

## CHAPTER 2015-39

### Committee Substitute for Senate Bill No. 172

An act relating to local government pension reform; amending s. 175.021, F.S.; requiring that firefighter pension plans meet the requirements of chapter 175, F.S., in order to receive certain insurance premium tax revenues; amending s. 175.032, F.S.; revising definitions to conform to changes made by the act and providing new definitions; amending s. 175.061, F.S.; requiring the board of trustees of the firefighters' pension trust fund to provide a detailed accounting report of its expenses and to make the report available; requiring the board to operate under an administrative expense budget; providing applicability; amending s. 175.071, F.S.; conforming a cross-reference; amending s. 175.091, F.S.; revising the method of creating and maintaining a firefighters' pension trust fund; amending s. 175.162, F.S.; deleting a provision basing the availability of additional benefits in a firefighter pension plan upon state funding; revising the calculation of monthly retirement income for a full-time firefighter; specifying the minimum benefits that must be maintained by certain firefighter pension plans after a specified date; amending s. 175.351, F.S.; exempting certain firefighter pension plans of a municipality or special fire control district from meeting certain minimum benefits in order to participate in the distribution of a premium tax; redesignating the term "pension plan" as "retirement plan"; revising criteria governing the use of revenues of the premium tax; authorizing a pension plan to reduce certain excess benefits if the plan continues to meet certain minimum benefits and standards; providing that the use of premium tax revenues may deviate from the requirements of chapter 175, F.S., under certain circumstances; revising the conditions for proposing the adoption of a pension plan or an amendment to a pension plan; requiring plan sponsors to have a defined contribution plan component in place by a certain date; authorizing a municipality or special fire control district to implement certain changes to a local law plan which are contrary to chapter 175, F.S., for a limited time, under certain circumstances; amending s. 185.01, F.S.; requiring that police officer pension plans meet the requirements of chapter 185, F.S., in order to receive certain insurance premium tax revenues; amending s. 185.02, F.S.; revising definitions to conform to changes made by the act and providing new definitions; revising applicability of the limitation on the amount of overtime payments which may be used for pension benefit calculations; amending s. 185.05, F.S.; requiring the board of trustees of the municipal police officers' retirement trust fund to provide a detailed accounting report of its expenses and to make the report available; requiring the board to operate under an administrative expense budget; providing applicability; amending s. 185.06, F.S.; conforming a cross-reference; amending s. 185.07, F.S.; revising the method of creating and maintaining a police officers' retirement trust fund; amending s. 185.16, F.S.; deleting a provision basing the availability of additional benefits in a police officer pension plan

upon state funding; revising the calculation of monthly retirement income for a police officer; specifying the minimum benefits that must be maintained by certain police officer pension plans after a specified date; amending s. 185.35, F.S.; exempting certain municipal police officer pension plans from meeting certain minimum benefits in order to participate in the distribution of a premium tax; redesignating the term “pension plan” as “retirement plan”; revising criteria governing the use of revenues from the premium tax; authorizing a plan to reduce certain excess benefits if the plan continues to meet certain minimum benefits and minimum standards; providing that the use of premium tax revenues may deviate from the requirements of chapter 185, F.S., under specified circumstances; revising the conditions for proposing the adoption of a pension plan or amendment to a pension plan; conforming a cross-reference; requiring plan sponsors to have a defined contribution plan component in place by a certain date; authorizing a municipality to implement certain changes to a local law plan which are contrary to chapter 185, F.S., for a limited time; providing a declaration of important state interest; providing an effective date.

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

Section 1. Subsection (2) of section 175.021, Florida Statutes, is amended to read:

175.021 Legislative declaration.—

(2) This chapter hereby establishes, for all municipal and special district pension plans existing ~~now or hereafter~~ under this chapter, including chapter plans and local law plans, minimum benefits and minimum standards for the operation and funding of such plans, hereinafter referred to as firefighters’ pension trust funds, which must be met as conditions precedent to the plan or plan sponsor’s receiving a distribution of insurance premium tax revenues under s. 175.121. ~~The~~ Minimum benefits and minimum standards for each plan set forth in this chapter may not be diminished by local charter, ordinance, or resolution or by special act of the Legislature and may not, ~~nor may the minimum benefits or minimum standards~~ be reduced or offset by any other local, state, or federal law that includes ~~may include~~ firefighters in its operation, except as provided under s. 112.65.

Section 2. 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 term ~~following words and phrases have the following meanings:~~

(1) “Additional premium tax revenues” means revenues received by a municipality or special fire control district pursuant to s. 175.121 which exceed base premium tax revenues.

~~(2)(1)(a)~~ “Average final compensation” for:

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

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

(3) “Base premium tax revenues” means:

(a) For a local law plan in effect on October 1, 2003, the revenues received by a municipality or special fire control district pursuant to s. 175.121 for the 2002 calendar year.

(b) For a local law plan created between October 1, 2003, and March 1, 2015, inclusive, the revenues received by a municipality or special fire control district pursuant to s. 175.121 based upon the tax collections during the second calendar year of participation.

