

House Bill No. 1393

An act relating to the City of West Palm Beach, Palm Beach County; amending chapter 24981, Laws of Florida, 1947, as amended; revising provisions relating to the West Palm Beach Firefighters Pension Fund; revising definition of the term “salary”; removing provisions for lump-sum payments of small retirement income; revising provisions relating to the purchase of permissive service; providing an effective date.

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

Section 1. Subsections (17) through (24) of section 17 of chapter 24981, Laws of Florida, 1947, as amended by chapter 2005-303, Laws of Florida, are renumbered as subsections (16) through (23), respectively, and paragraph (a) of subsection (1), paragraphs (a), (k), and (l) of subsection (5), and present subsections (16) and (24) of that section are amended, to read:

Section 17. West Palm Beach Firefighters Pension Fund.—

(1) Creation of fund.—There is hereby created a special fund for the Fire Department of the City of West Palm Beach to be known as the West Palm Beach Firefighters Pension Fund. All assets of every description held in the name of the West Palm Beach Firemen’s Relief and Pension Fund and in the name of the West Palm Beach Firefighters Pension Fund have been and shall continue to be combined.

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

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

2. “Beneficiary” means any person who is not at retirement but who is entitled to receive a benefit from the West Palm Beach Firefighters Pension Fund or the West Palm Beach Firemen’s Relief and Pension Fund, as applicable.

3. “Board of Trustees” or “Board” means the Board of Trustees provided for in this act.

4. “City” means the City of West Palm Beach, Florida.

5. “Department” means the Fire Department of the City.

6. “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.

7. “Final average salary” means the average of the monthly salary paid a member in the 2 best years of employment, paid in and prior to the 23rd year of credited service. No active nonDROP member shall have any salary amounts paid prior to October 1, 2000, used in the calculation of final average salary. Those members whose final average salary would include salary amounts paid prior to October 1, 2000, shall use salary paid during the period from October 1, 2000, through September 30, 2001, to replace any salary amounts paid prior to October 1, 2000. The replacement salary from October 1, 2000, through September 30, 2001, may range anywhere between 2 weeks and 104 weeks, but shall only be enough salary as is sufficient to replace the salary paid prior to October 1, 2000. The replacement salary amounts from October 1, 2000, to September 30, 2001, shall be prorated based upon an annual salary.

8. “Firefighter” means any person employed in the Department who is certified as a firefighter as a condition of employment in accordance with the provisions of section 633.35, Florida Statutes.

9. “Fund” or “Pension Fund” means the West Palm Beach Firefighters Pension Fund or the West Palm Beach Firemen’s Relief and Pension Fund, as applicable.

10. “Member” means any person who is included in the membership of the Fund in accordance with paragraph (h).

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

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

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

14. “Retirant” or “retiree” means any member who retires with a pension payable from the Fund.

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

16. “Salary” means:

a. ~~The fixed monthly compensation paid to a firefighter and shall include those items that have been included as compensation in accordance with~~

past practice. However, the term shall not be construed to include lump sum payments for accumulated leave.

a.b. On and after October 1, 2001, “salary,” for the purpose of pension contributions and benefit calculations, shall mean ~~be defined as~~ payments made to a firefighter by the City for: regular hours worked; step-up pay; longevity pay; all authorized leave time, which includes compensatory time used, earned personal leave used, emergency leave used, sick leave used, sick leave pay bank used, vacation time used, holiday time used, emergency leave, bereavement leave, and administrative leave; certification pay, which includes paramedic, hazardous material technician, special operations, dive rescue, fire service instructor, fire inspector, and SWAT certification pay; fire inspector standby pay; educational bonus incentive; pay received from the City during military training; and sick leave conversion when such leave is converted during the course of active employment. The definition of “salary” specifically excludes any lump sum payments for accumulated leave such as that received upon final payoff. Employees who are specifically excluded from bargaining unit recognition as set forth in Article 2, but who are members of the West Palm Beach Firefighters Pension Fund, shall continue to make contributions on management incentive benefits. This definition of compensation shall not include any duty employment that is performed for other than the City of West Palm Beach per Article 31, Salary Plan.

b. On and after January 1, 2007, “salary,” for the purpose of pension contributions and benefit calculations, shall mean total cash remuneration paid by the City to a firefighter for services rendered, excluding payments for overtime and any lump- sum payments for accumulated leave such as accrued vacation leave, accrued sick leave, and accrued personal leave. Employees who are specifically excluded from bargaining unit recognition as set forth in Article 2, but who are members of the West Palm Beach Firefighters Pension Fund, shall continue to make contributions on management incentive benefits. This definition of compensation shall not include any duty employment that is performed for other than the City of West Palm Beach per Article 31, Salary Plan.

