

House Bill No. 873

An act relating to the City of West Palm Beach, Palm Beach County; amending section 16 of chapter 24981, Laws of Florida, as amended, relating to the West Palm Beach Police Pension Fund; revising the provision for age and service requirements for retirement; revising the provisions for early retirement; revising the provisions of the share accounts related to death of a member; revising the provisions of the deferred retirement option plan; revising the death benefit provisions; providing an effective date.

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

Section 1. Paragraphs (a) and (c) of subsection (8) of section 16 of chapter 24981, Laws of Florida, 1947, as amended by chapters 93-373 and 2000-410, Laws of Florida, are amended to read:

Section 16. West Palm Beach Police Pension Fund.—

(8) Age and service requirements for retirement.—

(a) Normal retirement.—Upon written application filed with the board, any member may retire and receive the applicable pension provided for in paragraph (9)(a), provided that the member has attained ~~at least age 50 and has at least 20 years of credited service,~~ has attained age 55 and has at least 10 years of credited service, or has at least 25 years of continuous credited service, regardless of age.

(c) Early retirement.—Any member may retire from the service of the department as of the first day of any calendar month which is prior to the member's normal retirement date but subsequent to the date as of which he or she has both attained the age of 50 and completed 10 years of credited service. In the event of early retirement, the monthly amount of retirement income payable shall be computed as described in paragraph (9)(a), taking into account his or her credited service to his or her date of actual retirement and his or her final average salary as of such date. The amount of retirement income shall be actuarially reduced to take into account the member's younger age and earlier commencement of retirement income benefits. ~~In no event shall~~ The early retirement reduction shall be ~~exceed~~ 3 percent for each year by which the member's age at retirement preceded the member's normal retirement age.

Section 2. Paragraph (g) of subsection (11) of section 16 of chapter 24981, Laws of Florida, 1947, as amended by chapter 93-373, Laws of Florida, is amended to read:

Section 16. West Palm Beach Police Pension Fund.—

(11) Chapter 185 share accounts.—

(g) Death of member.—If a member dies and is eligible for benefits from the individual member account, the entire balance of the individual member

account shall be converted to the name of the beneficiary designated in accordance with paragraph (9)(e). The entire balance shall be paid out in a lump sum to the beneficiary, at the discretion of the beneficiary. If the designated beneficiary is the surviving spouse, the account may remain with the Fund until the latest period specified under subsection (30). These individual accounts shall not be eligible for any further shares of the chapter 185 moneys but shall be credited with interest beneficiaries designated in accordance with paragraph (9)(e). If a member fails to designate a beneficiary, or if the beneficiary predeceases the member, the entire balance shall be converted paid in a lump sum, in the following order, to the name or names of:

1. The member's surviving children on a pro rata basis; or
2. If no children are alive, to the member's spouse; or
3. If no spouse is alive, to the member's surviving parents on a pro rata basis; or
4. If none are alive, to the estate of the member participant.

The accounts which are converted to the names of the beneficiaries shall have the right to name a successor beneficiary. Any designated beneficiary, other than the surviving spouse of the member, must take a distribution of the entire share account balance by the end of 5 years following the death of the member. Installment distributions which begin in the calendar year of the member's death shall be treated as complying with this 5-year distribution requirement, even though the installments are not completed within 5 years after the member's death.

Section 3. Paragraphs (a)1. and (b)2. of subsection (13) of section 16 of chapter 24981, Laws of Florida, 1947, as amended by chapters 93-373, 99-483, and 2000-410, Laws of Florida, are amended to read:

Section 16. West Palm Beach Police Pension Fund.—

(13) Deferred Retirement Option Plan (DROP).—

(a) Eligibility to participate in the DROP.—

1. Any member who is eligible to receive a an early or normal retirement pension and who has either attained age 50, regardless of credited service, or completed between 25 and 30 years of credited service, may participate in the DROP. Members shall elect to participate by applying to the Board of Trustees on a form provided for that purpose.

(b) Amounts payable upon election to participate in DROP.—

2. Payments to the DROP earn interest using the rate of investment return earned on Pension Fund assets as reported by the Fund's investment monitor during the 12-month period ending each September 30th. The rate determined shall be the rate reported to the Division of Retirement pursuant to part VII of chapter 112, Florida Statutes. However, if a police officer does

not terminate employment at the end of participation in the DROP, interest credits shall cease on the current balance and on all future DROP deposits.

Section 4. Paragraphs (a)1. and (c)1. of subsection (17) of section 16 of chapter 24981, Laws of Florida, 1947, as amended by chapter 93-373, Laws of Florida, are amended to read:

Section 16. West Palm Beach Police Pension Fund.—

(17) Death benefits.—

(a) Nonduty death while employed by the department; 5 years or more.— In the event a member who has 5 or more years of credited service dies, and the board finds his or her death to have occurred as the result of causes arising outside the performance of his or her duties as a member, the following applicable pensions shall be paid:

1. A pension equal to two-thirds of the pension to which he or she would have been entitled under subsection (9) if he or she had retired the day preceding the date of his or her death, notwithstanding that he or she might not have satisfied a retirement age and service requirement stipulated in subsection (8), provided that the “widow’s pension” shall not be less than one-seventh of the member’s final average salary. Upon the surviving spouse’s ~~remarriage or~~ death, the pension shall terminate. Any pension payable under this paragraph shall be subject to the provisions of subsection (18).

(c) Death after retirement.—Upon the death of a retirant, the following applicable pensions shall be paid, subject to the provisions of subsection (18):

1. The surviving spouse of the retirant shall receive a pension of two-thirds of the retirant’s pension, provided that the retirant was receiving a pension under paragraph (9)(a). Upon the surviving spouse’s ~~remarriage or~~ death, the pension shall terminate.

Section 5. All special laws and parts of special laws, ordinances, or regulations insofar as they are in conflict or inconsistent with the provisions of this act are repealed.

Section 6. This act shall take effect upon becoming a law.

Approved by the Governor June 5, 2001.

Filed in Office Secretary of State June 5, 2001.