~~(4)(2)~~ “Chapter plan” means a separate defined benefit pension plan for firefighters which incorporates by reference the provisions of this chapter and has been adopted by the governing body of a municipality or special district. Except as ~~may be~~ specifically authorized in this chapter, the provisions of a chapter plan may not differ from the plan provisions set forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial valuations of chapter plans shall be conducted by the division as provided by s. 175.261(1).

~~(5)(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 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) Any retirement trust fund or plan that meets the requirements of this chapter does 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) 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 plan year may 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 the first plan year beginning on or after January 1, 1996, the limitation on compensation may not be less than the maximum compensation amount that was allowed to be taken into account under the plan 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).

~~(6)(4)~~ "Creditable service" or "credited service" means the aggregate number of years of service, and fractional parts of years of service, of any firefighter, omitting intervening years and fractional parts of years when such firefighter may not have been employed by the municipality or special fire control district, subject to the following conditions:

(a) ~~A~~ No firefighter may not will receive credit for years or fractional parts of years of service if he or she has withdrawn his or her contributions to the fund for those years or fractional parts of years of service, unless the firefighter repays into the fund the amount he or she has withdrawn, plus interest determined by the board. The member has ~~shall have~~ at least 90 days after his or her reemployment to make repayment.

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

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

prior service as a firefighter for some other employer as long as a firefighter is not entitled to receive a benefit for such prior service as a firefighter. For purposes of determining credit for prior service as a firefighter, in addition to service as a firefighter in this state, credit may be given for federal, other state, or county service if the prior service is recognized by the Division of State Fire Marshal as provided in ~~under~~ chapter 633, or the firefighter provides proof to the board of trustees that his or her service is equivalent to the service required to meet the definition of a firefighter ~~under subsection~~ (8).

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

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

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

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

~~(7)(5)~~ “Deferred Retirement Option Plan” or “DROP” means a local law plan retirement option in which a firefighter may elect to participate. A firefighter may retire for all purposes of the plan and defer receipt of retirement benefits into a DROP account while continuing employment with his or her employer. However, a firefighter who enters the DROP and who is otherwise eligible to participate may ~~shall not thereby~~ be precluded from participation or continued participation ~~participating, or continuing to participate,~~ in a supplemental plan in existence on, or created after, March 12, 1999 ~~the effective date of this act.~~

(8) “Defined contribution plan” means the component of a local law plan, as provided in s. 175.351(1), to which deposits, if any, are made to provide benefits for firefighters, or for firefighters and police officers if both are included. Such component is an element of a local law plan and exists in conjunction with the defined benefit plan component that meets minimum benefits and minimum standards. The retirement benefits, if any, of the defined contribution plan component shall be provided through individual member accounts in accordance with the applicable provisions of the Internal Revenue Code and related regulations and are limited to the contributions, if any, made into each member’s account and the actual accumulated earnings, net of expenses, earned on the member’s account.

~~(9)(6)~~ “Division” means the Division of Retirement of the Department of Management Services.

~~(10)(7)~~ “Enrolled actuary” means an actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries.

~~(11)(a)(8)(a)~~ “Firefighter” means a person employed solely by a constituted fire department of any municipality or special fire control district who is certified as a firefighter as a condition of employment in accordance with s. 633.408 and whose duty it is to extinguish fires, to protect life, or to protect property. The term 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 firefighters, part-time firefighters, or auxiliary firefighters but does not include part-time firefighters or auxiliary firefighters. However, for purposes of this chapter only, the term also includes public safety officers who are responsible for performing both police and fire services, who are certified as police officers or firefighters, and who are certified by their employers to the Chief Financial Officer as participating in this chapter before October 1, 1979. Effective October 1, 1979, public safety officers who have not been certified as participating in this chapter are considered police officers for retirement purposes and are eligible to participate in chapter 185. Any plan may provide that the fire chief has an option to participate, ~~or not,~~ in that plan.

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

~~(12)(9)~~ “Firefighters’ Pension Trust Fund” means a trust fund, by whatever name known, as provided under s. 175.041, for the purpose of assisting municipalities and special fire control districts in establishing and maintaining a retirement plan for firefighters.

~~(13)(10)~~ “Local law municipality” means ~~is~~ any municipality in which ~~there exists~~ a local law plan exists.

~~(14)(11)~~ “Local law plan” means a retirement defined benefit pension plan that includes both a defined benefit plan component and a defined contribution plan component for firefighters, or for firefighters ~~and~~ or police officers if both are ~~where~~ included, as described in s. 175.351, established by municipal ordinance, special district resolution, or special act of the Legislature, which enactment sets forth all plan provisions. Local law plan provisions may vary from the provisions of this chapter ~~if, provided that~~ required minimum benefits and minimum standards are met. However, any

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

~~(15)(12)~~ “Local law special fire control district” means is any special fire control district in which ~~there exists~~ a local law plan exists.

~~(16)~~ “Minimum benefits” means the benefits specified in ss. 175.021-175.341 and ss. 175.361-175.401.

