

House Bill No. 973

An act relating to the City of West Palm Beach, Palm Beach County; amending and readopting section 16 of chapter 24981, Laws of Florida, 1947, as amended, relating to the West Palm Beach Police Pension Fund; providing for the creation of the fund; providing definitions; providing for a board of trustees; providing for professional and clerical services; providing for reports, experience tables, and regular interest; providing for membership; providing for service credit; providing for age and service requirements for retirement; providing for retirement pension calculation; providing for cost-of-living adjustments; providing for Chapter 185 share accounts; providing for supplemental pension distribution; providing for Deferred Retirement Option Plan; providing for nonduty disability pension; providing for duty disability pension; providing for conditions applicable to all disability retirants; providing for death benefits; providing for workers' compensation offsets; providing for members' contributions and refunds; providing for sources of revenue; providing for investments; providing for continuation of existing benefits; prohibiting assignments; providing for subrogation rights; providing applicability of ordinances; providing review procedures; providing for lump sum payment of small retirement income; providing for pickup of member contributions; providing for Internal Revenue Code limits; providing for required distributions; providing for rollovers from qualified plans; providing for transfer of leave; providing for rollover distributions; providing miscellaneous requirements; providing for actuarial assumptions; repealing all laws in conflict herewith; providing an effective date.

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

Section 1. Section 16 of chapter 24981, Laws of Florida, 1947, as amended, is amended and readopted to read:

(Substantial rewording of section. See chapter 93-373, Laws of Florida, as amended by chapters 96-526, 97-336, 99-483, 2000-410, and 2001-312, Laws of Florida, for present text.)

Section 16. West Palm Beach Police Pension Fund.—

(1) Creation of fund.—There is hereby created and established a special fund for the police officers of the City of West Palm Beach to be known as the West Palm Beach Police Pension Fund. All assets of every description held in the name of the West Palm Beach Police Pension and Relief Fund and in the name of the West Palm Beach Pension Fund have been and continue to be combined.

(2) Definitions.—The following words or phrases, as used in this act, shall have the following meanings, unless a different meaning is clearly indicated by the context:

(a) “Actuarial equivalent value,” “actuarial equivalence,” or “single sum value” means the stated determination using an interest rate of 8.25 percent per year and the 1983 Group Annuity Mortality Table.

(b) “Beneficiary” means any person, except a retirant, who is entitled to receive a benefit from the West Palm Beach Police Pension Fund or the West Palm Beach Police Pension and Relief Fund, as applicable.

(c) “Board of Trustees” or “Board” means the Board of Trustees provided for in this act.

(d) “City” means the City of West Palm Beach, Florida.

(e) “Department” means the Police Department in the City of West Palm Beach.

(f) “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.

(g) “Final average salary” means the average of the monthly salary paid a member in the 3 best years of employment.

(h) “Fund” or “Pension Fund” means the West Palm Beach Police Pension Fund or the West Palm Beach Pension and Relief Fund, as applicable.

(i) “Member” or “participant” means any person who is included in the membership of the Fund in accordance with subsection (6).

(j) “Pension” means a monthly amount payable from the Fund throughout the future life of a person, or for a limited period of time, as provided in this act.

(k) “Police officer” means any person who is elected, appointed, or employed full time by the City, who is certified or required to be certified as a law enforcement officer in compliance with section 943.14, Florida Statutes, 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 subsections (6) and (8) of section 943.10, Florida Statutes.

(l) “Qualified health professional” means a person duly and regularly engaged in the practice of his or her profession who holds a professional degree from a university or college and has special professional training or skill regarding the physical or mental condition, disability, or lack thereof, upon which he or she is to present evidence to the Board.

(m) “Qualified public depository” means any bank or savings association organized and existing under the laws of Florida and any bank or savings association organized under the laws of the United States that has its principal place of business, or a branch office, in Florida which is authorized under the laws of Florida or the United States to receive deposits in Florida; that meets all of the requirements of chapter 280, Florida Statutes; and that has been designated by the Treasurer of the State of Florida as a qualified public depository.

(n) “Retirant” means any member who retires with a pension from the Fund.

(o) “Retirement” means a member’s withdrawal from City employment with a pension payable from the Fund.

(p) “Salary” means the fixed monthly compensation paid to a member; compensation shall include those items as have been included as compensation in accordance with past practice. However, the term shall not be construed to include lump sum payments for accumulated leave. On and after January 1, 1997, compensation shall mean payment for regular hours worked, overtime payments for services performed for the City, hazardous duty pay, holiday pay, educational supplements, longevity pay, specialized assignment pay, and any payments for approved leave, excluding lump sum payments for accumulated leave such as accrued vacation leave, accrued sick leave, and accrued personal leave. This definition of compensation shall not include off-duty employment performed for vendors other than the City of West Palm Beach per Article 37, Salary Plan Section 7 of the Officers’ and Sergeants’ Contract and Article 36, Salary Plan Section 5 of the Lieutenants’ Contract.

(q) “Service” or “service credit” means the total number of years, and fractional parts of years, of employment of any police officer, omitting intervening years, and fractional parts of years, when such police officer was not employed by the City. No member shall receive credit for years, or fractional parts of years, of service for which the member has withdrawn his or her contributions to the Fund. It is further provided that a member may voluntarily leave his or her contributions in the Fund for a period of 5 years after leaving the employ of the Department, pending the possibility of being rehired by the Department, without losing credit for the time he or she has participated actively as a police officer. Should he or she not be reemployed as a police officer with the Department within 5 years, his or her contributions shall be returned without interest. In determining the aggregate number of years of service of any member, the time spent in the military service of the United States or United States Merchant Marine by the police officer on leave of absence for such reason shall be added to the years of service. However, to receive credit for such service, the member must have reentered the employ of the Department within 1 year after date of release from such service.

(r) The masculine gender includes the feminine and words in the singular with respect to persons shall include the plural and vice versa.

(3) Board of Trustees of Police Pension Fund.—

(a) Board of Trustees created.—There is hereby created a Board of Trustees, which shall be solely responsible for administering the West Palm Beach Police Pension Fund. The Board shall be a legal entity, with the power to bring and defend lawsuits of every kind, nature, and description and shall be independent of the City to the extent required to accomplish the intent, requirements, and responsibilities provided for in this act. The Board shall consist of five trustees, as follows:

1. Two legal residents of the City, who shall be appointed by the City. Each resident trustee shall serve as a trustee for a period of 2 years, unless sooner replaced by the City, at whose pleasure he or she shall serve, and may succeed himself or herself as a trustee.

2. Two police officers, who shall be elected by a majority of the police officers who are members of the Fund. Elections shall be held under such reasonable rules and regulations as the Board shall from time to time adopt. Each member-trustee shall serve as trustee for a period of 2 years, unless he or she sooner ceases to be a police officer in the employ of the Department, whereupon the members shall choose his or her successor in the same manner as the original appointment. Each member-trustee of the Fund may succeed himself or herself as a trustee.

3. A fifth trustee, who shall be chosen by a majority of the other four trustees. This fifth person's name shall be submitted to the City, which shall, as a ministerial duty, appoint such person to the Board as a fifth trustee. The fifth person shall serve as trustee for a period of 2 years, and may succeed himself or herself as a trustee.

(b) Board vacancy; how filled.—In the event a trustee provided for in subparagraph (a)2. ceases to be a police officer in the employ of the Department, he or she shall be considered to have resigned from the Board. In the event a trustee provided for in subparagraph (a)2. shall resign, be removed, or become ineligible to serve as a trustee, the Board shall, by resolution, declare the office of trustee vacated as of the date of adoption of said resolution. If such a vacancy occurs in the office of trustee within 90 days of the next succeeding election for trustee, the vacancy shall be filled at the regular election for the next term; otherwise, the vacancy shall be filled for the unexpired portion of the term, as provided in subparagraph (a)2. In the event a trustee provided for in subparagraph (a)1. or subparagraph (a)3. shall resign, be removed, or become ineligible to serve as a trustee, the Board shall, by resolution, declare the office of trustee vacated as of the date of adoption of said resolution. The trustee's successor for the unexpired portion of said trustee's term shall be chosen in the same manner as an original appointment.

(c) Board meetings; quorum; procedures.—The Board shall hold meetings regularly, at least one in each quarter year, and shall designate the time and place thereof. At any meeting of the Board, three trustees shall constitute a quorum. Each trustee shall be entitled to one vote on each question before the Board and at least three concurring votes shall be required for a decision by the Board at any of its meetings. The Board shall

adopt its own rules of procedure and shall keep a record of its proceedings. All public records of the Board shall be kept and maintained as required by law. All meetings of the Board shall be open to the public and shall be held as required by law.

(d) Board chair.—The Board shall elect from among the trustees a chair.

