

CHAPTER 2011-216

Committee Substitute for Committee Substitute for Senate Bill No. 1128

An act relating to public retirement plans; amending s. 112.63, F.S.; requiring plans to regularly disclose the plan's accrued benefits; amending s. 112.66, F.S.; providing for the calculation of local government retirement benefits after a certain date; providing a prohibition on the use of certain compensation for calculating retirement benefits; prohibiting the use of surpluses for expenses outside the plan; prohibiting a reduction in certain contributions to a plan; amending s. 112.665, F.S.; requiring the Department of Management Services to provide a fact sheet on each local plan; amending s. 175.032, F.S.; revising the definition of the term "compensation" or "salary" for purposes of firefighters' pensions; providing a prohibition on the use of certain compensation; amending s. 175.061, F.S.; authorizing a municipality to change the municipality's membership on the board of trustees operating its firefighters' pension plan under certain circumstances; amending s. 175.091, F.S.; deleting a limitation on the justification for approving an increase in member contributions; amending s. 175.351, F.S.; revising a date relating to local law plans; conforming a cross-reference; amending s. 185.02, F.S.; revising the definition of the terms "compensation" and "salary" for purposes of police officers' pensions; providing a prohibition on the use of certain compensation for calculating retirement benefits; amending s. 185.05, F.S.; authorizing a municipality to change the municipality's membership on the board of trustees operating its police officers' pension plan under certain circumstances; amending s. 185.07, F.S.; deleting a limitation on the justification for approving an increase in member contributions; amending s. 185.35, F.S.; revising a date relating to local law plans; directing the Department of Financial Services to develop a plan for rating the financial strength of local government defined benefit plans; specifying factors for consideration; requiring certain entities to cooperate in providing data for the plan; requiring the department to submit the plan to the Governor, Chief Financial Officer, and Legislature by a certain date; creating the Task Force on Public Employee Disability Presumptions; providing for appointment and membership; specifying the issues for the task force to address; providing for a report to be submitted to the Governor, Chief Financial Officer, and Legislature by a certain date; providing for future dissolution; providing a declaration of important state interest; providing an effective date.

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

Section 1. Present paragraph (f) of subsection (1) of section 112.63, Florida Statutes, is redesignated as paragraph (g), and a new paragraph (f) is added to that subsection, to read:

112.63 Actuarial reports and statements of actuarial impact; review.—

(1) Each retirement system or plan subject to the provisions of this act shall have regularly scheduled actuarial reports prepared and certified by an enrolled actuary. The actuarial report shall consist of, but shall not be limited to, the following:

(f) A disclosure of the present value of the plan's accrued vested, nonvested, and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return, in order to promote the comparability of actuarial data between local plans.

The actuarial cost methods utilized for establishing the amount of the annual actuarial normal cost to support the promised benefits shall only be those methods approved in the Employee Retirement Income Security Act of 1974 and as permitted under regulations prescribed by the Secretary of the Treasury.

Section 2. Subsections (11) through (13) are added to section 112.66, Florida Statutes, to read:

112.66 General provisions.—The following general provisions relating to the operation and administration of any retirement system or plan covered by this part shall be applicable:

(11) For noncollectively bargained service earned on or after July 1, 2011, or for service earned under collective bargaining agreements entered into on or after July 1, 2011, when calculating retirement benefits, a defined benefit pension system or plan sponsored by a local government may include up to 300 hours per year of overtime compensation as specified in the plan or collective bargaining agreement, but may not include any payments for accrued unused sick leave or annual leave. For those members whose terms and conditions of employment are collectively bargained, this subsection is effective for the first agreement entered into on or after July 1, 2011. This subsection does not apply to state-administered retirement systems or plans.

(12) An actuarial or cash surplus in any system or plan may not be used for any expenses outside the plan.

(13) A local government sponsor of a retirement system or plan may not reduce contributions required to fund the normal cost. This subsection does not apply to state-administered retirement systems or plans.

Section 3. Present paragraphs (e) and (f) of subsection (1) of section 112.665, Florida Statutes, are redesignated as paragraphs (f) and (g), respectively, and a new paragraph (e) is added to that subsection, to read:

112.665 Duties of Department of Management Services.—

(1) The Department of Management Services shall:

(e) Provide a fact sheet for each participating local government defined benefit pension plan summarizing the plan's actuarial status. The fact sheet should provide a summary of the plan's most current actuarial data, minimum funding requirements as a percentage of pay, and a 5-year history of funded ratios. The fact sheet must include a brief explanation of each element in order to maximize the transparency of the local government plans. These documents shall be posted on the department's website. Plan sponsors that have websites must provide a link to the department's website.