~~(17)~~ “Minimum standards” means the standards specified in ss. 175.021-175.401.

~~(18)(13)~~ “Property insurance” means property insurance as defined in s. 624.604 and covers real and personal property within the corporate limits of a any municipality, or within the boundaries of a any special fire control district, within the state. The term “multiple peril” means a combination or package policy that includes both property and casualty coverage for a single premium.

~~(19)(14)~~ “Retiree” or “retired firefighter” means a firefighter who has entered retirement status. For the purposes of a plan that includes a Deferred Retirement Option Plan (DROP), a firefighter who enters the DROP ~~is shall be~~ considered a retiree for all purposes of the plan. However, a firefighter who enters the DROP and who is otherwise eligible to participate may shall not thereby be precluded from participation or continued participation ~~participating, or continuing to participate,~~ in a supplemental plan in existence on, or created after, March 12, 1999 ~~the effective date of this act.~~

~~(20)(15)~~ “Retirement” means a firefighter’s separation from municipal city or fire district employment as a firefighter with immediate eligibility for ~~receipt of~~ benefits under the plan. For purposes of a plan that includes a Deferred Retirement Option Plan (DROP), “retirement” means the date a firefighter enters the DROP.

~~(21)~~ “Special act plan” means a plan subject to the provisions of this chapter which was created by an act of the Legislature and continues to require an act of the Legislature to alter plan benefits.

~~(22)~~ “Special benefits” means benefits provided in a defined contribution plan for firefighters.

~~(23)(16)~~ “Special fire control district” means a special district, as defined in s. 189.012, established for the purposes of extinguishing fires, protecting life, and protecting property within the incorporated or unincorporated portions of a any county or combination of counties, or within any combination of incorporated and unincorporated portions of a any county or combination of counties. The term does not include any dependent or independent special district, as those terms are defined in s. 189.012, the

employees of which are members of the Florida Retirement System pursuant to s. 121.051(1) or (2).

~~(24)~~(17) “Supplemental plan” means a plan to which deposits are made to provide special ~~extra~~ benefits for firefighters, or for firefighters and police officers if both are ~~where~~ included ~~under this chapter~~. Such a plan is an element of a local law plan and exists in conjunction with a defined benefit plan component that meets the minimum benefits and minimum standards ~~of this chapter~~. Any supplemental plan in existence on March 1, 2015, shall be deemed to be a defined contribution plan in compliance with s. 175.351(6).

~~(25)~~(18) “Supplemental plan municipality” means a ~~any~~ local law municipality in which any ~~there existed a~~ supplemental plan existed, ~~of any type or nature~~, as of December 1, 2000.

Section 3. Subsection (8) is added to section 175.061, Florida Statutes, 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:

(8)(a) The board of trustees shall:

1. Provide a detailed accounting report of its expenses for each fiscal year to the plan sponsor and the Department of Management Services and make the report available to each member of the plan and post the report on the board’s website, if the board has a website. The report must include all administrative expenses that, for purposes of this subsection, are expenses relating to any legal counsel, actuary, plan administrator, and all other consultants, and all travel and other expenses paid to or on behalf of the members of the board of trustees or anyone else on behalf of the plan.

2. Operate under an administrative expense budget for each fiscal year, provide a copy of the budget to the plan sponsor, and make available a copy of the budget to plan members before the beginning of the fiscal year. If the board of trustees amends the administrative expense budget, the board must provide a copy of the amended budget to the plan sponsor and make available a copy of the amended budget to plan members.

(b) Notwithstanding s. 175.351(2) and (3), a local law plan created by special act before May 27, 1939, must comply with the provisions of this subsection.

Section 4. Subsection (7) of section 175.071, Florida Statutes, is amended to read:

175.071 General powers and duties of board of trustees.—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:

(7) To assist the board in meeting its responsibilities under this chapter, the board, if it so elects, may:

(a) Employ independent legal counsel at the pension fund's expense.

(b) Employ an independent enrolled actuary, as defined in s. 175.032(7), at the pension fund's expense.

(c) Employ such independent professional, technical, or other advisers as it deems necessary at the pension fund's expense.

If the board chooses to use the municipality's or special district's legal counsel or actuary, or chooses to use any of the municipality's or special district's other professional, technical, or other advisers, it must do so only under terms and conditions acceptable to the board.

Section 5. Paragraph (d) of subsection (1) 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:

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

(d) By mandatory payment by the municipality or special fire control district of a sum equal to the normal cost of and the amount required to fund any actuarial deficiency shown by an actuarial valuation conducted under as provided in part VII of chapter 112 after taking into account the amounts described in paragraphs (b), (c), (e), (f), and (g) and the tax proceeds described in paragraph (a) which are used to fund benefits in a defined benefit plan component.

