the amount equal to the police officer's total contributions to the plan to date of termination, provided that, if such remaining asset value is less than the aggregate of the amounts apportioned hereunder, such latter amounts shall be proportionately reduced so that the aggregate of such reduced amounts will be equal to such remaining asset value.

(d) In the event that there is asset value remaining after the full apportionment specified in paragraphs (a), (b), and (c), such excess shall be returned to the municipality, less return to the state of the state's contributions, provided that, if the excess is less than the total contributions made by the municipality and the state to date of termination of the plan, such excess shall be divided proportionately to the total contributions made by the municipality and the state.

(4) The board of trustees shall distribute, in accordance with the manner of distribution determined under subsection (2), the amounts apportioned under subsection (3).

If, after a period of 24 months after the date on which the plan terminated or the date on which the board received written notice that the contributions thereunder were being permanently discontinued, the municipality or the board of trustees of the municipal police officers' retirement trust fund affected has not complied with all the provisions in this section, the division shall effect the termination of the fund in accordance with this section.

Section 77. Section 185.38, Florida Statutes, is amended to read:

185.38 Transfer to another state retirement system; benefits payable.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(1) Any police officer who has a vested right to benefits under a pension plan created pursuant to the provisions of this chapter and who elects to participate in another state retirement system may not receive a benefit under the provisions of the latter retirement system for any year's service for which benefits are paid under the provisions of the pension plan created pursuant to this chapter.

(2) When every active participant in any pension plan created pursuant to this chapter elects to transfer to another state retirement system, the

pension plan created pursuant to this chapter shall be terminated and the assets distributed in accordance with s. 185.37. If some participants in a pension plan created pursuant to this chapter elect to transfer to another state retirement system and other participants elect to remain in the existing plan created pursuant to this chapter, the plan created pursuant to this chapter shall ~~continue to receive state premium tax moneys remain in effect~~ until fully funded. “Fully funded” means that the present value of all benefits, accrued and projected, is less than the available assets and the present value of future member contributions and future plan sponsor contributions on an actuarial entry age cost funding basis. The plan shall remain in effect until the last active participant has terminated and shall then be terminated in accordance with s. 185.37.

Section 78. Section 185.39, Florida Statutes, is amended to read:

(Substantial rewording of section. See s. 185.39, F.S., for present text.)

185.39 Applicability.—This act applies to all municipalities, chapter plans, local law municipalities, or local law plans presently existing or to be created pursuant to this chapter. Those plans presently existing pursuant to s. 185.35 and not in compliance with the provisions of this act must comply no later than December 31, 1999. However, the plan sponsor of any plan established by special act of the Legislature shall have until July 1, 2000, to comply with the provisions of this act, except as otherwise provided in this act with regard to establishment and election of board members. The provisions of this act shall be construed to establish minimum standards and minimum benefit levels, and nothing contained in this act or in chapter 185 shall operate to reduce presently existing rights or benefits of any police officer, directly, indirectly, or otherwise.

Section 79. Section 185.40, Florida Statutes, is repealed.

Section 80. Section 185.50, Florida Statutes, is amended to read:

185.50 Retiree health insurance subsidy.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, under the broad grant of home rule powers under the Florida Constitution and chapter 166, municipalities have the authority to establish and administer locally funded health insurance subsidy programs. Pursuant thereto:

(1) PURPOSE.—The purpose of this section is to allow municipalities the option to use premium tax moneys, as provided for under this chapter, to establish and administer health insurance subsidy programs which will provide a monthly subsidy payment to retired members of any municipal police officers' pension trust fund system or plan as provided under this chapter, or to beneficiaries who are spouses or financial dependents entitled to receive benefits under such a plan, in order to assist such retired members or beneficiaries in paying the costs of health insurance.

(2) MUNICIPAL RETIREE HEALTH INSURANCE SUBSIDY TRUST FUNDS; ESTABLISHMENT AND TERMINATION.—

(a) Any municipality having a municipal police officers' pension trust fund system or plan as provided under this chapter may, in its discretion, establish by ordinance a trust fund to be known as the municipal police officers' retiree health insurance subsidy trust fund. This fund may be a separate account established for such purpose in the existing municipal police officers' pension fund, provided that all funds deposited in such account are segregated from, and not commingled with, pension funds or other public moneys and that the account otherwise conforms to the requirements of subsection (8). The trust fund shall be used to account for all moneys received and disbursed pursuant to this section.

(b) Prior to the second reading of the ordinance before the municipal legislative body, an actuarial valuation must be performed by an enrolled actuary as defined in s. 185.02, and copies of the valuation and the proposed implementing ordinance shall be furnished to the division.