(e) Board secretary.—The Board shall elect from among the trustees a secretary. The secretary shall keep a complete minute book of the actions, proceedings, and hearings of the Board.

(f) Compensation.—The trustees of the Fund shall not receive any compensation for their services as such, but may receive expenses and per diem as provided by law.

(4) Professional and clerical services.—

(a) Pension administrator.—The pension administrator of the Fund shall be designated by the Board and shall carry out its orders and directions.

(b) Custodian of funds.—All moneys and securities of the Fund may be deposited with the cash management coordinator of the City, acting in a ministerial capacity only, who shall be bonded and 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 City. However, any funds and securities deposited with the cash management coordinator shall be kept in a separate fund by the cash management coordinator or clearly identified as funds and securities of the Fund. In lieu thereof, the Board shall deposit the Funds and securities in a qualified public depository designated by the Board.

1. The cash management coordinator or other designated qualified public depository shall receive all moneys due said Fund from all sources whatsoever. All tax revenue received pursuant to the provisions of chapter 185, Florida Statutes, shall be deposited into the Fund no more than 5 days after receipt. Member contributions withheld by the City on behalf of a member shall be deposited in the Fund immediately.

2. The Board may issue drafts upon the Fund pursuant to this act and rules and regulations prescribed by the Board, provided that such drafts shall be issued in accordance with generally accepted accounting procedures, American Institute of Certified Public Accountants guidelines, and rules of the State of Florida Auditor General. All such drafts shall be consecutively numbered and signed by the chair and secretary, and each draft shall, upon its face, state the purpose for which it is drawn. For this purpose, the chair and secretary shall be bonded. The cash management coordinator or other depository shall retain such drafts when paid, as permanent vouchers for disbursements made, and no money shall be otherwise drawn from the Fund. Payments from the Fund shall be made only upon a specific or general motion or resolution previously adopted by the Board authorizing such payment or payments.

(c) Legal counsel.—The City Attorney shall give advice to the Board in all matters pertaining to its duties in the administration of the Fund whenever requested, shall represent and defend the Board as its attorney in all

suits and actions at law or in equity that may be brought against it, and shall bring all suits and actions in its behalf that may be required or determined upon by said Board. However, if the Board so elects, it may employ independent legal counsel at the Fund's expense for the purposes set forth in this act.

(d) Actuary.—The Board shall designate an enrolled actuary who shall be its technical advisor and who shall perform such other actuarial services as are required.

(e) Certified public accountant.—The Board shall employ, at its expense, a certified public accountant to conduct an independent audit of the Fund. The certified public accountant shall be independent of the Board and the City.

(f) Additional professional, technical, or other services.—The Board shall have the authority to employ such professional, technical, or other advisors as are required to carry out the provisions of this act.

(5) Reports; experience tables; regular interest.—

(a) Reports.—The pension administrator shall keep, or cause to be kept, such data as shall be necessary for an actuarial valuation of the assets and liabilities of the Fund.

(b) Experience tables; regular interest; adoption of same.—The Board shall, from time to time, adopt such mortality and other tables of experience, and a rate or rates of interest, as required to operate the Fund on an actuarial basis.

(6) Membership.—All police officers in the employ of the Department shall be included in the membership of the Fund, and all persons who hereafter become police officers in the employ of the City shall thereupon become members of the Fund. Except as otherwise provided in this act, should any member cease to be a police officer in the employ of the Department, he or she shall thereupon cease to be a member and his or her credited service at that time shall be forfeited. In the event such person is reemployed in the Department as a police officer, he or she shall again become a member. Should said employment occur within a period of 6 years from and after the date the member last left the employ of the Department, his or her forfeited service shall be restored to the member's credit, provided that he or she returns to the Fund the amount he or she might have withdrawn, together with regular interest from the date of withdrawal to the date of repayment. Upon the member's retirement or death, he or she shall thereupon cease to be a member.

(7) Service credit.—Pursuant to appropriate rules and regulations, the Board shall determine and credit the amount of service to which each member shall be credited, consistent with the provisions of this act and chapter 185, Florida Statutes.

(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 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.

(b) Vested deferred retirement.—A member who leaves the employ of the Department with 10 or more years of credited service and who is not eligible for any other retirement benefit under this act shall be entitled to the pension provided for in this subsection. Payments of this pension shall begin the first day of the calendar month following the month in which his or her application is filed with and accepted by the Board on or after attainment of age 50 years. If applicable, the amount of the pension shall be determined in accordance with the early retirement provisions below.

(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. The early retirement reduction shall be 3 percent for each year by which the member's age at retirement preceded the member's normal retirement age.

(9) Retirement pension calculation.—

(a) Upon retirement eligibility as provided in subsection (8), a member shall receive a monthly pension. The pension shall be the following, as applicable:

1. A member who has more than or equal to 12 years and 6 months of service at October 1, 1999, and who was actively employed by the Department on or after October 1, 1999, shall receive a benefit equal to the greater of the following:

a. Three percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned from April 1, 1987, plus 2.5 percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned prior to April 1, 1987, up to a total of 26 years, plus 1 percent of the final average salary multiplied by the number of years, and fraction of a year, of credited service which is in excess of 26 years;

b. Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of credited service, not to exceed 26 years, plus 1 percent of the final average salary multiplied by the number of years, and fraction of a year, of credited service which is in excess of 26 years; or

c. The sum of the following:

(I) Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned through September 30, 1988; and

(II) Two percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned on and after October 1, 1988.

However, in no event shall the benefit be less than 2 percent per year of credited service.

2. A member who has more than 12 years and 6 months of service and who has entered the DROP on or before October 1, 1999, and who was actively employed by the Department on October 1, 1999, shall receive a benefit equal to the greater of the following:

a. Three percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned in the 12 years and 6 months prior to entering the DROP, plus 2.5 percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned prior to that date which is 12 years and 6 months prior to entering the DROP, up to a total of 26 years, plus 1 percent of the final average salary multiplied by the number of years, and fraction of a year, of credited service which is in excess of 26 years. The one-half percent enhancement to the accrual rate shall also be applied retroactively to the date of entering the DROP, or 2 years, whichever is less, provided that the retroactive application shall include principal only and not any earnings thereon. An example of the calculation described in this sub-subparagraph is set forth in the collective bargaining agreement between the City of West Palm Beach and the Police Benevolent Association, Certified Unit No. 825, October 1, 1998-September 30, 2001;

b. Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of credited service, not to exceed 26 years, plus 1 percent of the final average salary multiplied by the number of years, and fraction of a year, of credited service which is in excess of 26 years; or

c. The sum of the following:

(I) Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned through September 30, 1988; and

(II) Two percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned on and after October 1, 1988.

However, in no event shall the benefit be less than 2 percent per year of credited service.

3. A member who has less than 12 years and 6 months of service on October 1, 1999, and who was actively employed by the Department on or after October 1, 1999, shall receive a benefit equal to the greater of the following:

a. Three percent of final average salary multiplied by the number of years, and fraction of a year, of credited service up to a total of 26 years, plus 1 percent of the final average salary multiplied by the number of years, and fraction of a year, of credited service which is in excess of 26 years;

b. Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of credited service, not to exceed 26 years, plus 1 percent of the final average salary multiplied by the number of years, and fraction of a year, of credited service which is in excess of 26 years; or

c. The sum of the following:

(I) Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned through September 30, 1988; and

(II) Two percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned on and after October 1, 1988.

However, in no event shall the benefit be less than 2 percent per year of credited service.

4. A member who terminated employment, retired on a vested deferred benefit, or retired on or before October 1, 1999, shall receive a benefit equal to the greater of the following:

a. Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of credited service not to exceed 26 years, plus 1 percent of the final average salary multiplied by the number of years, and fraction of a year, of credited service which is in excess of 26 years; or

b. The sum of the following:

(I) Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned through September 30, 1988; and

(II) Two percent of final average salary multiplied by the number of years, and fraction of a year, of credited service earned on and after October 1, 1988.

The 3-percent benefit accrual factor for active employees in subparagraphs (a)1., 2., 3., and 4. is contingent on and subject to the adoption and maintenance of the assumptions set forth in subsection (34). If such assumptions are modified by legislative, judicial, or administrative agency action and the

modification results in increased City contributions to the Pension Fund, the 3-percent benefit accrual factor for active employees in subparagraphs (a)1., 2., and 3. shall be automatically decreased prospectively from the date of the action, to completely offset the increase in City contributions. However, in no event shall the benefit accrual factor in subparagraphs (a)1., 2., 3., and 4. be adjusted below 2.5 percent.