17. “Service,” “credited service,” or “service credit” means the total number of years, and fractional parts of years, of employment of any member in the employ of the Department, omitting intervening years and fractional parts of years of service when the member was not employed by the City. However, no member shall receive credit for years, or fractional parts of years, of service for which the member has withdrawn his or her contributions to the Fund, unless the member repays into the Fund the contributions withdrawn, with interest, within 60 months after reemployment. Further, a member may voluntarily leave his or her contributions in the Fund for a period of 5 years after leaving the employ of the Department, pending the possibility of his or her being rehired by the Department and remaining employed for a period of not less than 3 years, without losing credit for the time he or she has participated actively as a firefighter. If he or she does not remain employed for a period of at least 3 years as a firefighter with the Department upon reemployment, within 5 years his or her contributions shall be returned without interest in accordance with paragraph (5)(i). In determining the aggregate number of years of service of any member, the

time spent in the military service of the United States or United States Merchant Marine by the member on leave of absence from the Department for such reason shall be added to the years of service, provided such time shall not exceed 5 years. Further, to receive credit for such service the member must return to employment as a firefighter of the City within 1 year after the date of release from such active service.

(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 equal to the greater of the following:

a. Four percent of final average salary times credited service subject to a maximum of 92 percent of final average salary. However, in all cases, members shall be entitled to at least 2 percent per year of credited service; or

b. The sum of the following:

(I) Two and one-half percent of final average salary multiplied by the number of years, and fraction of a year, of service credit to a maximum of 26 years of service, and 2 percent of his or her final average salary multiplied by the number of years, and fraction of a year, in excess of 26 years of service, for all years of service earned through September 30, 1988; and

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

2. Any member who is actively employed by the Department on and after October 1, 2003, and who is a member of the DROP on or after that date, may elect one of the following transition benefits by making a written election within 45 days after the effective date of this special act on a form provided by the Board of Trustees. The right to elect the transition benefits contained in sub-subparagraph b. shall terminate if no written election is made within 45 days after the effective date of this act. In the event a member does not submit a timely written election, the member shall be deemed to have elected the transition benefits contained in sub-subparagraph a. below:

a. Retain member's original monthly retirement benefit, DROP account balance, and share account balance. DROP members who select this transition benefit may continue to participate in the DROP until the end of the original DROP term. Additional allocations to the share account shall be made in accordance with the provisions of paragraph (j).

b. Convert the member's original monthly benefit and DROP balance to a new monthly benefit and BackDROP. In order to be entitled to this benefit, the member must cease membership in the DROP program. The new converted benefits will not be paid until the member has terminated employment. The conversion of the member's benefits shall be based on the following:

(I) Original monthly benefit conversion: A DROP member is entitled to a conversion of the original monthly benefit in an amount equal to 4 percent for each year of credited service excluding the BackDROP period with a 2-year final average salary. The 2-year final average salary shall be determined based on a 24-month period with the highest average prior to the number of full years of BackDROP (selected by the member in accordance with sub-sub-paragraph II). No final average salary shall be included in a monthly benefit calculation for which a member has received a BackDROP payment.

(II) BackDROP conversion: The DROP member is entitled to a lump sum payment equal to the new monthly benefit annualized times a period of whole years as selected by the member up to a maximum of 5. The BackDROP benefit will be paid interest at the rate of 8.25 percent less expenses, compounded annually.

The 4-percent benefit accrual factor in sub-subparagraph 1.a. is contingent on and subject to the adoption and maintenance of the assumptions set forth in subsection (22) (23). 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 4-percent accrual factor in sub-subparagraph 1.a. 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 sub-subparagraph 1.a. be adjusted below 3.5 percent. To the extent that the benefit accrual factor is less than 4 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.

(k) Deferred Retirement Option Plan (DROP).—Effective upon the ratification of 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, no new members may enter into the DROP. Existing DROP members on the ratification date shall have the option to remain in the DROP for the remainder of their individual 5-year terms in accordance with the provisions of subparagraph (5)(a)2.

1. Eligibility to participate in the DROP.—

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

b. Election to participate shall be forfeited if not exercised within the first 35 years of combined credited service.

c. A member shall not participate in the DROP beyond the time of attaining 37 years of service and the total years of participation in the DROP shall not exceed 5 years. For example:

(I) Members with 32 years of credited service at the time of entry shall participate for only 5 years.