(c) The subsidy program may, at the discretion of the municipal governing body, be permanently discontinued by municipal ordinance at any time, subject to the requirements of any applicable collective bargaining agreement, in the same manner and subject to the same conditions established for plan termination and fund distribution under s. 185.37.

(3) FUNDING.—Trust funds established pursuant to this section shall be funded in the following manner:

(a) By payment to the fund of an amount equivalent to one-half of the net increase over the previous tax year in the premium tax funds provided for in this chapter, said amount to be established in the implementing ordinance.

(b) By no less than one-half of 1 percent of the base salary of each police officer, for so long as the police officer is employed and covered by a pension plan established pursuant to this chapter. The municipality, with approval of the board of trustees, may increase member contributions if needed to fund benefits greater than the minimums established in this section.

(c) By payment by the municipality, on at least a quarterly basis, of whatever sum is determined necessary to maintain the actuarial soundness of the fund in accordance with s. 112.64.

Such contributions and payments shall be submitted to the board of trustees of the police officers' pension trust fund, or the plan trustees in the case of local law plans established under s. 185.35, and deposited in the Municipal Police Officers' Retiree Health Insurance Subsidy Trust Fund, in the same manner and subject to the same time constraints as provided under s. 185.11.

(4) ELIGIBILITY FOR RETIREE HEALTH INSURANCE SUBSIDY.—A person who has contributed to the Retiree Health Insurance Subsidy Trust Fund and retires under a municipal police officers' pension trust fund system or plan as provided under this chapter, including any local law plan as provided under s. 185.35, or a beneficiary who is a spouse or financial

dependent entitled to receive benefits under such a plan, is eligible for health insurance subsidy payments provided under this section. However, the fund, with approval of the board of trustees and the municipality, may provide coverage to retirees and beneficiaries when the retirees have not contributed to the fund as provided in subsection (3). Payment of the retiree health insurance subsidy shall be made only after coverage for health insurance for the retiree or beneficiary has been certified in writing to the board of trustees of the municipal police officers' pension trust fund.

(5) RETIREE HEALTH INSURANCE SUBSIDY AMOUNT.—Beginning on the effective date established in the implementing ordinance, each eligible retiree, or beneficiary who is a spouse or financial dependent thereof, shall receive a monthly retiree health insurance subsidy payment equal to the aggregate number of years of service with the municipality, as defined in s. 185.02, completed at the time of retirement multiplied by an amount determined in the implementing ordinance, but no less than \$3 for each year of service. Nothing herein shall be construed to restrict the plan sponsor from establishing, in the implementing ordinance, a cap of no less than 30 years upon the number of years' service for which credit will be given toward a health insurance subsidy or a maximum monthly subsidy amount.

(6) PAYMENT OF RETIREE HEALTH INSURANCE SUBSIDY.—Beginning on the effective date established in the implementing ordinance, any monthly retiree health insurance subsidy amount due and payable under this section shall be paid to retired members, or their eligible beneficiaries, by the board of trustees of the police officers' pension trust fund, or the plan trustees in the case of local law plans established under s. 185.35, in the same manner as provided by s. 185.06(1)(c) for drafts upon the pension fund.

(7) INVESTMENT OF THE TRUST FUND.—The trustees of the police officers' pension trust fund, or the plan trustees in the case of local law plans established under s. 185.35, are hereby authorized to invest and reinvest the funds of the Municipal Police Officers' Retiree Health Insurance Subsidy Trust Fund in the same manner and subject to the same conditions as apply hereunder to the investment of municipal police officers' pension funds under s. 185.06.

(8) DEPOSIT OF PENSION FUNDS.—All funds ~~and securities~~ of the health insurance subsidy fund may be deposited by the board of trustees with the treasurer of the municipality, acting in a ministerial capacity only, who shall be liable in the same manner and to the same extent as he or she is liable for the safekeeping of funds for the municipality. Any funds so deposited shall be segregated by said treasurer in a separate fund, clearly identified as funds ~~and securities~~ of the health insurance subsidy fund. In lieu thereof, the board of trustees shall deposit the funds ~~and securities~~ of the health insurance subsidy fund in a qualified public depository as defined in s. 280.02, which shall conform to and be bound by the provisions of chapter 280 with regard to such funds. In no case shall the funds of the health insurance subsidy fund be deposited in any financial institution, brokerage house trust company, or other entity that is not a public depository as provided by s. 280.02.

(9) SEPARATION FROM SERVICE; REFUNDS.—Any police officer who terminates employment with a municipality having a Municipal Retiree Health Insurance Subsidy Trust Fund system or plan as provided under this section shall be entitled to a refund of all employee contributions he or she made to that trust fund, without interest, regardless of whether he or she has vested for purposes of retirement. Any police officer who has vested for purposes of retirement in the service of the municipality, and has contributed to the Municipal Police Officers' Retiree Health Insurance Subsidy Trust Fund for so long as he or she was eligible to make such contributions, may, in his or her discretion, elect to leave his or her accrued contributions in the fund, whereupon, such police officer shall, upon retiring and commencing to draw retirement benefits, receive a health insurance subsidy based upon his or her aggregate number of years of service with the municipality, as defined in s. 185.02.