To the extent that the benefit accrual factor is less than 3 percent for active members with less than 12 years and 6 months of service on October 1, 1999, the supplemental pension distribution calculation under subparagraph (12)(a)2. shall be adjusted for employees who retire or enter the DROP after October 1, 1999. The adjustment shall be to decrease the minimum return of 8.25 percent needed to afford the supplemental pension distribution, where the amount of the reduction is zero if an employee has been credited with 12 years and 6 months of service or more with the 3-percent benefit accrual factor or 1.25 percent if an employee has been credited with no more than a 2.5-percent benefit accrual factor. If an employee has been credited with less than 12 years and 6 months of service at the 3-percent benefit accrual factor, then the accumulated amount over 2.5 percent for each year of service divided by one-half percent divided by 12.5 subtracted from 1 multiplied by 1.25 percent is the reduction from 8.25 percent. An example of the calculation of the minimum return for the supplemental pension distribution as herein described is set forth in the collective bargaining agreement between the City of West Palm Beach and the Police Benevolent Association, Certified Unit No. 145 and Certified Unit No. 825, October 1, 1998-September 30, 2001.

(b) Payment of benefits.—

1. First payment.—Service pensions shall be payable on the first day of each month. The first payment shall be payable the first day of the month coincident with or next following the date of retirement or death, provided the member has completed the applicable age and service requirements.

2. Last payment.—The last payment shall be the payment due next preceding the member's death, except that payments shall be continued to the designated beneficiary (or beneficiaries) if a 10-year certain benefit, a joint and survivor option, or beneficiary benefits, as applicable, are payable.

(c) Normal form of retirement income; 10-year certain benefit.—

1. Married member.—The normal form of retirement benefit for a married member or for a member with dependent children or parents shall be a pension and death benefits. The pension benefit shall provide monthly payments for the life of the member. Thereafter, death benefits shall be paid to the beneficiary designated by the member as provided in subsection (17).

2. Unmarried member.—The normal form of retirement benefit for an unmarried member without dependent children or parents shall be a 10-year certain benefit. This benefit shall pay monthly benefits for the member's lifetime. In the event the member dies after his or her retirement but before receiving retirement benefits for a period of 10 years, the same

monthly benefit shall be paid to the beneficiary (or beneficiaries) as designated by the member for the balance of such 10-year period or, if no beneficiary is designated, to heirs at law, or estate of the member, as provided in section 185.162, Florida Statutes.

(d) Optional forms of retirement income.—

1.a. In the event of normal, early, or disability retirement, in lieu of the normal form of retirement income payable as specified in paragraph (c), and in lieu of the death benefits as specified in subsection (17), a member, upon written request to the Board and subject to the approval of the Board, may elect to receive a retirement income of equivalent actuarial value payable in accordance with one of the following options:

(I) Lifetime option.—A retirement income of a larger monthly amount, payable to the member for his or her lifetime only.

(II) Joint and survivor option.—A retirement income of a modified monthly amount, payable to the member during the joint lifetime of the member and a dependent joint pensioner designated by the member, and following the death of either of them, 100 percent, 75 percent, 66- $\frac{2}{3}$ percent, or 50 percent of such monthly amounts, payable to the survivor for the lifetime of the survivor.

b. The member, upon electing any option of this paragraph, shall designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable in the event of his or her death, and shall have the power to change such designation from time to time; but any such change shall be deemed a new election and shall be subject to approval by the Board. Such designation shall name a joint pensioner or one or more primary beneficiaries where applicable. If a member 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 only twice.

c. The consent of a member's joint pensioner or beneficiary to any such change shall not be required. However, the spouse of a married member must consent to any election to waive a joint and survivor benefit by signing the election before a notary public. The spouse's written consent must acknowledge the effect of such a waiver. Consent of the spouse shall not be required if the spouse cannot be located, or for such other circumstances as may be prescribed by regulations of the Secretary of the Treasury. Any consent by a spouse shall be effective only with respect to such spouse.

d. The Board may request such evidence of the good health of the joint pensioner who is being removed as it may require; and the amount of the retirement income payable to the member 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 member. Each such designation shall be made in writing on a form prepared by the Board, and, on completion, shall be filed with the Board. In the event that no designated beneficiary survives the member, such benefits as are

payable in the event of the death of the member subsequent to his or her retirement shall be paid as provided in subparagraph (c)2.

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

a. If a member dies prior to his or her normal retirement date or early retirement date, whichever first occurs, retirement benefits shall be paid in accordance with subsection (17).

b. If the designated beneficiary (or beneficiaries) or joint pensioner dies before the member's retirement, the option elected shall be canceled automatically and a retirement income of the normal form and amount shall be payable to the member 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 paragraph or a new beneficiary is designated by the member prior to his or her retirement.

c. If a member continues in the employ of the Department after meeting the age and service requirements set forth in paragraph (8)(a) and dies prior to retirement and while an option provided for in this paragraph is in effect, monthly retirement income payments shall be paid, under the option, to a beneficiary (or beneficiaries) designated by the member in the amount or amounts computed as if the member had retired under the option on the date on which his or her death occurred.

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

(e) Designation of beneficiary.—

1. Each member may, on a form provided for that purpose, signed and filed with the Board, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable in the event of the member's death; and each designation may be revoked by such member by signing and filing with the Board a new designation of beneficiary form. However, after the benefits have commenced, a retirant may change his or her designation of a joint annuitant or beneficiary only twice. If the retirant desires to change his or her joint annuitant or beneficiary, he or she shall file with the Board a notarized notice of such change either by registered letter or on a form as provided by the Board. Upon receipt of a completed change of joint annuitant form or such other notice, the Board 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.

2. Absence or death of beneficiary.—If a deceased member failed to name a beneficiary in the manner prescribed in subparagraph 1., or if the beneficiary (or beneficiaries) named by a deceased member predeceases the member, death benefits, if any, which may be payable under this act on behalf of such deceased member may be paid, in the discretion of the Board, to:

- a. The spouse or dependent child or children of the member;
- b. The dependent living parent or parents of the member; or
- c. The estate of the member.

(10) Cost-of-living adjustments.—

(a) The following words and phrases as used in this subsection mean:

1. Unadjusted amount of retirement benefit.—The amount of retirement benefit that would be paid a retiree or beneficiary of the provisions if this subsection were not applicable.

2. Consumer price index.—The consumer price index for urban wage earners and clerical workers as published by the United States Department of Labor, Bureau of Labor Statistics. Should the Bureau of Labor Statistics adopt a new base or modify the method of computation of the consumer price index so as to render it unsuitable, the Board shall make appropriate adjustments. The Board shall choose another index which it determines to be appropriate if the consumer price index is no longer published.

3. Retirement benefit effective date.—The date as of which payments of a retirement benefit first commence. A new effective date does not occur when a retiree dies and a retirement allowance is paid to a beneficiary.

4. Base month.—The more recent of the month of October 1976, the month and year of the retirement benefit effective date, or the month and year in which the retiree attains age 64 years.

(b) Subject to the limitations stated in this subsection, the unadjusted amount of the retirement benefit for retirees 65 years of age or older shall be increased each January 1, beginning January 1, 1977. The retirement benefit shall increase by 3 percent multiplied by the number of complete years from the later of:

1. January 1, 1976;
2. The retirement benefit effective date; or
3. The first day of the month after attainment of age 65 years

to January 1 of the year in which the adjustment is being made.

(c) The accumulated adjustments to a retirement benefit after January 1, 1977, expressed as a percentage of the unadjusted amount of retirement allowance, shall not exceed the percentage increase in the consumer price index for the period between the base month and the month of October in the year preceding adjustment.

(d) An adjustment shall not be made on any January first if the amount of the adjustment is less than 1 percent of the unadjusted amount of retirement benefit.

(11) Chapter 185 share accounts.—

(a) A separate individual member account shall be established and maintained in each member's name effective October 1, 1988.

(b) Share account funding.—

1. Chapter 185 moneys.—Each individual member account shall be credited with the moneys received from chapter 185, Florida Statutes, tax revenues in June 1988 and thereafter.

2. Forfeitures.—In addition, any forfeitures as provided in paragraph (e) shall be credited to the individual member accounts in accordance with the formula set forth in paragraph (c).

(c) Annual allocation of accounts.—

1. Moneys shall be credited to each individual member account in an amount directly proportionate to the number of pay periods for which the member was paid compared to the total number of pay periods for which all members were paid, counting the pay periods in the calendar year preceding the date for which chapter 185, Florida Statutes, tax revenues were received.

2. At the end of each fiscal year (September 30), each individual member account shall be adjusted to reflect the earnings or losses resulting from investments, as well as reflecting the costs, fees, and expenses of administration.

3. The investment earnings (or losses) credited to the individual member accounts shall be the same percentage as are earned (or lost) by the total investment earnings (or losses) of the Fund as a whole, unless the Board dedicates a separate investment portfolio for chapter 185, Florida Statutes, share accounts, in which case the investment earnings (or losses) shall be measured by the investment earnings (or losses) of the separate investment portfolio.