Section 4. Subsection (3) of section 175.032, Florida Statutes, is amended to read:

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

(3) “Compensation” or “salary” means, for noncollectively bargained service earned before July 1, 2011, or for service earned under collective bargaining agreements in place before July 1, 2011, the fixed monthly remuneration paid a firefighter. If; where, as in the case of a volunteer firefighter, remuneration is based on actual services rendered, as in the case of a volunteer firefighter, the term means the total cash remuneration received yearly for such services, prorated on a monthly basis. For noncollectively bargained service earned on or after July 1, 2011, or for service earned under collective bargaining agreements entered into on or after July 1, 2011, the term has the same meaning except that when calculating retirement benefits, up to 300 hours per year in overtime compensation may be included as specified in the plan or collective bargaining agreement, but payments for accrued unused sick or annual leave may not be included.

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

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

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

and shall be treated as compensation for retirement purposes under this chapter.

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

Section 5. Paragraph (b) of subsection (1) of section 175.061, Florida Statutes, is amended to read:

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

(1) In each municipality and in each special fire control district there is hereby created a board of trustees of the firefighters' pension trust fund, which shall be solely responsible for administering the trust fund. Effective October 1, 1986, and thereafter:

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

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

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

3. A ~~Any~~ board of trustees operating a local law plan on July 1, 1999, which is combined with a plan for general employees shall hold an election of the firefighters, or firefighters and police officers, if included, to determine whether a plan is to be established for firefighters only, or for firefighters and police officers where included. Based on the election results, a new board shall be established as provided in subparagraph 1. or subparagraph 2., as

appropriate. The municipality or fire control district shall enact an ordinance or resolution to implement the new board by October 1, 1999. The newly established board shall take whatever action is necessary to determine the amount of assets ~~which is~~ attributable to firefighters, or firefighters and police officers where included. Such assets ~~shall~~ include all employer, employee, and state contributions made by or on behalf of firefighters, or firefighters and police officers where included, and any investment income derived from such contributions. All such moneys shall be transferred into the newly established retirement plan, as directed by the board.

With respect to ~~a any~~ board of trustees operating a local law plan on June 30, 1986, ~~nothing in this paragraph does not shall~~ permit the reduction of the membership percentage of firefighters, or of firefighters and police officers where a joint or mixed fund exists. However, for the sole purpose of changing municipal representation, a municipality may by ordinance change the municipal representation on the board of trustees operating a local law plan by ordinance, only if such change does not reduce the membership percentage of firefighters, or firefighters and police officers, or the membership percentage of the municipal representation.

Section 6. Paragraph (b) of subsection (2) of section 175.091, Florida Statutes, is amended to read:

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

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

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

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

Section 7. Section 175.351, Florida Statutes, is amended to read:

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

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

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

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

(2) The premium tax provided by this chapter shall in all cases be used in its entirety to provide extra benefits to firefighters, or to firefighters and police officers ~~if, where~~ included. However, local law plans in effect on October 1, 1998, must ~~shall be required to~~ comply with the minimum benefit provisions of this chapter only to the extent that additional premium tax revenues become available to incrementally fund the cost of such compliance as provided in s. 175.162(2)(a). ~~If~~ When a plan is in compliance with such minimum benefit provisions, as subsequent additional premium tax revenues become available, they ~~must shall~~ be used to provide extra benefits. Local law plans created by special act before May 27, 1939, are deemed to comply with this chapter. For the purpose of this chapter, the term:

(a) “Additional premium tax revenues” means revenues received by a municipality or special fire control district pursuant to s. 175.121 which exceed that amount received for calendar year 1997, ~~and the term~~

(b) “Extra benefits” means benefits in addition to or greater than those provided to general employees of the municipality and in addition to those in existence for firefighters on March 12, 1999. ~~Local law plans created by special act before May 23, 1939, shall be deemed to comply with this chapter.~~

~~(3)(2) A ADOPTION OR REVISION OF A LOCAL LAW PLAN.~~ No retirement plan or amendment to a retirement plan ~~may not shall~~ be proposed for adoption unless the proposed plan or amendment contains an actuarial estimate of the costs involved. ~~No~~ Such proposed plan or proposed plan change ~~may not shall~~ be adopted without the approval of the municipality, special fire control district, or, where permitted, the Legislature. Copies of the proposed plan or proposed plan change and the actuarial impact statement of the proposed plan or proposed plan change shall be furnished to the division ~~before~~ prior to the last public hearing thereon. Such statement ~~must shall~~ also indicate whether the proposed plan or proposed plan change is in compliance with s. 14, Art. X of the State Constitution and

those provisions of part VII of chapter 112 which are not expressly provided in this chapter. Notwithstanding any other provision, only those local law plans created by special act of legislation before ~~prior to~~ May 27 23, 1939, are ~~shall be~~ deemed to meet the minimum benefits and minimum standards only in this chapter.