(II) Members with 33 years of credited service at the time of entry shall participate for only 4 years.

(III) Members with 34 years of credited service at the time of entry shall participate for only 3 years.

(IV) Members with 35 years of credited service at the time of entry shall participate for only 2 years.

d. Upon a member's election to participate in the DROP, he or she shall cease to be a member and shall no longer accrue any benefits under the Pension Fund, except for the benefits provided under paragraph (j) of this subsection, chapter 175, Florida Statutes, share accounts. For all Fund purposes, the member becomes a retirant, except that a DROP participant shall continue to receive shares of the chapter 175, Florida Statutes, money in accordance with paragraph (j), chapter 175, Florida Statutes, share accounts. The amount of credited service and final average salary shall freeze as of the date of entry into the DROP.

2. Amounts payable upon election to participate in the DROP.—

a. Monthly retirement benefits that would have been payable had the member terminated employment with the Department and elected to receive monthly pension payments shall be paid into the DROP and credited to the retirant. Payments into the DROP shall be made monthly over the period the retirant participates in the DROP, up to a maximum of 60 months.

b. Effective October 1, 2002, participants have the option to select one of three methods to credit investment earnings to their account. Investment earnings shall be credited on a quarterly basis. The method may be changed

each year effective October 1; however, the method must be elected prior to October 1. The methods are:

(I) Earnings using the rate of investment return earned on Pension Fund assets as reported by the Fund's investment monitor. DROP assets are commingled with the Pension Fund assets for investment purposes;

(II) A fixed rate of 8.25 percent; or

(III) A percentage of the DROP account assets to be credited with earnings or losses in accordance with sub-sub-subparagraph (I) and a corresponding percentage of the DROP account assets credited in accordance with sub-sub-subparagraph (II). The combined total percentage invested under this sub-sub-subparagraph must equal 100 percent.

However, if a member does not terminate employment at the end of participation in the DROP, interest credit shall cease on the balance.

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

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

(I) Members may elect to begin to receive payment upon termination of employment or defer payment of the DROP until the latest day under sub-sub-subparagraph (III).

(II) Payments shall be made in either:

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

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

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

(III) Any form of payment selected by a member must comply with the minimum distribution requirements of the IRC 401(A)(9), and are subject to the requirements of subsection (18) ~~(19)~~.

(IV) The beneficiary of the DROP participant who dies before payments from DROP begin shall have the same right as the participant in accordance with subsection (7).

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

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

3. Loans from the DROP.—

a. Availability of loans.—

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

(II) Loans may only be made from a member's own account.

(III) There may be no more than one loan at a time.

b. Amount of loan.—

(I) Loans may be made up to a maximum of 50 percent of account balance.

(II) The maximum dollar amount of a loan is \$50,000, reduced by the highest outstanding loan balance during the last 12 months.

(III) The minimum amount of a loan is \$5,000.

c. Limitation on loans.—Loans shall be made from the amounts paid into the DROP and earnings thereon.

d. Term of loan.—

(I) A loan must be for at least 1 year.

(II) A loan shall be for no longer than 5 years.

e. Loan interest rate.—

(I) The interest rate shall be fixed at the time the loan is originated for the entire term of the loan.

(II) The interest rate shall be equal to the lowest prime rate published by the Wall Street Journal on the last day of each calendar quarter preceding the date of the loan application.

f. Defaults of loans.—

(I) A loan shall be in default if 2 consecutive months of repayments are missed or if a total of 4 months of repayments is missed.

(II) Upon default, the entire balance of the loan becomes due and payable immediately.

(III) If a loan in default is not repaid in full immediately, the loan may be canceled and the outstanding balance treated as a distribution, which may be taxable.

(IV) Upon default of a loan, a member shall not be eligible for additional loans.

g. Miscellaneous provisions.—

(I) All loans must be evidenced by a written loan agreement signed by the member and the Board of Trustees. The agreement shall contain a promissory note.

(II) A member's spouse must consent in writing to the loan. The consent shall acknowledge the effect of the loan on the member's account balance.

(III) Loans shall be considered general assets of the Fund.

(IV) Loans shall be subject to administrative fees to be set by the Board of Trustees.

4. After-tax contributions to the DROP.—

a. A member may make after-tax contributions to the DROP. The maximum amount that may be contributed is the lesser of:

(I) The IRS 415(c) limit.