4. Costs, fees, and expenses of administration shall be debited from the individual member accounts on a proportionate basis, taking the costs, fees, and expenses of administration of the Fund as a whole, multiplied by a fraction, the numerator of which is the total of the assets in all individual member accounts and the denominator of which is the total of the assets of the Fund as a whole. The proportionate share of the costs, fees, and expenses shall be debited to each individual member account on a pro rata basis in the same manner as chapter 185, Florida Statutes, tax revenues are credited to each individual member account (i.e., based on pay periods).

5. If the entire balance of the individual member account is withdrawn before September 30 of any year, there shall be no adjustment made to that individual member account to reflect either investment earnings (or losses) or costs, fees, and expenses of administration.

(d) Eligibility for benefits.—Any member who terminates employment with the City, upon application filed with the Board, shall be entitled to 100

percent of the value of his or her individual member account, provided the member meets any of the following criteria:

1. The member is eligible to receive a pension as provided in subsection (8);

2. The member has 5 or more years of credited service and is eligible to receive either:

a. A nonduty disability pension as provided in paragraph (14)(a); or

b. Death benefits for nonduty death as provided in paragraph (17)(a); or

3. The member has any credited service and is eligible to receive either:

a. A duty disability pension as provided in subsection (15); or

b. Death benefits for death in the line of duty as provided in paragraph (17)(b).

(e) Forfeitures.—Any member who has less than 10 years of credited service and who is not eligible for payment of benefits after termination of employment with the City shall forfeit his or her individual member account. The amounts credited to said individual member account shall be redistributed to the remaining individual member accounts in the same manner as chapter 185, Florida Statutes, tax revenues are credited (i.e., based on pay periods).

(f) Payment of benefits.—The normal form of benefit payment shall be a lump sum payment of the entire balance of the member's individual member account or upon the written election of the member, upon a form provided by the Board; and payment shall be made:

1. Over 3 years in annual installments; or

2. In monthly installments over the lifetime of the member or until the entire balance is exhausted. The monthly amount paid shall be determined by the Fund's actuary in accordance with selections made by the member on a form provided by the Board of Trustees.

(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. If a member fails to designate a beneficiary, or if the beneficiary predeceases the member, the entire balance shall be converted, in the following order, to the name or names of:

1. The member's surviving children on a pro rata basis;

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

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.

(12) Supplemental pension distribution.—

(a) The Board of Trustees shall annually authorize a supplemental pension distribution, the amount of which shall be determined as of each September 30, as applicable.

1. For employees who retired prior to October 1, 1999, the amount of the distribution shall be equal to the actuarial present value of future pension payments to current pensioners, multiplied by the positive difference, if any, between the rate of investment return (not to exceed 9 percent) and 7 percent, plus one-half of any investment earnings over 9 percent.

2. For those employees who have more than 12-½ years of service on and after October 1, 1999, or who are part of the DROP on or after October 1, 1999, the amount of the distribution shall be equal to the actuarial present value of future pension payments to those pensioners multiplied by the positive difference, if any, between the rate of investment return (not to exceed 9 percent) and 7 percent, plus one-half of any investment earnings over 9 percent.

3. For those employees who have less than 12-½ years of service as of October 1, 1999, the amount of the distribution shall be equal to the actuarial present value of future pension payments to those pensioners multiplied by the positive difference, if any, between the rate of investment return (not to exceed 9 percent) and 8.25 percent, plus one-half of any investment earnings over 9 percent.

(b) The actuary shall determine whether there may be a supplemental pension distribution based on the following factors:

1. The actuary for the Pension Fund shall determine the rate of investment return earned on the Pension Fund assets during the 12-month period ending each September 30. The rate determined shall be the rate reported in the most recent actuarial report submitted pursuant to part VII of chapter 112, Florida Statutes.

2. The actuary for the Pension Fund shall, as of September 30, determine the actuarial present value of future pension payments to current pension-

ers. The actuarial present values shall be calculated using an interest rate of 7 percent per year compounded annually, and a mortality table approved by the Board of Trustees and as used in the most recent actuarial report submitted pursuant to part VII of chapter 112, Florida Statutes.

3. The supplemental pension distribution amount shall not exceed accumulated net actuarial experience from all pension liabilities and assets. If the net actuarial experience is favorable, cumulatively, commencing with the experience for the year ending September 30, 1991, after offset for all prior supplemental distributions, the supplemental distribution may be made. If the net actuarial experience is unfavorable, cumulatively, commencing with the experience for the year ended September 30, 1991, after offset for all prior supplemental distributions, no supplemental distribution may be made, and the City must amortize the loss until it is offset by cumulative favorable experience.

If an actuarial report submitted as provided in this paragraph is not state accepted prior to distribution, and if a deficiency to the Pension Fund results, the deficiency shall be made up from the next available supplemental pension distribution, unless sooner made up by agreement between the Board of Trustees and the City. No such deficiency shall be permitted to continue for a period greater than 3 years from the date of payment of the supplemental pension distribution which resulted from the deficiency.

(c) If the actuary determines there may be a supplemental distribution, the Board of Trustees shall authorize a "supplemental pension distribution," unless the administrative expenses of distribution exceed the amount available for the distribution.

(d) Eligible persons are:

1. Pensioners.
2. Surviving spouses.
3. Surviving dependent children.
4. Pensioners' estates.

(e) The supplemental pension distribution shall be allocated among eligible persons based upon years of service in the proportion that the eligible person's years of service bear to the aggregate amount of years of service of all eligible persons. Allocations for surviving spouses and surviving dependent children who are eligible to receive supplemental pension distributions shall be 66-2/3 percent of the years of service earned by the pensioner. Maximum service credits shall be 25 years. Allocations for duty-disability pensioners shall be based upon 25 years of service. Allocations for duty-death beneficiaries (surviving spouse and surviving dependent children) shall be based upon 66-2/3 percent of 25 years of service.

(f) The supplemental pension distribution shall be made as of April 1, 1992, and each April 1 thereafter. Each eligible person shall be paid his or her allocated portion from the preceding September 30. Eligible persons

retired for less than 1 year are entitled to a pro rata share of their supplemental pension distribution based on the number of months retired. A pensioner's estate is entitled to a pro rata share of the deceased retirant's supplemental pension distribution based on the number of months that the deceased retirant received a pension during the year ending the September 30 prior to the retirant's death.

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

(a) Eligibility to participate in the DROP.—

1. Any member who is eligible to receive a normal retirement pension may participate in the DROP. Members shall elect to participate by applying to the Board of Trustees on a form provided for that purpose.

2. Election to participate shall be forfeited if not exercised within the first 27 years of combined credited service.

3. A member shall not participate in the DROP beyond the time of attaining 30 years of service and the total years of participation in the DROP shall not exceed 5 years. For example:

a. Members with 25 years of credited service at the time of entry shall participate for only 5 years.

b. Members with 26 years of credited service at the time of entry shall participate for only 4 years.

c. Members with 27 years of credited service at the time of entry shall participate for only 3 years.

4. Upon a member's election to participate in the DROP, he or she shall cease to be a member and shall no longer accrue any benefits under the Pension Fund, except for the benefits provided under subsection (11), Chapter 185 share accounts. For all Fund purposes, the member becomes a retirant, except that a DROP participant shall continue to receive shares of the chapter moneys in accordance with subsection (11), Chapter 185 share accounts. The amount of credited service shall freeze as of the date of entry into the DROP.

5. Notwithstanding any provision of this section to the contrary, the Police Chief in the Department may, at his or her option, extend his or her participation in the DROP beyond 5 years or 30 years of total service. For purposes of this subsection, "Police Chief" means a member who has been promoted from police officer through the ranks of the Department to the position of Police Chief. Any such Police Chief shall not participate in the DROP beyond the attainment of 33 years of service, and the total years of participation in the DROP shall not exceed 8 years.

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

1. Monthly retirement benefits that would have been payable had the member terminated employment with the Department and elected to receive monthly pension payments shall be paid into the DROP and credited

to the retiree. Payments into the DROP shall be made monthly over the period the retiree participates in the DROP, up to a maximum of 60 months.

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. 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.

3. No payments shall be made from the DROP until the member terminates employment with the Department.

4. Upon termination of employment, participants in the DROP shall receive the balance of the DROP account in accordance with the following rules:

a. Members may elect to begin to receive payment upon termination of employment or defer payment of the DROP until the latest day as provided under sub-subparagraph c.

b. Payments shall be made in either:

(I) Lump sum.—The entire account balance shall be paid to the retiree upon approval of the Board of Trustees.

(II) Installments.—The account balance shall be paid out to the retiree in three equal payments paid over 3 years, the first payment to be made upon approval of the Board of Trustees.