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

(a) ~~Section 175.032(3)(a) shall not apply, and~~ A local law plan and a supplemental plan may continue to use their definition of compensation or salary in existence on March 12, 1999 ~~the effective date of this act.~~

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

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

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

Section 8. Subsection (4) of section 185.02, Florida Statutes, is amended to read:

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

(4) “Compensation” or “salary” means, for noncollectively bargained service earned before July 1, 2011, or for service earned under collective bargaining agreements in place before July 1, 2011, the total cash remuneration including “overtime” paid by the primary employer to a police officer for services rendered, but not including any payments for extra duty or a special detail work performed on behalf of a second party employer. ~~However,~~ A local law plan may limit the amount of overtime payments which can be used for retirement benefit calculation purposes; however, but in no event shall such overtime limit may not be less than 300 hours per officer per calendar year. For noncollectively bargained service earned on or after July 1, 2011, or for service earned under collective bargaining agreements entered into on or after July 1, 2011, the term has the same meaning except that when calculating retirement benefits, up to 300 hours per year in overtime compensation may be included as specified in the plan or collective bargaining agreement, but payments for accrued unused sick or annual leave may not be included.

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

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

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

Section 9. Paragraph (b) of subsection (1) of section 185.05, Florida Statutes, is amended to read:

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

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

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

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

2. If a municipality has a pension plan for police officers and firefighters, the provisions of paragraph (a) ~~shall~~ apply, except that one member of the board shall be a police officer ~~as defined in s. 185.02~~ and one member shall be

a firefighter as defined in s. 175.032, respectively, elected by a majority of the active firefighters and police officers who are members of the plan.

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

With respect to any board of trustees operating a local law plan on June 30, 1986, ~~nothing in this paragraph does not shall~~ permit the reduction of the membership percentage of police officers or police officers and firefighters. However, for the sole purpose of changing municipal representation, a municipality may by ordinance change the municipal representation on the board of trustees operating a local law plan by ordinance, only if such change does not reduce the membership percentage of police officers, or police officers and firefighters, or the membership percentage of the municipal representation.

Section 10. Paragraph (b) of subsection (2) of section 185.07, Florida Statutes, is amended to read:

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

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

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

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

Section 11. Section 185.35, Florida Statutes, is amended to read:

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

for police officers, or for police officers and firefighters ~~if where~~ included, to participate in the distribution of the tax fund established pursuant to s. 185.08, local law plans must meet the minimum benefits and minimum standards set forth in this chapter:

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

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

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

(2) The premium tax provided by this chapter shall in all cases be used in its entirety to provide extra benefits to police officers, or to police officers and firefighters ~~if, where~~ included. However, local law plans in effect on October 1, 1998, ~~must shall be required to~~ comply with the minimum benefit provisions of this chapter only to the extent that additional premium tax revenues become available to incrementally fund the cost of such compliance as provided in s. 185.16(2). ~~If When~~ a plan is in compliance with such minimum benefit provisions, as subsequent additional tax revenues become available, they shall be used to provide extra benefits. Local law plans created by special act before May 27, 1939, shall be deemed to comply with this chapter. For the purpose of this chapter, the term:

(a) “Additional premium tax revenues” means revenues received by a municipality pursuant to s. 185.10 which exceed the amount received for calendar year 1997, ~~and the term~~

(b) “Extra benefits” means benefits in addition to or greater than those provided to general employees of the municipality and in addition to those in existence for police officers on March 12, 1999. ~~Local law plans created by special act before May 23, 1939, shall be deemed to comply with this chapter.~~

(3)(2) ~~A ADOPTION OR REVISION OF A LOCAL LAW PLAN.~~ No retirement plan or amendment to a retirement plan ~~may not shall~~ be proposed for adoption unless the proposed plan or amendment contains an actuarial estimate of the costs involved. ~~No~~ Such proposed plan or proposed plan change ~~may not shall~~ be adopted without the approval of the municipality or, where permitted, the Legislature. Copies of the proposed plan or proposed plan change and the actuarial impact statement of the

proposed plan or proposed plan change shall be furnished to the division ~~before~~ prior to the last public hearing thereon. Such statement must shall also indicate whether the proposed plan or proposed plan change is in compliance with s. 14, Art. X of the State Constitution and those provisions of part VII of chapter 112 which are not expressly provided in this chapter. Notwithstanding any other provision, only those local law plans created by special act of legislation ~~before~~ prior to May ~~27~~ 23, 1939, ~~are~~ shall be deemed to meet the minimum benefits and minimum standards only in this chapter.

