

1 An act relating to the City of West Palm Beach, Palm Beach County;  
2 amending chapter 24981 (1947), Laws of Florida, as amended, relating to  
3 the West Palm Beach Police Pension Fund; revising definitions; revising  
4 trustee terms; clarifying powers of the board of trustees; adding provision  
5 for physical for determining pre-existing conditions; adding procedure for  
6 retrueing withdrawn contributions upon rehire or reinstatement to  
7 employment; adding Normal Retirement Age for retirement based on  
8 years of service; deleting obsolete retirement calculations; clarifying  
9 survivor language for normal form of benefit; adding 10 year certain  
10 benefit to optional forms; adding a death benefit provision to the DROP  
11 account; clarifying the retiree's option to elect an optional form at the time  
12 of retirement; adding an actuarial equivalent calculation for survivor  
13 benefits paid to a spouse other than the one to whom the retiree was  
14 married at the time of retirement; deleting the section actuarial  
15 assumptions; clarifying the purchase of service is limited to 5 years;  
16 providing an effective date.

17  
18 Be It Enacted by the Legislature of the State of Florida:

19  
20 Section 1. Section 16 of chapter 24981 (1947), Laws of Florida, as amended by  
21 chapter 2012-259, Laws of Florida, is amended to read:

22 Section 16. West Palm Beach Police Pension Fund.

23 (1) Creation of fund.—There is hereby created and established a special fund  
24 for the police officers of the City of West Palm Beach to be known as the West Palm

25 Beach Police Pension Fund. All assets of every description held in the name of the  
26 West Palm Beach Police Pension and Relief Fund and in the name of the West Palm  
27 Beach Pension Fund have been and continue to be combined.

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

31 **(a)** “Accrued benefit” means the total amount of a pension plan as on a  
32 specified date determined in accordance with the terms of the pension plan,  
33 whether or not the member is eligible to access it.

34 ~~(a)~~**(b)** “Actuarial equivalent value,” “actuarial equivalence,” or “single sum value”  
35 means the stated determination using an interest rate of 8.00 ~~8.25~~ percent per year and  
36 the RP-2000 Mortality Table for annuitants with future improvements in mortality  
37 projected to 2017 using Scale BB, blending 90% male rates and 10% female rates  
38 for the member and 10% male rates and 90% female rates for the beneficiary. For  
39 females, the base mortality rates include a 100% white collar adjustment. For  
40 males, the base mortality rates include a 90% blue collar adjustment and a 10%  
41 white collar adjustment ~~1983 Group Annuity Mortality Table.~~

42 ~~(b)~~**(c)** “Beneficiary” means any person, except a retirant, who is entitled to  
43 receive a benefit from the West Palm Beach Police Pension Fund or the West Palm  
44 Beach Police Pension and Relief Fund, as applicable.

45 ~~(e)~~**(d)** “Board of Trustees” or “Board” means the Board of Trustees provided for  
46 in this act.

47 ~~(d)~~**(e)** “City” means the City of West Palm Beach, Florida.

48 ~~(e)~~**(f)** “Department” means the Police Department in the City of West Palm

49 Beach.

50 ~~(f)~~**(g)** "Enrolled actuary" means an actuary who is enrolled under Subtitle C of  
51 Title III of the Employee Retirement Income Security Act of 1974 and who is a member  
52 of the Society of Actuaries or the American Academy of Actuaries.

53 ~~(g)~~**(h)** "Final average salary" means the average of the monthly salary paid  
54 a member in the 3 best years of employment. In no event shall any one year, beginning  
55 January 1, 2005, include more than 400 hours of overtime. Prior to January 1, 2005,  
56 individual years may include more than 400 hours of overtime. Effective prospectively  
57 from January 1, 2013, the overtime will be limited to 300 hours in any one year.

58 **Effective [insert effective date] for any lump sum payment for retroactive**  
59 **pay, such amounts shall not be considered as a lump sum but will be treated as if**  
60 **paid during the retroactive pay periods.**

61 ~~(h)~~**(i)** "Fund" or "Pension Fund" means the West Palm Beach Police Pension  
62 Fund or the West Palm Beach Pension and Relief Fund, as applicable.

63 ~~(i)~~**(j)** "Member" or "participant" means any person who is included in the  
64 membership of the Fund in accordance with subsection (6).

65 ~~(j)~~**(k)** "Pension" means a monthly amount payable from the Fund throughout the  
66 future life of a person, or for a limited period of time, as provided in this act.