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 6. Paragraph (a) of subsection (2) of section 175.162, Florida Statutes, is amended to read:

175.162 Requirements for retirement.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, any firefighter who completes 10 or more years of creditable service as a firefighter and attains age 55, or completes 25 years of creditable service as a firefighter and attains

age 52, and who for such minimum period has been a member of the firefighters' pension trust fund operating under a chapter plan or local law plan, is eligible for normal retirement benefits. Normal retirement under the plan is retirement from the service of the municipality or special fire control district on or after the normal retirement date. In such event, payment of retirement income will be governed by the following provisions of this section:

(2)(a)1. ~~The amount of monthly retirement income payable to a full-time firefighter who retires on or after his or her normal retirement date shall be an amount equal to the number of his or her years of credited service multiplied by 2.75 percent of his or her average final compensation as a full-time firefighter. However, if current state contributions pursuant to this chapter are not adequate to fund the additional benefits to meet the minimum requirements in this chapter, only such incremental increases shall be required as state moneys are adequate to provide. Such increments shall be provided as state moneys become available.~~

2. Effective July 1, 2015, a plan that is in compliance with this chapter except that the plan provides a benefit that is less than 2.75 percent of the average final compensation of a full-time firefighter for all years of credited service or provides an effective benefit that is less than 2.75 percent as a result of a maximum benefit limitation:

a. Must maintain, at a minimum, the percentage amount or maximum benefit limitation in effect on July 1, 2015, and is not required to increase the benefit to 2.75 percent of the average final compensation of a full-time firefighter for all years of credited service; or

b. If the plan changes the percentage amount or maximum benefit limitation to 2.75 percent or more of the average final compensation of a full-time firefighter for all years of credited service, the plan may not thereafter decrease the percentage amount or maximum benefit limitation to less than 2.75 percent of the average final compensation of a full-time firefighter for all years of credited service.

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

175.351 Municipalities and special fire control districts that have having their own retirement 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 a municipality or municipalities and special fire control district that has its districts with their own retirement plan pension plans for firefighters, or for firefighters and police officers if both are included, to participate in the distribution of the tax fund established under pursuant to s. 175.101, a local law plan plans must meet the minimum benefits and minimum standards, except as provided in the mutual consent provisions in paragraph (1)(g) with respect to the minimum benefits not met as of October 1, 2012 set forth in this chapter.

(1) If a municipality has a retirement pension plan for firefighters, or a pension plan for firefighters and police officers if both are 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 retirement pension plan must, 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 both are included, where it shall become an integral part of that pension plan and shall be used to fund benefits as provided herein. Effective October 1, 2015, for noncollectively bargained service or upon entering into a collective bargaining agreement on or after July 1, 2015:

(a) The base premium tax revenues must be used to fund minimum benefits or other retirement benefits in excess of the minimum benefits as determined by the municipality or special fire control district.

(b) Of the additional premium tax revenues received that are in excess of the amount received for the 2012 calendar year, 50 percent must be used to fund minimum benefits or other retirement benefits in excess of the minimum benefits as determined by the municipality or special fire control district, and 50 percent must be placed in a defined contribution plan to fund special benefits.

(c) Additional premium tax revenues not described in paragraph (b) must be used to fund benefits that are not included in the minimum benefits. If the additional premium tax revenues subject to this paragraph exceed the full annual cost of benefits provided through the plan which are in excess of the minimum benefits, any amount in excess of the full annual cost must be used as provided in paragraph (b).

(d) Of any accumulations of additional premium tax revenues which have not been allocated to fund benefits in excess of the minimum benefits, 50 percent of the amount of the accumulations must be used to fund special benefits, and 50 percent must be applied to fund any unfunded actuarial liabilities of the plan; provided that any amount of accumulations in excess of the amount required to fund the unfunded actuarial liabilities must be used to fund special benefits 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 included, participating in such separate supplemental plan.

(e) For a plan created after March 1, 2015, 50 percent of the insurance premium tax revenues must be used to fund defined benefit plan component benefits, with the remainder used to fund defined contribution plan component benefits.

(f) If a plan offers benefits in excess of the minimum benefits, such benefits, excluding supplemental plan benefits in effect as of September 30, 2014, may be reduced if the plan continues to meet minimum benefits and minimum standards. The amount of insurance premium tax revenues previously used to fund benefits in excess of minimum benefits before the reduction, excluding the amount of any additional premium tax revenues distributed to a supplemental plan for the 2012 calendar year, must be used as provided in paragraph (b). However, benefits in excess of minimum benefits may not be reduced if a plan does not meet the minimum percentage amount of 2.75 percent of the average final compensation of a full-time firefighter, as required by s. 175.162(2)(a)1., or provides an effective benefit that is below 2.75 percent as a result of a maximum benefit limitation as described in s. 175.162(2)(a)2.