~~(4)(3)~~ Notwithstanding any other provision, with respect to any supplemental plan municipality:

(a) Section 185.02(4)(a) ~~does~~ shall not apply, and a local law plan and a supplemental plan may continue to use their definition of compensation or salary in existence on March 12, 1999 ~~the effective date of this act.~~

~~(b) Section 185.05(1)(b) shall not apply,~~ and A local law plan and a supplemental plan must shall continue to be administered by a board or boards of trustees numbered, constituted, and selected as the board or boards were numbered, constituted, and selected on December 1, 2000.

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

~~(5)(4)~~ The retirement plan setting forth the benefits and the trust agreement, if any, covering the duties and responsibilities of the trustees and the regulations of the investment of funds must be in writing and copies made available to the participants and to the general public.

Section 12. Financial rating of local pension plans.—The Department of Management Services shall develop a plan for creating standardized ratings for classifying the financial strength of all local government defined benefit pension plans.

(1) In developing the plan, the department shall consider, without limitation:

(a) The plan's current and future unfunded liabilities.

(b) The plan's net asset value, managed returns, and funded ratio.

(c) Metrics related to the sustainability of the plan, including, but not limited to, the percentage that the annual contribution is of the participating employee payroll.

(d) Municipal bond ratings for the local government, if applicable.

(e) Whether the local government has reduced contribution rates to the plan when the plan has an actuarial surplus.

(f) Whether the local government uses any actuarial surplus in the plan for obligations outside the plan.

(2) The department may obtain data, information, and assistance from state agencies, local governments, or political subdivisions thereof, which shall provide the department with all relevant information and assistance on any matter within their knowledge or control.

(3) The department shall submit the plan, plus any related findings and recommendations, to the Governor, the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2012. The report must also include specific recommendations for legislative action during the 2012 Regular Session of the Legislature.

Section 13. Task Force on Public Employee Disability Presumptions.—

(1) The Task Force on Public Employee Disability Presumptions is created for the purpose of developing findings and issuing recommendations on the disability presumptions in ss. 112.18, 175.231, and 185.34, Florida Statutes.

(2) All members of the task force shall be appointed on or before July 15, 2011, and the task force shall hold its first meeting on or before August 15, 2011. The task force shall be composed of eight members as follows:

(a) Three members appointed by the President of the Senate, one of whom must be an attorney who primarily represents plaintiffs and has experience in the relevant laws, one of whom must be a representative of organized labor and a member of a pension plan under chapter 175, Florida Statutes, and one of whom must be from the Florida Association of Counties.

(b) Three members appointed by the Speaker of the House of Representatives, one of whom must be an attorney who primarily represents defendants and has experience in the relevant laws, one of whom must be a representative of organized labor and a member of a pension plan under chapter 185, Florida Statutes, and one of whom must be from the Florida League of Cities.

(c) A member employed by the Division of Retirement of the Department of Management Services who has experience in local government pension plans, appointed by the Governor.

(d) A member employed by the Department of Financial Services who has relevant expertise in state risk management, appointed by the Chief Financial Officer.

(3) The task force shall address issues, including, but not limited to:

(a) Data related to the operation of the statutory disability presumptions, and the fiscal impact on public employers in the areas of pensions and workers' compensation.

(b) The manner in which other states handle disability presumptions, and the fiscal impact on public employers.

(c) Proposals for changes to the existing disability presumptions.

(d) Evidentiary standards and burdens of proof for overcoming statutory disability presumptions, and whether consideration of risk factors and epidemiological data relating to nonwork-related conditions unique to an individual employee, such as blood cholesterol, body mass index, history of tobacco and alcohol use, and other medical conditions or behaviors that are associated with the diseases or conditions listed in disability presumptions, are appropriate for consideration.

(4) The Department of Financial Services shall provide administrative support to the task force.

(5) Members of the task force shall serve without compensation while in the performance of their duties, but are entitled to reimbursement for per diem and travel expenses in accordance with s. 112.061, Florida Statutes.

(6) The task force may obtain data, information, and assistance from any state agency, local government, or any political subdivision thereof, which shall provide the task force with all relevant information and assistance on any matter within their knowledge or control.

(7) The task force shall submit a report, including findings and recommendations, to the Governor, the Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives by January 1, 2012. The report must include specific recommendations for legislative action during the 2012 Regular Session of the Legislature.

(8) The task force is dissolved upon submission of its report.

Section 14. The Legislature finds that a proper and legitimate state purpose is served when employees and retirees of the state and of its political subdivisions, and the dependents, survivors, and beneficiaries of those employees and retirees, are extended the basic protections afforded by governmental retirement systems that provide fair and adequate benefits and that are managed, administered, and funded in an actuarially sound manner as required by s. 14, Article X of the State Constitution and part VII of chapter 112, Florida Statutes. Therefore, the Legislature determines and declares that this act fulfills an important state interest.

Section 15. This act shall take effect July 1, 2011.

Approved by the Governor June 23, 2011.

Filed in Office Secretary of State June 23, 2011.