(III) Annuity.—The account balance shall be paid out in monthly installments over the lifetime of the member or until the entire balance is exhausted. Monthly amount paid shall be determined by the Fund's actuary in accordance with selections made by the member on a form provided by the Board of Trustees.

c. Any form of payment selected by a police officer must comply with the minimum distribution requirements of s. 401(A)(9) of the Internal Revenue Code and is subject to the requirements of subsection (29) of this act; e.g., payments must commence by age 70-½.

d. The beneficiary of the DROP participant who dies before payments from the DROP begin shall have the same right as the participant in accordance with subsection (17).

(c) Loans from the DROP.—

1. Availability of loans.—

a. Loans are available to members only after termination of employment, provided the member had participated in the DROP for a period of 12 months.

b. Loans may only be made from a member's own account.

- c. There may be no more than one loan at a time.
2. Amount of loan.—
 - a. Loans may be made up to a maximum of 50 percent of account balance.
 - b. The maximum dollar amount of a loan is \$50,000, reduced by the highest outstanding loan balance during the last 12 months.
 - c. The minimum amount of a loan is \$5,000.
3. Limitations on loans.—Loans shall be made from the amounts paid into the DROP and the earnings thereon.
4. Term of loan.—
 - a. The loan must be for at least 1 year.
 - b. The loan shall be no longer than 5 years.
5. Loan interest rate.—
 - a. The interest rate shall be fixed at the time the loan is originated for the entire term of the loan.
 - b. The interest rate shall be equal to the prime rate published by an established local bank on the last day of each calendar quarter preceding the date of loan application.
6. Defaults on loans.—
 - a. Loans shall be in default if 2 consecutive months' repayments are missed or if a total of 4 months' repayments are missed.
 - b. Upon default, the entire balance becomes due and payable immediately.
 - c. If a loan in default is not repaid in full immediately, the loan may be canceled and the outstanding balance treated as a distribution, which may be taxable.
 - d. Upon default of a loan, a member shall not be eligible for additional loans.
7. Miscellaneous provisions.—
 - a. All loans must be evidenced by a written loan agreement signed by the member and the Board of Trustees. The agreement shall contain a promissory note.
 - b. A member's spouse must consent in writing to the loan. The consent shall acknowledge the effect of the loan on the member's account balance.
 - c. Loans shall be considered a general asset of the Fund.

d. Loans shall be subject to administrative fees to be set by the Board of Trustees.

(14) Nonduty disability pension.—

(a) Retirement.—Any member who entered the employ of the Department as a police officer after September 30, 1961, and who has 5 or more years of credited service, who becomes physically or mentally, totally and permanently disabled to perform the duties of a police officer, shall be retired with a pension provided for in this subsection upon his or her application, or upon the application of the Police Chief on his or her behalf, filed with the Board, provided that after a medical examination of the member made by or under the direction of the medical committee, the medical committee reports to the Board in writing whether:

1. The member is wholly prevented from rendering useful and efficient service as a police officer; and

2. The member is likely to remain so disabled continuously and permanently.

The Board may admit and consider any other evidence that will assist it in understanding the medical committee's report. The final decision as to whether a member meets the requirements for a nonduty disability pension rests with the Board and shall be based on substantial competent evidence on the record as a whole.

(b) Nonduty disability pension benefits; disability occurs after age and service eligibility.—A member whose retirement on account of disability, as provided in paragraph (a), occurs on or after the date he or she became eligible to retire under subsection (8) shall receive the applicable pension provided for in subsection (9).

(c) Nonduty disability pension benefits; disability occurs before age and service eligibility.—A member whose retirement on account of disability, as provided in paragraph (a), occurs prior to the date he or she would have become eligible to retire under paragraph (8)(a) shall receive a disability pension equal to the applicable pension payable in subsection (9), provided that:

1. If the member has less than 10 years of credited service, the disability pension shall not be less than 20 percent of his or her final average salary as of his or her disability retirement date;

2. If the member has at least 10 years of credited service, the disability pension shall not be less than 25 percent of his or her final average salary as of his or her disability retirement date; and

3. The disability pension shall be subject to the provisions of subsection (18).

(15) Duty disability pension.—

(a) Retirement.—Any member who becomes physically or mentally, totally and permanently disabled to perform the duties of a police officer by reason of a personal injury or disease arising out of and in the course of the performance of his or her duties as a police officer in the employ of the City shall be retired with a pension provided for in this subsection, provided that, after a medical examination of the member made by or under the direction of the medical committee, the medical committee reports to the Board in writing whether:

1. The member is wholly prevented from rendering useful and efficient service as a police officer; and
2. The member is likely to remain so disabled continuously and permanently.

The Board may admit and consider any other evidence that will assist it in understanding the medical committee's report. Any condition or impairment of health of a member caused by tuberculosis, hypertension, heart disease or hardening of the arteries, hepatitis, or meningococcal meningitis 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 member, resulting in total or partial disability shall be presumed to be accidental and suffered in the line of duty, provided that such member shall have successfully passed a physical examination upon entering such service, which physical examination, including electrocardiogram, failed to reveal any evidence of such condition. In order to be entitled to the presumption in the case of hepatitis, meningococcal meningitis, or tuberculosis, the member must meet the requirements of section 112.181, Florida Statutes. The final decision as to whether a member meets the requirements for duty disability pension rests with the Board and shall be based on substantial competent evidence on the record as a whole.

(b) Duty disability pension benefits; disability occurs after age and service eligibility.—A member whose retirement on account of disability, as provided in paragraph (a), occurs on or after the date he or she becomes eligible to retire under subsection (8) shall receive the applicable pension provided for in subsection (9).

(c) Duty disability pension benefits; disability occurs before age and service eligibility.—A member whose retirement on account of disability, as provided in paragraph (a), occurs prior to the date he or she would become eligible to retire under subsection (8) shall receive a disability pension equal to the appropriate pension payable in subsection (9). The disability pension payable to age 55 shall not be less than two-thirds of his or her final average salary. Upon reaching age 55, the member shall begin receiving a pension computed in accordance with the applicable provisions of subsection (9). In calculating the new pension figure, the member shall be given service credit for the period he or she was in receipt of the disability pension provided for

in this paragraph. Any pension payable under this subsection shall be subject to the provisions of subsection (18).

(16) Conditions applicable to all disability retirants.—

(a) Medical committee.—The medical committee provided for in subsections (14) and (15) shall consist of no less than two qualified health professionals, one of whom shall be designated by the Board, and one by the member. If deemed necessary by the Board, a third qualified health professional, selected by the two committee members previously designated, may be named to the medical committee. The member shall be responsible for the expenses of the qualified health professional he or she designates to serve on the medical committee. Expenses for any other medical examination required under this act shall be paid by the Fund. The medical committee shall report to the Board the existence and degree of permanent physical impairment of the member, if any, based upon the most recent edition of the American Medical Association's Guide to the Evaluation of Permanent Impairment, if applicable.

(b) Exclusions from disability pensions.—No disability pension shall be payable, either as a duty disability or as a nonduty disability, if the disability is the result of:

1. Excessive and habitual use by the member of drugs, intoxicants, or narcotics;

2. Injury or disease sustained by the member while willfully and illegally participating in fights, riots, or civil insurrections or while committing a crime;

3. Injury or disease sustained by the member while serving in any armed forces;

4. Injury or disease sustained by the member after his or her employment has terminated;

5. Injury or disease sustained by the member while working for anyone other than the City and arising out of such employment; or

6. Injury or disease sustained by the member before employment with the City begins. This subparagraph applies only in the event of a duty injury or disease.

(c) Payment of disability pensions.—Monthly disability retirement benefits shall be payable as of the date the Board determines that the member was entitled to a disability pension; however, the first payment shall actually be paid on the first day of the first month after the Board determines such entitlement. Any portion due for a partial month shall be paid together with the first payment. The last payment shall be, if the member recovers from the disability prior to his or her normal retirement date, the payment due next preceding the date of recovery or, if the member dies without recovering from his or her disability, then the following shall apply:

1. Member with 10 or more years of service.—Death benefits as set forth in subsection (17) shall be paid.

2. Member with less than 10 years of service.—Payments shall be made until the member's death.

Any monthly disability retirement income payments due after the death of a disabled member shall be paid to the member's designated beneficiary (or beneficiaries) as provided in section 185.162, Florida Statutes, or paragraph (9)(e) or subsection (17), as applicable.