(II) The amount allowable under IRC 401(m).

b. After-tax contributions to the DROP shall earn interest in the same manner as set forth in sub-subparagraph 2.b.

c. Distributions to members or their beneficiaries of after-tax contributions may be withdrawn at any time on or after termination of employment. However, payments must be made at least as promptly as required under subsection (18) ~~(19)~~.

d. Loans shall not be made against after-tax contributions.

(l) Backwards Deferred Retirement Option Plan (BackDROP).—

1. Eligibility to participate in the BackDROP.—

a. Any member who has attained age 53 with 18 or more years of service, who has attained age 58 with 13 or more years of service, or who has acquired 26 years of service regardless of age may participate in the BackDROP. Members shall elect to participate by applying to the Board of Trustees on a form provided for that purpose. A member may not participate in both the DROP and the BackDROP.

b. Election to participate shall be forfeited if not exercised within the first 28 years of credited service. However, a member who is actively employed by the Department on October 1, 2003, may elect to participate in the BackDROP beyond the 28th year as follows: the member may elect to participate in the benefit for 3 full years in the 29th year of employment, for 1 full year in the 30th year of employment, and after the 30th year of employment all elections to participate in the BackDROP end.

c. A member shall not be eligible to receive a BackDROP benefit that is greater than an accumulation of 60 months of the monthly retirement benefit. A member shall not be eligible to receive a benefit which is less than an accumulation of 36 months of the monthly retirement benefit, except for the reduction of benefits as defined in sub-subparagraph b.

d. Member contributions shall continue throughout the period of employment and are not refundable for the BackDROP period.

e. Members who elect to participate in the BackDROP must retire and terminate employment to be eligible for payment of the benefit.

f. Any member who terminates employment by any means, including death, prior to attaining age 53 with 18 or more years of service or age 58 with 13 or more years of service or by acquiring 26 years of service is not eligible to participate in the BackDROP.

2. Benefits payable upon election to participate in the BackDROP.—

a. Upon election to receive the BackDROP benefit, a member's retirement benefits will be calculated as if the member had chosen to retire and terminate employment at a date which is more than 36 months but less than 60 months earlier. The number of months to be applied is based upon the member's election. The monthly pension amount shall be multiplied by the number of months of BackDROP selected by the member, which shall be between 36 and 60 months, inclusive. The BackDROP benefit shall be calculated as a single sum, including interest at the rate of 8.25 percent less expenses, compounded annually for the period of BackDROP.

b. No payments shall be made from the BackDROP until the member terminates employment with the Department.

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

(I) Members may elect to receive payment upon termination of employment or defer payment of the BackDROP until the latest day under sub-subparagraph (III).

(II) Payments shall be made in either:

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

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

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

(III) Any form of payment selected by a member must comply with the minimum distribution requirements of the IRC 401(A)(9), and are subject to the requirements of subsection (18) ~~(19)~~.

(IV) The beneficiary of the BackDROP member shall have the same right as the participant in accordance with subsection (7).

3. BackDROP earnings.—

a. BackDROP members may select one of three methods to credit investment earnings to their accounts. Investment earnings shall be credited on a quarterly basis. The method may be changed each year effective October 1; however, the method must be elected prior to October 1. The methods are:

(I) The BackDROP is credited with earnings and losses using the rate of investment return earned on Pension Fund assets as reported by the Fund's investment monitor. BackDROP assets are commingled with the Pension Fund assets for investment purposes;

(II) A fixed rate of 8.25 percent; or

(III) A percentage of the BackDROP account assets to be credited with earnings or losses in accordance with sub-sub-subparagraph (I) and a corresponding percentage of the BackDROP account assets credited in accordance with sub-sub-subparagraph (II). The combined total percentage invested under this sub-sub-subparagraph must equal 100 percent.

b. Costs, fees, and expenses of administration shall be debited from the individual member BackDROP accounts on a proportionate basis, taking the cost, fees, and expenses of administration of the Fund as a whole, multiplied by a fraction, the numerator of which is the total of assets in all individual member accounts and the denominator of which is the total of assets of the Fund as a whole.

4. Loans from the BackDROP.—

a. Availability of loans.—

(I) Loans are available to members only after termination of employment, provided the member had participated in the BackDROP for a period of at least 12 months.

(II) Loans may only be made from a member's own account.

(III) There may be no more than one loan at a time.

b. Amount of loan.—

(I) Loans may be made up to a maximum of 50 percent of account balance.

(II) The maximum dollar amount of a loan is \$50,000, reduced by the highest outstanding loan balance during the last 12 months.

