

House Bill No. 549

An act relating to the West Palm Beach Police Pension Fund of the City of West Palm Beach, Palm Beach County; revising provisions relating to chapter 185 share accounts and deferred retirement option plan accounts; providing an effective date.

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

Section 1. Subparagraph 3. of paragraph (c) of subsection (11) of section 16 of chapter 24981, Laws of Florida, 1947, as amended by chapter 2002-359, Laws of Florida, is amended to read:

Section 16. West Palm Beach Police Pension Fund.—

(11) Chapter 185 share accounts.—

(c) Annual allocation of accounts.—

3. Effective October 1, 2002, vested Participants have the option to select between two methods to credit investment earnings to their account. The method may be changed each year effective October 1; however, the method must be elected prior to October 1. The methods are:

a. 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.

b. A fixed annual rate of 8.25 percent.

Section 2. Subparagraphs 4. and 5. of paragraph (a) of subsection (13) of section 16 of chapter 24981, Laws of Florida, 1947, as amended by chapter 2002-359, Laws of Florida, are amended to read:

Section 16. West Palm Beach Police Pension Fund.—

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

(a) Eligibility to participate in the DROP.—

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. DROP members shall also be eligible to vote as members for

purposes of election of the member-trustee. 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.~~

Section 3. Subparagraph 2. of paragraph (b) of subsection (13) of section 16 of chapter 24981, Laws of Florida, 1947, as amended by chapter 2002-359, Laws of Florida, is amended to read:

Section 16. West Palm Beach Police Pension Fund.—

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

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

2. Effective October 1, 2002, DROP Participants have the option to select between two methods to credit investment earnings to their account. The method may be changed each year effective October 1; however, the method must be elected prior to October 1. The methods are:

a. Payments to the DROP earn interest Earnings using the rate of investment return earned (or lost) on Pension Fund assets as reported by the Fund's investment monitor. DROP assets are commingled with the Pension Fund assets for investment purposes.

b. A fixed rate of 8.25 percent.

However, if a police officer does not terminate employment at the end of participation in the DROP, interest credits shall cease on the ~~current~~ balance and on all future DROP deposits.

Section 4. Sub-subparagraph e. is added to subparagraph 4. of paragraph (b) of subsection (13) of section 16 of chapter 24981, Laws of Florida, 1947, amended by chapter 2002-359, Laws of Florida, to read:

Section 16. West Palm Beach Police Pension Fund.—

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

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

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

e. Costs, fees, and expenses of administration shall be debited from the individual member accounts on a proportionate basis, taking the cost, fees,

and expenses of administration of the Fund as a whole, multiplied by a fraction, the numerator of which is the total assets in all individual member accounts and the denominator of which is the total assets of the Fund as a whole.

Section 5. This act shall take effect upon becoming a law.

Approved by the Governor June 23, 2003.

Filed in Office Secretary of State June 23, 2003.