(d) Normal form of disability retirement income.—

1. Duty or nonduty disability with 10 years of service.—

a. Married member.—The standard form of disability retirement benefit for a married member or for a member with dependent children or parents shall be a disability pension and death benefit. This form of benefit shall provide monthly payments for the life of the member as set forth in subsection (14) or subsection (15), as applicable, or the disability retiree may select optional forms of benefits in accordance with paragraph (9)(d). Thereafter, death benefits shall be paid as provided in subsection (17).

b. Unmarried member.—The standard form of disability retirement benefit for a member who is not married or who does not have dependent children or parents shall be a 10-year certain benefit. This benefit shall pay monthly benefits for the member's lifetime. In the event the member dies after his or her retirement but before he or she has received disability retirement benefits for a period of 10 years, the same monthly benefit shall be paid to the beneficiary (or beneficiaries) as designated by the member for the balance of such 10-year period. In the absence of a designated beneficiary, then the benefits shall be paid to the estate of the retiree.

2. Duty or nonduty disability with less than 10 years of service.—The standard form of disability retirement benefit shall provide monthly payments for the life of a member as set forth in subsection (14) or subsection (15), as applicable. Thereafter, beneficiary benefits shall be paid as provided in subsection (17), as applicable.

(e) Reexaminations of disability retirants.—At least once each year during the first 5 years following a member's retirement on account of disability, and at least once in each 3-year period thereafter, the Board shall require any disability retirant who has not attained age 50 to undergo a medical examination by a physician designated by the Board. If the retirant refuses to submit to the medical examination, his or her disability pension may be suspended by the Board until his or her withdrawal of such refusal. If such refusal continues for 1 year, all of his or her rights in and to a disability pension may be revoked by the Board. If, upon medical examination of such retirant, the physician reports to the Board that the retirant is physically able and capable of performing the duties of a police officer in the rank held by him or her at the time of his or her retirement, the retirant shall be returned to employment in the Department at a salary not less than the

salary of the rank previously held by him or her. The disability pension shall then terminate.

(f) Credited service for disability retiree.—In the event a disability retiree is returned to employment in the Department, as provided in paragraph (e), he or she shall again become a member of the Fund and shall be restored the credited service at the time of the member's retirement. If he or she retired under a duty disability as provided in paragraph (15)(a), he or she shall be given service credit for the period he or she was in receipt of a disability pension. If the member retired under a nonduty disability as provided in paragraph (14)(a), then he or she shall not be given service credit for the period he or she was in receipt of a disability pension.

(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 death, the pension shall terminate. Any pension payable under this paragraph shall be subject to the provisions of subsection (18).

2. In the event the deceased member does not leave a surviving spouse, or if the surviving spouse dies and the member leaves an unmarried child or children under age 18, each such child shall receive a pension of any equal share of the pension to which the said deceased member's surviving spouse was entitled or would have been entitled if he or she left a surviving spouse. Upon any such child's adoption, marriage, death, or attainment of age 18, the child's pension shall terminate and it shall be apportioned to the pensions payable to the said deceased member's remaining eligible children under the age of 18. In no case shall the pension payable to any such child exceed one-seventh of the deceased member's final average salary, nor shall it be less than \$15 per month. A pension payable under this paragraph shall be subject to the provisions of subsection (18).

3. In the event the deceased member does not leave a surviving spouse or children eligible to receive a pension and the member leaves a parent or parents who the Board finds are dependent upon the member for at least 50 percent of his, her, or their financial support, each parent shall receive a pension of an equal share of the pension to which the member's surviving spouse would have been entitled if he or she had left a surviving spouse. Upon any such parent's remarriage or death, his or her pension shall terminate. Any pension payable under this paragraph shall be subject to the provisions of subsection (18).

4. In the event the deceased member does not leave a surviving spouse, children, or parents to receive a pension, then the death benefit, if any, shall be paid to the estate of the deceased member.

In any of the above cases, the Board, in its discretion, may direct that the actuarial value of the monthly benefit be paid as a lump sum.

(b) Duty death.—In the event a member dies and the Board finds his or her death to be the natural and proximate result of a personal injury or disease arising out of and in the course of his or her actual performance of the duties as a police officer in the employ of the City, the following applicable pensions shall be paid:

1. The surviving spouse shall receive a pension equal to four-ninths of the member's final average salary. Upon the surviving spouse's death, the pension shall terminate. Any pension payable under this paragraph shall be subject to the provisions of subsection (18).

2. If, in addition to a surviving spouse, the deceased member leaves an unmarried child or children under age 18, each child shall receive a pension of \$150 per month. Upon any child's adoption, marriage, death, or attainment of age 18, the child's pension shall terminate. Any pension payable under this paragraph shall be subject to the provisions of subsection (18).

3. In the event the deceased member does not leave a surviving spouse, or if the surviving spouse dies, and the member leaves an unmarried child or children under age 18, each such child shall receive a pension of an equal share of one-third of the deceased member's final average salary. Upon any such child's adoption, marriage, death, or attainment of age 18, the child's pension shall terminate and it shall be apportioned to the pensions payable to the deceased member's remaining eligible children under age 18. Any pension payable under this paragraph shall be subject to the provisions of subsection (18).

4. Any pensions payable, under subparagraphs 2. and 3. above, to any child under age 18 shall be paid to his or her legal guardian.

5. In the event the deceased member does not leave a surviving spouse or children under age 18 eligible to receive a pension provided for in subparagraph 1., subparagraph 2., or subparagraph 3., and the member leaves a parent or parents who the Board finds are dependent upon the member for at least 50 percent of his, her, or their financial support, then each parent shall receive a pension of an equal share of one-third of the deceased member's final average salary. Upon any such parent's remarriage or death, his or her pension shall terminate. Any pension payable under this paragraph shall be subject to the provisions of subsection (18).

6. In the event the deceased member does not leave a surviving spouse, children, or parents eligible to receive a pension, then the death benefit, if any, shall be paid to the estate of the deceased member.

In any of the above cases, the Board, in its discretion, may direct that the actuarial value of the monthly benefit be paid as a lump sum.

(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 death, the pension shall terminate.

2. In the event the deceased retirant does not leave a surviving spouse eligible to receive a pension, or if the surviving spouse dies and he or she leaves an unmarried child or children under age 18, each child shall receive a pension of an equal share of two-thirds of the deceased retirant's pension. Upon any child's adoption, marriage, death, or attainment of age 18, the child's pension shall terminate and it shall be apportioned to the pensions payable to the deceased retirant's remaining eligible children under age 18. In no case shall the pension payable to any such child exceed 20 percent of the deceased retirant's pension, or be less than \$15 per month.

3. In the event the deceased retirant does not leave a surviving spouse or children eligible to a pension provided for in subparagraphs 1. and 2. above, and he or she leaves a parent or parents who the Board finds are dependent upon the retirant for at least 50 percent of his, her, or their financial support, each parent shall receive a pension of an equal share of two-thirds of the deceased retirant's pension. Upon any parent's remarriage or death, his or her pension shall terminate.

4. In the event the deceased member does not leave a surviving spouse, children, or parents eligible to receive a pension, then the death benefit, if any, shall be paid to the estate of the deceased member.

In any of the above cases, the Board, in its discretion, may direct that the actuarial value of the monthly benefit be paid as a lump sum.

(18) Workers' compensation offset.—The pension benefits payable under this act shall not be offset by any workers' compensation benefits payable as a result of the disability or death of a member, except to the extent that the total of the pension benefit and workers' compensation benefit exceeds the member's average monthly wage.

(19) Member's contributions; refunds.—

(a) Member's contributions.—

1. The member shall contribute 7 percent of his or her salary to the Fund.

2. The City shall cause the contributions provided for in subparagraph 1. to be deducted from the compensation of each member on each payroll, for each pay period, so long as he or she remains a member of the Fund. The member's contributions provided for herein shall be made, notwithstanding that the minimum compensation provided by law for any member is thereby changed. Each member shall be deemed to consent and agree to the deductions made and provided for herein. Payment of compensation, less said deductions, shall be a full and complete discharge and acquittance of all

claims and demands whatsoever for the services rendered by him or her during the period covered by such payment, except as to benefits provided by this act. When deducted, each of said contributions shall be paid into the Fund and credited to the individual member from whose compensation said deduction was made.

3. In addition to the contribution deducted from the compensation of a member, as hereinbefore provided, a member shall deposit in the Fund, by a single contribution or by an increased rate of contribution, as approved by the Board of Trustees, the amount of previously withdrawn member contributions not repaid to the Fund, together with regular interest from the date of withdrawal to the date of repayment. In no case shall any member be given credit for service rendered prior to the date he withdrew his aggregate contributions until he or she repays to the member's deposit account all amounts due the account by such member.

(b) Refund of member's contributions.—

1. Should any member cease to be employed by the City as a police officer and not be entitled to a pension payable from the Fund, upon application to and approval by the Board, he or she shall be paid the aggregate contributions standing to his or her credit in the Fund, without interest, less any benefits paid to him or her. In accordance with paragraph (2)(q), a member who has ceased to be employed by the City as a police officer may elect to voluntarily leave his or her contributions in the member's deposit account for a period of up to 5 years, pending the possibility of being rehired by the Department. If the member is not reemployed at the expiration of 5 years following the date the member ceased to be employed by the City as a police officer, all contributions remaining in the member's deposit account shall be refunded without interest.

