

## CHAPTER 2019-174

### Committee Substitute for Committee Substitute for House Bill No. 901

An act relating to the City of West Palm Beach, Palm Beach County; amending ch. 24981 (1947), Laws of Florida, as amended; increasing the amount of credited service a member is entitled to each year; revising the review procedures at a hearing for denial of request for pension benefits; revising the assumed investment rate of return percentage to conform to the increase in the amount of credited service a member is entitled to each year; providing an effective date.

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

Section 1. Paragraph (a) of subsection (5), paragraphs (c) and (d) of subsection (15), and subsection (22) of section 17 of chapter 24981 (1947), Laws of Florida, as amended by chapters 2015-195, 2014-238, and 2012-260, Laws of Florida, are amended to read:

Section 17. West Palm Beach Firefighters Pension Fund.—

(5) Service pension.—

(a) Normal retirement.—

1. Any member who is actively employed on and after October 1, 2003, excluding members in the DROP, who has attained age 50 years and who has acquired 15 or more years of service credit; who has attained age 55 years and who has acquired 10 or more years of service credit; or who has acquired 26 years of service credit without regard to age shall, upon application filed with the Board, be retired and shall be entitled to a monthly pension for the remainder of his or her life.

2. The normal retirement benefit is calculated based upon the sum of sub-subparagraphs a. and b. to a maximum of 92 percent of salary. However, in all cases, a member is entitled to at least 2.75 ~~2~~ percent per year of credited service.

a. Effective on and after May 13, 2012, for all active members who retire on or after May 13, 2012, and who are not eligible for normal retirement as of May 13, 2012, the benefit is equal to 3 percent of final average earnings times credited service earned on and after May 13, 2012; and

b. Effective for service earned before May 13, 2012, for retirements before May 13, 2012, or for members who are eligible for normal retirement as of May 13, 2012, the benefit is equal to 4 percent of final average salary times credited service.

3. The 3-percent benefit accrual factor in subparagraph 2. is contingent on and subject to the adoption and maintenance of the assumptions set forth in subsection (22). If such assumptions are modified by legislative, judicial, or administrative agency action, and the modification results in increased City contributions to the Pension Fund, the 3-percent accrual factor in subparagraph 2. shall be automatically decreased prospectively, from the date of the action, to completely offset the increase in City contributions. However, in no event shall the benefit accrual factor in subparagraph 2. be adjusted below 2.5 percent. To the extent that the benefit accrual factor is less than 3 percent, the supplemental pension distribution calculation under paragraph (d) shall be adjusted for employees who retire on or after October 1, 1998, and those employees who were members of the DROP on October 1, 1998. The adjustment shall be to decrease the minimum return of 8.25 percent needed to afford the supplemental pension distribution, when the amount of the reduction is zero if an employee has been credited with 16 or more years with the 3-percent benefit accrual factor or 1.25 percent if an employee has been credited with no more than a 2.5-percent benefit accrual factor. If an employee has been credited with less than 16 years at the 3-percent benefit accrual factor, then the accumulated amount over 2.5 percent for each year of service divided by .5 percent divided by 16 subtracted from 1 multiplied by 1.25 percent is the reduction from 8.25 percent. An example of the calculation of the minimum return for supplemental pension distribution as described above is set forth in Appendix B to the collective bargaining agreement between the City of West Palm Beach and the West Palm Beach Association of Firefighters, Local 727-IAFF, October 1, 2003-September 30, 2006.

(15) Review procedures.—

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

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

2. All witnesses shall be sworn.

3. The applicant and the Board shall have an opportunity to question all witnesses.

4. Formal rules of evidence and formal rules of civil procedure shall not apply. The proceedings shall comply with the essential requirements of due process and law.

5. The record in a case governed by this subsection shall consist only of:

a. A tape recording of the hearing, to be taped and maintained as part of the official files of the Board of Trustees by the pension’s secretary or plan’s administrator.

b. Evidence received or considered.

c. All notices, pleadings, motions, and intermediate rulings.

d. Any decisions, opinions, proposed or recommended orders, or reports by the Board of Trustees.

(d) Within a reasonable period 5 days after the ~~first~~ hearing, the Board shall take one of the following actions:

1. Grant the pension benefits by overturning the proposed order by a majority vote.

2. Deny the benefits and approve the proposed order as a final order after making any changes in the order the Board feels is necessary.

(22) Actuarial assumptions.—The following actuarial assumptions shall be used for all purposes in connection with this Fund, effective October 1, 1998: the assumed investment rate of return shall be 8.25 percent. Effective retroactively to October 1, 2018 ~~October 1, 2014~~, the assumed investment rate of return shall be 7.5 percent ~~8 percent~~. Due to the other assumption changes that were made at the same time as this reduction in the assumed rate of return, the City did not have an increase in City contributions as a result of the change of the assumed investment rate of return. Therefore, there was no change necessary to the 3-percent accrual factor in subsection (5)(a)2.

Section 2. This act shall take effect upon becoming a law.

Approved by the Governor May 23, 2019.

Filed in Office Secretary of State May 23, 2019.