(g) Notwithstanding paragraphs (a)-(f), the use of premium tax revenues, including any accumulations of additional premium tax revenues which have not been allocated to fund benefits in excess of minimum benefits, may deviate from the provisions of this subsection by mutual consent of the members' collective bargaining representative or, if there is no representative, by a majority of the firefighter members of the fund, and by consent of the municipality or special fire control district, provided that the plan continues to meet minimum benefits and minimum standards; however, a plan that operates pursuant to this paragraph and does not meet minimum benefits as of October 1, 2012, may continue to provide the benefits that do not meet the minimum benefits at the same level as was provided as of October 1, 2012, and all other benefit levels must continue to meet the minimum benefits. Such mutually agreed deviation must continue until modified or revoked by subsequent mutual consent of the members' collective bargaining representative or, if none, by a majority of the firefighter members of the fund, and the municipality or special fire control district. An existing arrangement for the use of premium tax revenues contained within a special act plan or a plan within a supplemental plan municipality is considered, as of July 1, 2015, to be a deviation for which mutual consent has been granted.

~~(2) The premium tax provided by this chapter must shall in all cases be used in its entirety to provide retirement extra benefits to firefighters, or to firefighters and police officers if both are included. However, local law plans in effect on October 1, 1998, must 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 a plan is in compliance with such minimum benefit provisions, as subsequent additional premium tax revenues become available, they must 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.~~

~~(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.~~

(3) A retirement plan or amendment to a retirement plan may not be proposed for adoption unless the proposed plan or amendment contains an actuarial estimate of the costs involved. Such proposed plan or proposed plan change may not be adopted without the approval of the municipality, special fire control district, or, where required 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 the last public hearing on the proposal is held thereon. Such statement must 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 May 27, 1939, are deemed to meet the minimum benefits and minimum standards only in this chapter.

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

(a) A local law plan and a supplemental plan may continue to use their definition of compensation or salary in existence on March 12, 1999.

(b) Section 175.061(1)(b) does 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 deemed to have been made.~~

(5) 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.

(6) In addition to the defined benefit plan component of the local law plan, each plan sponsor must have a defined contribution plan component within the local law plan by October 1, 2015, for noncollectively bargained service, upon entering into a collective bargaining agreement on or after July 1, 2015, or upon the creation date of a new participating plan. Depending upon the application of subsection (1), a defined contribution plan component may or may not receive any funding.

(7) Notwithstanding any other provision of this chapter, a municipality or special fire control district that has implemented or proposed changes to a local law plan based on the municipality’s or district’s reliance on an interpretation of this chapter by the Department of Management Services on

or after August 14, 2012, and before March 3, 2015, may continue the implemented changes or continue to implement proposed changes. Such reliance must be evidenced by a written collective bargaining proposal or agreement, or formal correspondence between the municipality or district and the Department of Management Services which describes the specific changes to the local law plan, with the initial proposal, agreement, or correspondence from the municipality or district dated before March 3, 2015. Changes to the local law plan which are otherwise contrary to minimum benefits and minimum standards may continue in effect until the earlier of October 1, 2018, or the effective date of a collective bargaining agreement that is contrary to the changes to the local law plan.

Section 8. Subsection (2) of section 185.01, Florida Statutes, is amended to read:

185.01 Legislative declaration.—

(2) This chapter hereby establishes, for all municipal pension plans ~~now or hereinafter~~ provided for under this chapter, including chapter plans and local law plans, minimum benefits and minimum standards for the operation and funding of such plans, hereinafter referred to as municipal police officers' retirement trust funds, which must be met as conditions precedent to the plan or plan sponsor's receiving a distribution of insurance premium tax revenues under s. 185.10. The Minimum benefits and minimum standards for each plan set forth in this chapter may not be diminished by local ordinance or by special act of the Legislature and may not, nor may the minimum benefits or minimum standards be reduced or offset by any other local, state, or federal plan that includes ~~may include~~ police officers in its operation, except as provided under s. 112.65.

Section 9. 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 term following words and phrases as used in this chapter shall have the following meanings, unless a different meaning is plainly required by the context:~~

(1) “Additional premium tax revenues” means revenues received by a municipality pursuant to s. 185.10 which exceed base premium tax revenues.

~~(2)~~(1) “Average final compensation” means one-twelfth of the average annual compensation of the 5 best years of the last 10 years of creditable service before ~~prior to~~ retirement, termination, or death.

(3) “Base premium tax revenues” means:

(a) For a local law plan in effect on October 1, 2003, the revenues received by a municipality pursuant to s. 185.10 for the 2002 calendar year.

(b) For a local law plan created between October 1, 2003, and March 1, 2015, inclusive, the revenues received by a municipality pursuant to s. 185.10

based upon the tax collections during the second calendar year of participation.

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

(5)(3) “Chapter plan” means a separate defined benefit pension plan for police officers which incorporates by reference the provisions of this chapter and has been adopted by the governing body of a municipality as provided in s. 185.08. Except as ~~may be~~ specifically authorized in this chapter, the provisions of a chapter plan may not differ from the plan provisions set forth in ss. 185.01-185.341 and ss. 185.37-185.39. Actuarial valuations of chapter plans shall be conducted by the division as provided by s. 185.221(1)(b).

(6)(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 special detail work performed on behalf of a second party employer. Overtime may be limited before July 1, 2011, in a local law plan by the plan provisions ~~A local law plan may limit the amount of overtime payments which can be used for retirement benefit calculation purposes; however, 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 meets the requirements of this chapter does 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 plan year may 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 the first plan year beginning on or after January 1, 1996, the limitation on compensation may 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).