2. Upon the death of a member, if no pension becomes payable on account of his or her death, the aggregate contributions standing to the member's credit in the Fund at the time of death shall be paid to his or her designated beneficiary. If there be no such designated person surviving the member, his or her aggregate contributions shall be paid to his or her estate in accordance with subsection (17).

3. Payments of refunds of a member's aggregate contributions, as provided in this paragraph, may be made in monthly installments according to such rules and regulations as the Board of Trustees shall from time to time adopt.

(20) Sources of revenue.—

(a) Contributions credited to Fund.—The contributions to be credited to the Fund shall consist of, but shall not be limited to, the following sources of revenue:

1. Taxes of insurance companies.—The moneys returned to the City as provided by chapter 185, Florida Statutes, shall be used to fund the share account benefit described in subsection (11). The City shall not opt out of

participation in chapter 185, Florida Statutes, or any similar statutory enactment unless exigent circumstances exist, such as the bankruptcy of the City or changes or amendments to the statute regarding extra benefits. If any statutory changes are made by the Legislature, the City and the Board shall renegotiate the impact of such changes, if necessary.

2. City contribution.—The City shall contribute to the Fund annually an amount which, together with the contributions from the members and the amount derived from the premium tax provided in chapter 185, Florida Statutes, and other income sources as authorized by law, shall be sufficient to meet the normal cost of the Fund and to fund the actuarial deficiency over a period of not more than 40 years, provided that the net increase, if any, in unfunded liability of the Fund arising from significant amendments or other changes shall be amortized within 30 plan years.

3. Member contributions.—As provided in subsection (19).

4. Gifts, etc.—All gifts, bequests, and devises when donated to the Fund.

5. Interest from deposits.—All accretions to the Fund by way of interest on bank deposits or otherwise.

6. Other sources.—All other sources of income now or hereafter authorized by law for the augmentation of the Fund.

(b) Actuarial valuations.—The Fund shall be actuarially evaluated at least once in each 3-year period.

(21) Investments.—

(a) The Board shall have the power and authority to invest and reinvest the moneys of the Fund and to hold, purchase, sell, assign, transfer, and dispose of any securities and investments held in the Fund, including the power and authority to employ counseling or investment management services. The aim of the investment policies shall be to preserve the integrity and security of Fund principal, to maintain a balanced investment portfolio, to maintain and enhance the value of the Fund principal, and to secure the maximum total return on investments that is consonant with safety of principal, provided that such investments and reinvestments shall be limited to the following:

1. Direct obligations of the United States Government or any agency thereof and any other evidences of indebtedness which are fully guaranteed by the United States Government or any agency thereof for the payments of principal and interest.

2. Direct obligations of the State of Florida.

3. Debt securities, preferred and common stocks and mutual fund shares subject to limitations set forth in this section.

4. Savings and loans associations, to the extent that deposits are guaranteed by the United States Government or any agency thereof.

Purchases of securities may include bonds or other evidence of indebtedness, preferred stocks, and common stocks. Operations shall be conducted on the basis of a balanced portfolio, the total thereof invested in preferred stocks shall not aggregate more than 5 percent, and the total amount thereof invested in common stocks and mutual funds shall not aggregate more than 70 percent of the Fund. Percentages shall be based on market value at the end of each reporting period (September 30). Investment experience producing a market value percent exceeding the stated limit does not arbitrarily mean assets are to be liquidated to satisfy the limit.

(b) Maximum uninvested cash; minimum investment standards.—No more than 10 percent of the assets of the Fund shall be held in cash or in noninterest-bearing deposits. The following minimum investment standards shall govern the eligibility for the purchase of securities:

1. All corporate and association securities and mutual funds shall be issued by a corporation or other legal person incorporated or otherwise organized within the United States and domiciled therein except as otherwise permitted by section 185.06, Florida Statutes.

2. Not more than 10 percent of the total fund principal at market value may be invested in any issuing company, other than United States Government or United States Government agency obligations.

3. All bonds, stocks, or other evidence of indebtedness shall be issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided that the corporation is listed on any one or more of the recognized national stock exchanges and, with regard to bonds only, holds a rating in one of the four highest classifications by a major rating service. Said bonds and preferred stocks that are convertible into common stocks shall be considered common stocks, and the purchase of same shall be limited by the provisions of subparagraph (a)5.

4. The Board shall be required to engage the services of professional investment counsel to assist and advise the Trustees in the performance of their duties.

(c) Restricted use of assets.—The assets of the Police Pension Fund shall be used only for the payment of benefits and other disbursements authorized by this act and shall be used for no other purpose.

(d) Performance evaluation and manager selection.—At least once every 3 years, the Board of Trustees shall retain an independent consultant professionally qualified to evaluate the performance of its professional money manager or investment counsel. The independent consultant shall make recommendations to the Board of Trustees regarding the selection of money managers for the next investment term. These recommendations shall be considered by the Board of Trustees at its next regularly scheduled meeting. The date, time, place, and subject of this meeting shall be advertised in a newspaper of general circulation in the municipality at least 10 days prior to the date of the hearing.

(e) Administrative expenses.—The administrative expenses of the Fund shall be paid by the Fund.

(22) Existing benefits continued.—This act, and any amendments hereto, shall not be construed to increase or decrease the benefits payable to, or on account of, any member who retired or died prior to October 1, 1987.

(23) Assignments prohibited.—The pensions or other benefits accrued or accruing to any person under the provisions of this act and the accumulated contributions and the cash securities in the Fund created under this act shall not be subject to execution or attachment or to any legal process whatsoever and shall be unassignable. However, pursuant to a court support order, the trustees may direct that retirement benefits be paid for alimony or child support in accordance with rules and regulations adopted by the Board of Trustees.

(24) Subrogation rights; loss of pension rights.—

(a) In the event a person becomes entitled to a pension or other benefits payable from the Fund as a result of an accident or injury caused by the act of a third party, the City shall be subrogated to the rights of the said person against such third person to the extent of the benefits which the City pays or becomes liable to pay hereunder.

(b) No person shall be entitled to a pension under this act who is convicted of a specified offense as provided in section 112.3173, Florida Statutes.

(25) Ordinances applicable.—All ordinances of the City applicable to chapter 185, Florida Statutes, are hereby made applicable to this act with equal force and effect. No proposed change or amendment to this act shall be adopted without the approval required by section 185.35(2), Florida Statutes.

(26) Review procedures.—

(a) The applicant for benefits under this act may, within 20 days after being informed of the denial of his or her request for pension benefits, appeal said denial by filing a reply to the proposed order with the pension's coordinator. If no appeal is filed within the time period specified, then the proposed order shall be final.

(b) The Board of Trustees shall hold a hearing within 45 days after the receipt of the appeal. Written notice of said hearing shall be sent by certified mail to the applicant 10 days prior to the hearing, at the address listed on the application.

(c) The procedures at the hearing shall be as follows:

1. All parties shall have an opportunity to respond, to present physical and testimonial evidence and argument on all issues involved, to conduct cross-examination, to submit rebuttal evidence, and to be represented by counsel. Medical reports and depositions may be accepted in lieu of live testimony, at the Board's discretion.

2. All witnesses shall be sworn.
 3. The applicant and the Board shall have an opportunity to question all witnesses.
 4. Formal rules of evidence and formal rules of civil procedure shall not apply. The proceedings shall comply with the essential requirements of due process and law.
 5. The record in a case governed by this subsection shall consist only of:
 - a. A tape recording of the hearing, to be taped and maintained as part of the official files of the Board of Trustees by the pension's secretary.
 - b. Evidence received or considered.
 - c. All notices, pleadings, motions, and intermediate rulings.
 - d. Any decisions, opinions, proposed or recommended orders, or reports by the Board of Trustees.
- (d) Within 5 days after the hearing, the Board shall take one of the following actions:
1. Grant the pension benefits by overturning the proposed order by majority vote.
 2. Deny the benefits and approve the proposed order as a final order, after making any changes in the order that the Board feels is necessary.
- (e) Findings of fact by the Board shall be based on competent, substantial evidence on the record.
- (f) Within 20 calendar days after rendering its order, the Board of Trustees shall send by certified mail a copy of said order to the applicant.
- (g) The applicant may seek review of the order of the Board of Trustees by filing a petition for writ of certiorari with the circuit court within 30 days.
- (27) Lump sum payment of small retirement income.—Notwithstanding any provision of the Fund to the contrary, if the monthly retirement income payable to any person entitled to benefits hereunder is less than \$30 or if the single sum value of the accrued retirement income is less than \$5,000 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 lump sum.
- (28) Pickup of member contributions.—Effective the first day of the first full payroll period of the first calendar quarter following receipt of a favorable determination letter from the Internal Revenue Service, the City shall pick up the member contribution required by this section. The contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code. The City shall pick up the member contributions from funds established and available for

salaries, which funds would otherwise have been designated as member contributions and paid to the Fund. Member contributions picked up by the City pursuant to this subsection shall be treated for purposes of making a refund of members' contributions, and for all other purposes of this and other laws, in the same manner and to the same extent as member contributions made prior to the effective date of this section. The intent of this section is to comply with s. 414(H)(2) of the Internal Revenue Code.