(III) The minimum amount of a loan is \$5,000.

c. Limitation on loans.—Loans shall be made from the amounts paid into the BackDROP and earnings thereon.

d. Term of loan.—

(I) A loan must be for at least 1 year.

(II) A loan shall be for no longer than 5 years.

e. Loan interest rate.—

(I) The interest rate shall be fixed at the time a loan is originated for the entire term of the loan.

(II) The interest rate shall be equal to the lowest prime rate published by the Wall Street Journal on the last day of each calendar quarter preceding the date of the loan application.

f. Defaults of loans.—

(I) A loan shall be in default if 2 consecutive months of repayments are missed or if a total of 4 months of repayments is missed.

(II) Upon default of a loan, the entire balance of the loan becomes due and payable immediately.

(III) If a loan in default is not repaid in full immediately, the loan may be canceled and the outstanding balance treated as a distribution, which may be taxable.

(IV) Upon default of a loan, a member shall not be eligible for additional loans.

g. Miscellaneous provisions.—

(I) All loans must be evidenced by a written loan agreement signed by the member and the Board of Trustees. The agreement shall contain a promissory note.

(II) A member's spouse must consent in writing to the loan. The consent shall acknowledge the effect of the loan on the member's account balance.

(III) Loans shall be considered general assets of the Fund.

(IV) Loans shall be subject to administrative fees to be set by the Board of Trustees.

5. After-tax contributions to the BackDROP.—

a. A member may make after-tax contributions to the BackDROP. The maximum amount that may be contributed is the lesser of:

(I) The IRS 415(c) limit.

(II) The amount allowable under IRC 401(m).

b. After-tax contributions to the BackDROP shall earn interest in the same manner as set forth in sub-subparagraph 3.a.

c. Distributions to members or their beneficiaries of after-tax contributions may be withdrawn at any time on or after termination of employment. However, payments must be made at least as promptly as required under subsection (18) ~~(19)~~.

d. Loans shall not be made against after-tax contributions.

~~(16) Lump sum payment of small retirement income.—Notwithstanding any provision of the Fund to the contrary, if the single sum value of the accrued retirement income is less than \$5,000 as of the date of retirement or termination of service, whichever is applicable, the Board of Trustees, in the exercise of its discretion, may specify that the actuarial equivalent of such retirement income be paid in lump sum.~~

~~(23)~~(24) Prior firefighter service.—Unless otherwise prohibited by law, the years, or fractional parts of years, that a member previously served as a firefighter with the City during a period of employment and for which accumulated contributions were withdrawn from the fund, or the years, and fractional parts of years, that a member served as a firefighter for this or any other municipal, county, or state fire department or district or any time served in the military service of the Armed Forces of the United States shall be added to the years of credited service, provided that the member contributes to the fund the sum that would have been contributed, based on the member's salary and the employee contribution rate in effect at the time that the credited service is requested, had the member been a member of this system for the years, or fractional parts of years, for which the credit is requested, plus the amount actuarially determined, such that the crediting of service does not result in any cost to the fund, plus payment of costs for all professional services rendered to the board in connection with the purchase of years of credited service.

(a) Payment by the member of the required amount may be made within 6 months after the request for credit and in one lump sum payment, or the member may buy back this time over a period equal to the length of time being purchased or 5 years, whichever is greater, at an interest rate which is equal to the Fund's actuarial assumption. A member may request to purchase some or all years of eligible service.

(b) The credit purchased under this section shall count for all purposes, except vesting.

(c) In no event, however, may credited service be purchased pursuant to this section for prior service with any other municipal, county, or state fire department or district, if such prior service forms or will form the basis of a retirement benefit or pension from another retirement system or plan.

(d) In the event that a member who is in the process of purchasing service suffers a disability and is awarded a benefit from the plan, the member shall

not be required to complete the buyback. However, contributions made prior to the date the disability payment begins will be retained by the Fund.

(e) If a member who has either completed the purchase of service or is in the process of purchasing service terminates before vesting, the member's contributions shall be refunded, including the buyback contributions.

(f) A request to purchase service may be made at any time during the course of employment; ~~however, the buyback is a one-time opportunity. A member may elect to purchase permissive service more than one time; however, the maximum years of service that may be purchased is 5 years.~~

(g) There shall be no fiscal impact to the City, now or in the future, as a result of the purchase of credit for prior firefighter service or military service.

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

Approved by the Governor June 15, 2007.

Filed in Office Secretary of State June 15, 2007.