~~(7)(5)~~ “Creditable service” or “credited service” means the aggregate number of years of service and fractional parts of years of service of any police officer, omitting intervening years and fractional parts of years when such police officer may not have been employed by the municipality subject to the following conditions:

(a) ~~A~~ No police officer may not ~~will~~ receive credit for years or fractional parts of years of service if he or she has withdrawn his or her contributions to the fund for those years or fractional parts of years of service, unless the police officer repays into the fund the amount he or she has withdrawn, plus interest as determined by the board. The member ~~has~~ shall have at least 90 days after his or her reemployment to make repayment.

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

(c) Credited service under this chapter shall be provided only for service as a police officer, ~~as defined in subsection (11),~~ or for military service and may not include credit for any other type of service. A municipality ~~may,~~ by local ordinance, may provide for the purchase of credit for military service occurring before employment as well as prior service as a police officer for some other employer as long as the police officer is not entitled to receive a benefit for such ~~other~~ prior service ~~as a police officer~~. For purposes of determining credit for prior service, in addition to service as a police officer in this state, credit may be given for federal, other state, or county service as long as such service is recognized by the Criminal Justice Standards and Training Commission within the Department of Law Enforcement as provided in ~~under~~ chapter 943 or the police officer provides proof to the board of trustees that such service is equivalent to the service required to meet the definition of a police officer ~~under subsection (11).~~

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

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

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

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

~~(8)(6)~~ “Deferred Retirement Option Plan” or “DROP” means a local law plan retirement option in which a police officer may elect to participate. A police officer may retire for all purposes of the plan and defer receipt of retirement benefits into a DROP account while continuing employment with his or her employer. However, a police officer who enters the DROP and who is otherwise eligible to participate may ~~shall not thereby~~ be precluded from participation or continued participation ~~participating, or continuing to participate,~~ in a supplemental plan in existence on, or created after, March 12, 1999 ~~the effective date of this act.~~

~~(9)~~ “Defined contribution plan” means the component of a local law plan, as provided in s. 185.35(1), to which deposits, if any, are made to provide benefits for police officers, or for police officers and firefighters if both are included. Such component is an element of a local law plan and exists in conjunction with the defined benefit component that meets minimum benefits and minimum standards. The retirement benefits, if any, of the defined contribution plan shall be provided through individual member accounts in accordance with the applicable provisions of the Internal Revenue Code and related regulations and are limited to the contributions, if any, made into each member’s account and the actual accumulated earnings, net of expenses, earned on the member’s account.

~~(10)(7)~~ “Division” means the Division of Retirement of the Department of Management Services.

~~(11)(8)~~ “Enrolled actuary” means an actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries.

~~(12)(9)~~ “Local law municipality” means ~~is~~ any municipality in which ~~there exists~~ a local law plan exists.

~~(13)(10)~~ “Local law plan” means a retirement defined benefit pension plan that includes both a defined benefit plan component and a defined

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

(14) “Minimum benefits” means the benefits specified in ss. 185.01-185.341 and ss. 185.37-185.50.

(15) “Minimum standards” means the standards specified in ss. 185.01-185.50.

(16)(11) “Police officer” means any person who is elected, appointed, or employed full time by a any municipality, who is certified or required to be certified as a law enforcement officer in compliance with s. 943.1395, who is vested with authority to bear arms and make arrests, and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. The term 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 those terms the same are defined in s. 943.10(6) and (8), respectively. For the purposes of this chapter only, the term also includes “police officer” also shall include a public safety officer who is responsible for performing both police and fire services. Any plan may provide that the police chief shall have an option to participate, ~~or not~~, in that plan.

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

(18)(13) “Retiree” or “retired police officer” means a police officer who has entered retirement status. For the purposes of a plan that includes a Deferred Retirement Option Plan (DROP), a police officer who enters the DROP is shall be considered a retiree for all purposes of the plan. However, a police officer who enters the DROP and who is otherwise eligible to participate may shall not thereby be precluded from participation or continued participation participating, or continuing to participate, in a supplemental plan in existence on, or created after, March 12, 1999 the effective ~~date of this act~~.

(19)(14) “Retirement” means a police officer’s separation from municipal city employment as a police officer with immediate eligibility for receipt of benefits under the plan. For purposes of a plan that includes a Deferred

Retirement Option Plan (DROP), “retirement” means the date a police officer enters the DROP.

(20) “Special act plan” means a plan subject to the provisions of this chapter which was created by an act of the Legislature and continues to require an act of the Legislature to alter plan benefits.

(21) “Special benefits” means benefits provided in a defined contribution plan component for police officers.

~~(22)~~(15) “Supplemental plan” means a plan to which deposits of the premium tax moneys as provided in s. 185.08 are made to provide special extra benefits to police officers, or police officers and firefighters if both are where included, under this chapter. Such a plan is an element of a local law plan and exists in conjunction with a defined benefit plan component that meets the minimum benefits and minimum standards of this chapter. Any supplemental plan in existence on March 1, 2015, shall be deemed to be a defined contribution plan in compliance with s. 185.35(6).