(29) Internal Revenue Code limits.—

(a) In no event may a member's annual benefit exceed \$160,000 (adjusted for cost of living in accordance with s. 415(d) of the Internal Revenue Code).

(b) If a member has less than 10 years of service with the City, the applicable limitation in paragraph (a) shall be reduced by multiplying such limitation by a fraction, not to exceed 1. The numerator of such fraction shall be the number of years, or part thereof, of service with the City; the denominator shall be 10 years.

(c) For purposes of this subsection, "annual benefit" means a benefit payable annually in the form of a straight life annuity with no ancillary incidental benefits and with no member or rollover contributions. To the extent that ancillary benefits are provided, the limits set forth in paragraph (a) shall be reduced actuarially, using an interest rate assumption equal to the greater of 5 percent or the rate being used for actuarial equivalence, to reflect such ancillary benefits.

(d) If distribution of retirement benefits begins before age 62, the dollar limitation as described in paragraph (a) shall be reduced, using an interest rate assumption equal to the greater of 5 percent or the interest rate used for actuarial equivalence; however, retirement benefits shall not be reduced below \$75,000 if payment of benefits begins at or after age 55 and not below the actuarial equivalent of \$75,000 if payment of benefits begins before age 55. For a member with 15 or more years of service with the City, the reductions described above shall not reduce such member's benefit below \$50,000 (adjusted for cost of living in accordance with s. 415(d) of the Internal Revenue Code, but only for the year in which such adjustment is effective). If retirement benefits begin after age 65, the dollar limitation of paragraph (a) shall be increased actuarially by using an interest assumption equal to the lesser of 5 percent or the rate used for actuarial equivalence.

(e) Compensation in excess of limitations set forth in s. 401(a)(17) of the Internal Revenue Code shall be disregarded. The limitation on compensation for an eligible employee shall not be less than the amount that was allowed to be taken into account hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who was a member before the first plan year beginning after December 31, 1995.

(30) Required distributions.—

(a) In accordance with s. 401(a)(9) of the Internal Revenue Code, all benefits under this plan shall be distributed, beginning not later than the required beginning date set forth below, over a period not extending beyond

the life expectancy of the police officers or the life expectancy of the police officer and a beneficiary designated in accordance with paragraph (9)(e).

(b) Any and all benefit payments shall begin by the later of:

1. April 1 of the calendar year following the calendar year of the member's retirement date; or

2. April 1 of the calendar year following the calendar year in which the member attains age 70-½.

(c) If an employee dies before his or her entire vested interest has been distributed to him or her, the remaining portion of such interest shall be distributed at least as rapidly as provided for under subsection (17).

(31)(a) Rollovers from qualified plans.—A member may roll over all or a part of his or her interest in another qualified plan to the Fund, provided all of the following requirements are met:

1. Some or all of the amount distributed from the other plan is rolled over to this plan no later than the 60th day after distribution was made from the Plan or, if distributions are made in installments, no later than the 60th day after the last distribution was made.

2. The amount rolled over to this Fund does not include any amount contributed by the member to the Plan on a posttax basis.

3. The rollover is made in cash.

4. The member certifies that the distribution is eligible for a rollover.

5. Any amount which the Trustees accept as a rollover to this Fund shall, along with any earnings allocated to them, be fully vested at all times.

A rollover may also be made to this Plan from an individual retirement account qualified under s. 408 of the Internal Revenue Code when the individual retirement account was merely used as a conduit for funds from another qualified plan and the rollover is made in accordance with the rules provided in subparagraphs 1.-5. Amounts rolled over may be segregated from other Fund assets. The trustees shall separately account for gains, losses, and administrative expenses of these rollovers as provided for in subsections (11) and (13). In addition, the Fund may accept the direct transfer of a member's benefits from another qualified retirement plan or an Internal Revenue Code section 457 plan. The Fund shall account for direct transfers in the same manner as a rollover and shall obtain certification from the member that the amounts are eligible for a rollover or direct transfer to this Fund.

(b) Transfer of accumulated leave.—

1. Members eligible to receive accumulated sick leave, accumulated vacation leave, or any other accumulated leave payable upon separation shall have the leave transferred to the Fund up to the amount permitted by law.

Any additional amounts shall be paid directly to the member. Members on whose behalf leave has been transferred shall maintain the entire amount of the transferred leave balance in the DROP or Share Account.

2. If a member on whose behalf the City makes a transferred leave balance to the Plan dies after retirement or other separation, then any person who would have received a death benefit had the member died in service immediately prior to the date of retirement or other separation shall be entitled to receive an amount equal to the transferred leave balance in a lump sum. In the case of a surviving spouse or former spouse, an election may be made to transfer the leave balance to an eligible retirement plan in lieu of the lump sum payment. Failure to make such an election by the surviving spouse or former spouse within 60 days after the member's death shall be deemed an election to receive the lump sum payment.

3. The Board, by rule, shall prescribe the method for implementing the provisions of this paragraph.

4. Amounts transferred under this section shall remain invested in the Fund for a period of not less than 1 year.

(32) Rollover distributions.—

(a) This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this subsection, a distributee may elect, at the time and in the manner prescribed by the Board of Trustees, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) Definitions.—

1. "Eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover does not include any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under s. 401(a)(9) of the Internal Revenue Code; and the portion of any distribution that is not includable in gross income.

2. "Eligible retirement plan" is an individual retirement account described in s. 408(a) of the Internal Revenue Code, an individual retirement annuity described in s. 408(b) of the Internal Revenue Code, an annuity plan described in s. 403(a) of the Internal Revenue Code, or a qualified trust described in s. 401(a) of the Internal Revenue Code that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an "eligible retirement plan" is an individual retirement account or individual retirement annuity.

3. "Distributee" includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or

former employee's spouse or former spouse who is entitled to payment for alimony and child support under a domestic relations order determined to be qualified by this Fund are distributees with regard to the interest of the spouse or former spouse.

4. "Direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

(33) Miscellaneous requirements.—

(a) No benefit of any kind shall be payable from the assets of the Pension Fund unless specifically provided for in this act; however, the Board of Trustees, with the approval of the City, may grant ad hoc benefits after a public hearing and acceptance by the state of an actuarial impact statement submitted pursuant to part VII of chapter 112, Florida Statutes.

(b) The City may not offset any part of its required annual contribution by the Fund's assets except as determined in an actuarial valuation, the report for which is determined to be state accepted pursuant to part VII of chapter 112, Florida Statutes.

(c) All provisions of this act and operations of the Pension Fund shall be carried out in compliance with part VII of chapter 112, Florida Statutes.

(d)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 to withhold or conceal material information to obtain any benefit under this Plan.

2.a. A person who violates subparagraph 1. commits a misdemeanor of the first degree, punishable as provided in section 775.082 or section 775.083, Florida Statutes.

b. In addition to any applicable criminal penalty, upon conviction for a violation described in subparagraph 1., a participant or beneficiary of this Plan 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 Plan. For purposes of this sub-subparagraph, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

(34) Actuarial assumptions.—The following actuarial assumptions shall be used for all purposes in connection with this Fund, effective October 1, 1999:

(a) The assumed investment rate of return shall be 8.25 percent.

(b) The period for amortizing current, future, and past actuarial gains or losses shall be 20 years.

The consequences of the change in assumptions in paragraphs (a) and (b) shall first take effect during the October 1, 1999-September 30, 2000, fiscal

year of the City of West Palm Beach. To the extent that effective dates or legislative delays might influence the direct application to the October 1, 1999-September 30, 2000, fiscal year of the actuarial cost estimate dated March 24, 2000, there shall be a minimum contribution reserve established by the Pension Fund for the City of West Palm Beach. The reserve shall be credited with any amounts contributed to the Pension Fund by the City of West Palm Beach during the October 1, 1999-September 30, 2000, fiscal year in excess of \$1,462,965. This amount has been determined by combining the contribution requirement from the September 30, 1998, actuarial valuation report dated May 7, 1999, with the subsequent actuarial cost estimate dated March 24, 2000, both of which were prepared by the Fund's actuary.

Section 2. 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 be and the same are repealed.

Section 3. This act shall take effect upon becoming a law.

Approved by the Governor May 13, 2002.

Filed in Office Secretary of State May 13, 2002.