(10) ADMINISTRATION OF SYSTEM; ACTUARIAL VALUATIONS; AUDITS; RULES; ADMINISTRATIVE COSTS.—The board of trustees of the police officers' pension trust fund, or the plan trustees in the case of local law plans established under s. 185.35, shall be solely responsible for administering the health insurance subsidy trust fund. Pursuant thereto:

(a) As part of its administrative duties, no less frequently than every 3 years, the board shall have an actuarial valuation of the municipal police officers' retiree health insurance subsidy trust fund prepared as provided in s. 112.63 by an enrolled actuary, covering the same reporting period or plan year used for the municipal police officers' pension plan, and shall submit a report of the valuation, including actuarial assumptions and type and basis of funding, to the division.

(b) By February 1 of each year, the trustees shall file a report with the division, containing an independent audit by a certified public accountant if the fund has \$250,000 ~~\$100,000~~ or more in assets, or a certified statement of accounting if the fund has less than \$250,000 ~~\$100,000~~ in assets, for the most recent plan fiscal ~~year of the municipality~~, showing a detailed listing of assets and methods used to value them and a statement of all income and disbursements during the year. Such income and disbursements shall be reconciled with the assets at the beginning of and end of the year.

(c) The trustees may adopt such rules and regulations as are necessary for the effective and efficient administration of this section.

(d) At the discretion of the plan sponsor, the cost of administration may be appropriated from the trust fund or paid directly by the plan sponsor.

(11) BENEFITS.—Subsidy payments shall be payable under the municipal police officers' retiree health insurance subsidy program only to participants in the program or their beneficiaries. Such subsidy payments shall not be subject to assignment, execution, or attachment or to any legal process whatsoever, and shall be in addition to any other benefits to which eligible recipients are entitled under any workers' compensation law, pension law, collective bargaining agreement, municipal or county ordinance, or any other state or federal statute.

(12) DISTRIBUTION OF PREMIUM TAXES; COMPLIANCE REQUIRED.—Premium tax dollars for which spending authority is granted under this section shall be distributed from the Police and Firefighters' Premium Tax Trust Fund and remitted annually to municipalities in the same manner as provided under this chapter for police officers' pension funds. Once a health insurance subsidy plan has been implemented by a municipality under this section, in order for the municipality to participate in the distribution of premium tax dollars authorized under this section, all provisions of this section, including state acceptance pursuant to part VII of chapter 112, shall be complied with, and said premium tax dollars may be withheld for noncompliance.

Section 81. Section 175.411, Florida Statutes, is created to read:

175.411 Optional participation.—A municipality or special fire control district may revoke its participation under this chapter by rescinding the legislative act, ordinance or resolution which assesses and imposes the taxes authorized in s. 175.101, and by furnishing a certified copy of such legislative act, ordinance, or resolution to the division. Thereafter, the municipality or special fire control district shall be prohibited from participating under this chapter, and shall not be eligible for future premium tax moneys. Premium tax moneys previously received shall continue to be used for the sole and exclusive benefit of firefighters, or firefighters and police officers where included, and no amendment, legislative act, ordinance, or resolution shall be adopted which shall have the effect of reducing the then vested accrued benefits of the firefighters, retirees, or their beneficiaries. The municipality or special fire control district shall continue to furnish an annual report to the division as provided in s. 175.261. If the municipality or special fire control district subsequently terminates the defined benefit plan, they shall do so in compliance with the provisions of s. 175.361.

Section 82. Section 185.60, Florida Statutes, is created to read:

185.60 Optional participation.—A municipality may revoke its participation under this chapter by rescinding the legislative act, or ordinance which assesses and imposes taxes authorized in s. 185.08, and by furnishing a certified copy of such legislative act, or ordinance to the division. Thereafter, the municipality shall be prohibited from participating under this chapter, and shall not be eligible for future premium tax moneys. Premium tax moneys previously received shall continue to be used for the sole and exclusive benefit of police officers, or police officers and firefighters where included, and no amendment, legislative act, or ordinance shall be adopted which shall have the effect of reducing the then vested accrued benefits of the police officers, retirees, or their beneficiaries. The municipality shall continue to furnish an annual report to the division as provided in s. 185.221. If the municipality subsequently terminates the defined benefit plan they shall do so in compliance with the provisions of s. 185.37.

Section 83. This act shall take effect upon becoming a law.

Approved by the Governor March 12, 1999.

Filed in Office Secretary of State March 12, 1999.