~~(23)~~(16) “Supplemental plan municipality” means a any local law municipality in which any there existed a supplemental plan existed as of December 1, 2000.

Section 10. Subsection (8) is added to section 185.05, Florida Statutes, 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:

(8)(a) The board of trustees shall:

1. Provide a detailed accounting report of its expenses for each fiscal year to the plan sponsor and the Department of Management Services and make the report available to each member of the plan and post the report on the board’s website, if the board has a website. The report must include all administrative expenses that, for purposes of this subsection, are expenses relating to any legal counsel, actuary, plan administrator, and all other consultants, and all travel and other expenses paid to or on behalf of the members of the board of trustees or anyone else on behalf of the plan.

2. Operate under an administrative expense budget for each fiscal year, provide a copy of the budget to the plan sponsor, and make available a copy of the budget to plan members before the beginning of the fiscal year. If the board of trustees amends the administrative expense budget, the board must provide a copy of the amended budget to the plan sponsor and make available a copy of the amended budget to plan members.

(b) Notwithstanding s. 185.35(2) and (3), a local law plan created by special act before May 27, 1939, must comply with the provisions of this subsection.

Section 11. Subsection (6) of section 185.06, Florida Statutes, is amended to read:

185.06 General powers and duties of board of trustees.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter:

(6) To assist the board in meeting its responsibilities under this chapter, the board, if it so elects, may:

(a) Employ independent legal counsel at the pension fund's expense.

(b) Employ an independent enrolled actuary, as defined in s. 185.02(8), at the pension fund's expense.

(c) Employ such independent professional, technical, or other advisers as it deems necessary at the pension fund's expense.

If the board chooses to use the municipality's or special district's legal counsel or actuary, or chooses to use any of the municipality's other professional, technical, or other advisers, it must do so only under terms and conditions acceptable to the board.

Section 12. Paragraph (d) of subsection (1) 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:

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

(d) By payment by the municipality or other sources of a sum equal to the normal cost and the amount required to fund any actuarial deficiency shown by an actuarial valuation conducted under as provided in part VII of chapter 112 after taking into account the amounts described in paragraphs (b), (c), (e), (f), and (g) and the tax proceeds described in paragraph (a) which are used to fund benefits provided in a defined benefit plan component.

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 13. Subsection (2) of section 185.16, Florida Statutes, is amended to read:

185.16 Requirements for retirement.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, any police officer who completes 10 or more years of creditable service as a police officer

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

(2)(a) The amount of the monthly retirement income payable to a police officer who retires on or after his or her normal retirement date shall be an amount equal to the number of the police officer's years of credited service multiplied by 2.75 2 percent of his or her average final compensation. However, ~~if current state contributions pursuant to this chapter are not adequate to fund the additional benefits to meet the minimum requirements in this chapter, only increment increases shall be required as state moneys are adequate to provide. Such increments shall be provided as state moneys become available.~~

(b) Effective July 1, 2015, a plan that is in compliance with this chapter except that the plan provides a benefit that is less than 2.75 percent of the average final compensation of a police officer for all years of credited service or provides an effective benefit that is less than 2.75 percent as a result of a maximum benefit limitation:

1. Must maintain, at a minimum, the percentage amount or maximum benefit limitation in effect on July 1, 2015, and is not required to increase the benefit to 2.75 percent of the average final compensation of a police officer for all years of credited service; or

2. If the plan changes the percentage amount or maximum benefit limitation to 2.75 percent or more of the average final compensation of a police officer for all years of credited service, the plan may not thereafter decrease the percentage amount or the maximum benefit limitation to less than 2.75 percent of the average final compensation of a police officer for all years of credited service.

Section 14. Section 185.35, Florida Statutes, is amended to read:

185.35 Municipalities that have having their own retirement pension plans for police officers.—For any municipality, chapter plan, local law municipality, or local law plan under this chapter, In order for a municipality that has its municipalities with their own retirement plan pension plans for police officers, or for police officers and firefighters if both are included, to participate in the distribution of the tax fund established under pursuant to s. 185.08, a local law plan plans must meet the minimum benefits and minimum standards, except as provided in the mutual consent provisions in paragraph (1)(g) with respect to the minimum benefits not met as of October 1, 2012, set forth in this chapter:

(1) If a municipality has a retirement pension plan for police officers, or for police officers and firefighters if both are 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 retirement pension plan must, 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 both are included, where it shall become an integral part of that pension plan and shall be used to fund benefits as provided herein. Effective October 1, 2015, for noncollectively bargained service or upon entering into a collective bargaining agreement on or after July 1, 2015:

(a) The base premium tax revenues must be used to fund minimum benefits or other retirement benefits in excess of the minimum benefits as determined by the municipality.

(b) Of the additional premium tax revenues received that are in excess of the amount received for the 2012 calendar year, 50 percent must be used to fund minimum benefits or other retirement benefits in excess of the minimum benefits as determined by the municipality, and 50 percent must be placed in a defined contribution plan component to fund special benefits.

(c) Additional premium tax revenues not described in paragraph (b) must be used to fund benefits that are not included in the minimum benefits. If the additional premium tax revenues subject to this paragraph exceed the full annual cost of benefits provided through the plan which are in excess of the minimum benefits, any amount in excess of the full annual cost must be used as provided in paragraph (b).

(d) Of any accumulations of additional premium tax revenues which have not been allocated to fund benefits in excess of the minimum benefits, 50 percent of the amount of the accumulations must be used to fund special benefits and 50 percent must be applied to fund any unfunded actuarial liabilities of the plan; provided that any amount of accumulations in excess of the amount required to fund the unfunded actuarial liabilities must be used to fund special benefits 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 included, participating in such separate supplemental plan.

(e) For a plan created after March 1, 2015, 50 percent of the insurance premium tax revenues must be used to fund defined benefit plan component benefits, with the remainder used to fund defined contribution plan component benefits.

(f) If a plan offers benefits in excess of the minimum benefits, such benefits, excluding supplemental plan benefits in effect as of September 30, 2014, may be reduced if the plan continues to meet minimum benefits and the minimum standards. The amount of insurance premium tax revenues previously used to fund benefits in excess of the minimum benefits before the reduction, excluding the amount of any additional premium tax revenues distributed to a supplemental plan for the 2012 calendar year, must be used as provided in paragraph (b). However, benefits in excess of the minimum benefits may not be reduced if a plan does not meet the minimum percentage amount of 2.75 percent of the average final compensation of a police officer or provides an effective benefit that is less than 2.75 percent as a result of a maximum benefit limitation, as described in s. 185.16(2)(b).

(g) Notwithstanding paragraphs (a)-(f), the use of premium tax revenues, including any accumulations of additional premium tax revenues which have not been allocated to fund benefits in excess of the minimum benefits, may deviate from the provisions of this subsection by mutual consent of the members' collective bargaining representative or, if none, by a majority of the police officer members of the fund, and by consent of the municipality, provided that the plan continues to meet minimum benefits and minimum standards; however, a plan that operates pursuant to this paragraph and does not meet the minimum benefits as of October 1, 2012, may continue to provide the benefits that do not meet the minimum benefits at the same level as was provided as of October 1, 2012, and all other benefit levels must continue to meet the minimum benefits. Such mutually agreed deviation must continue until modified or revoked by subsequent mutual consent of the members' collective bargaining representative or, if none, by a majority of the police officer members of the fund, and the municipality. An existing arrangement for the use of premium tax revenues contained within a special act plan or a plan within a supplemental plan municipality is considered, as of July 1, 2015, to be a deviation for which mutual consent has been granted.

~~(2) The premium tax provided by this chapter must shall in all cases be used in its entirety to provide retirement extra benefits to police officers, or to police officers and firefighters if both are included. However, local law plans in effect on October 1, 1998, must 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 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.~~

~~(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.~~

(3) A retirement plan or amendment to a retirement plan may not be proposed for adoption unless the proposed plan or amendment contains an actuarial estimate of the costs involved. Such proposed plan or proposed plan change may not be adopted without the approval of the municipality or, where required 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 the last public hearing on the proposal is held thereon. Such statement must 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 May 27, 1939, are deemed to meet the minimum benefits and minimum standards only in this chapter.

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

(a) Section ~~185.02(6)(a)~~ 185.02(4)(a) does 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.

(b) A local law plan and a supplemental plan must 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 deemed to have been made.~~

(5) 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.

(6) In addition to the defined benefit component of the local law plan, each plan sponsor must have a defined contribution plan component within the local law plan by October 1, 2015, for noncollectively bargained service, upon entering into a collective bargaining agreement on or after July 1, 2015, or upon the creation date of a new participating plan. Depending upon the application of subsection (1), a defined contribution component may or may not receive any funding.

(7) Notwithstanding any other provision of this chapter, a municipality that has implemented or proposed changes to a local law plan based on the municipality’s reliance on an interpretation of this chapter by the

Department of Management Services on or after August 14, 2012, and before March 3, 2015, may continue the implemented changes or continue to implement proposed changes. Such reliance must be evidenced by a written collective bargaining proposal or agreement, or formal correspondence between the municipality and the Department of Management Services which describes the specific changes to the local law plan, with the initial proposal, agreement, or correspondence from the municipality dated before March 3, 2015. Changes to the local law plan which are otherwise contrary to minimum benefits and minimum standards may continue in effect until the earlier of October 1, 2018, or the effective date of a collective bargaining agreement that is contrary to the changes to the local law plan.

Section 15. The Legislature finds that a proper and legitimate state purpose is served when employees and retirees of this state and its political subdivisions, and the dependents, survivors, and beneficiaries of such 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 under 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 16. This act shall take effect July 1, 2015.

Approved by the Governor May 21, 2015.

Filed in Office Secretary of State May 21, 2015.