67 ~~(k)~~**(l)** "Police officer" means any person who is elected, appointed, or employed  
68 full time by the City, who is certified or required to be certified as a law enforcement  
69 officer in compliance with section 943.14, Florida Statutes, who is vested with authority  
70 to bear arms and make arrests, and whose primary responsibility is the prevention and  
71 detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of  
72 the state. This definition includes all certified supervisory and command personnel

73 whose duties include, in whole or in part, the supervision, training, guidance, and  
74 management responsibilities of full-time law enforcement officers, part-time law  
75 enforcement officers, or auxiliary law enforcement officers, but does not include  
76 part-time law enforcement officers or auxiliary law enforcement officers as the same are  
77 defined in subsections (6) and (8) of section 943.10, Florida Statutes.

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

83 ~~(m)~~(n) “Qualified public depository” means any bank or savings association  
84 organized and existing under the laws of Florida and any bank or savings association  
85 organized under the laws of the United States that has its principal place of business, or  
86 a branch office, in Florida which is authorized under the laws of Florida or the United  
87 States to receive deposits in Florida; that meets all of the requirements of chapter 280,  
88 Florida Statutes; and that has been designated by the Treasurer of the State of Florida  
89 as a qualified public depository.

90 ~~(n)~~(o) “Retirant” means any member who retires with a pension from the Fund.

91 ~~(e)~~(p) “Retirement” means a member’s withdrawal from Police Department  
92 employment as a police officer with a pension payable from the Fund.

93 ~~(p)~~(q) “Salary” means the fixed monthly compensation paid to a member;  
94 compensation shall include those items as have been included as compensation in  
95 accordance with past practice. However, the term shall not be construed to include lump  
96 sum payments for accumulated leave.

97 On and after January 1, 2003, salary shall mean total cash remuneration paid by  
98 the City to a police officer for services rendered excluding lump sum payments for  
99 accumulated leave such as accrued vacation leave, accrued sick leave, and accrued  
100 personal leave.

101 Effective January 1, 2005, overtime hours earned and paid in excess of 400  
102 hours in any 26 consecutive pay periods shall be excluded from the definition of salary.  
103 Effective prospectively from January 1, 2013, overtime hours earned and paid in excess  
104 of 300 hours in any 26 consecutive pay periods shall be excluded from the definition of  
105 salary. Prior to January 1, 2005, all overtime hours earned and paid shall be included  
106 in the definition of salary and shall not be limited by any cap.

107 This definition of compensation shall not include off-duty employment performed  
108 for vendors other than the City of West Palm Beach per Article 30, Pension Plan and  
109 Section 5 of the collective bargaining agreement between the Palm Beach County  
110 Police Benevolent Association and the City of West Palm Beach. Beginning with salary  
111 paid after December 31, 2008, and pursuant to s. 414(u)(7) of the Internal Revenue  
112 Code, "salary" includes amounts paid by the City as differential wages to members  
113 who are absent from employment while in qualified military service.

114 ~~(e)~~(r) "Service" or "service credit" means the total number of years, and  
115 fractional parts of years, of employment of any police officer, omitting intervening years,  
116 and fractional parts of years, when such police officer was not employed by the City. No  
117 member shall receive credit for years, or fractional parts of years, of service for which  
118 the member has withdrawn his or her contributions to the Fund. It is further provided  
119 that a member may voluntarily leave his or her contributions in the Fund for a period of  
120 5 years after leaving the employ of the Department, pending the possibility of being

121 rehired by the Department, without losing credit for the time he or she has participated  
122 actively as a police officer. Should he or she not be re-employed as a police officer with  
123 the Department within 5 years, his or her contributions shall be returned without interest.  
124 In determining the aggregate number of years of service of any member, years of  
125 service for prior police officer or military service, as well as intervening military service,  
126 may be added, provided the member meets the requirements of subsection (35).

127 ~~(+)~~(s) The masculine gender includes the feminine and words in the singular with  
128 respect to persons shall include the plural and vice versa.

129 (3) Board of Trustees of Police Pension Fund.—

130 (a) Board of Trustees created.—There is hereby created a Board of Trustees,  
131 which shall be solely responsible for administering the West Palm Beach Police Pension  
132 Fund. The Board shall be a legal entity, with the power to bring and defend lawsuits of  
133 every kind, nature, and description and shall be independent of the City to the extent  
134 required to accomplish the intent, requirements, and responsibilities provided for in this  
135 act. The Board shall consist of five trustees, as follows:

136 1. Two legal residents of the City, who shall be appointed by the City. Each  
137 resident trustee shall serve as a trustee for a period of 4 ~~2~~—years, unless sooner  
138 replaced by the City, at whose pleasure he or she shall serve, and may succeed himself  
139 or herself as a trustee.

140 2. Two police officers, who shall be elected by a majority of the police  
141 officers who are members of the Fund. Elections shall be held under such reasonable  
142 rules and regulations as the Board shall from time to time adopt. Each member-trustee  
143 shall serve as trustee for a period of 4 ~~2~~— years, unless he or she sooner ceases to be a  
144 police officer in the employ of the Department, whereupon the members shall choose

145 his or her successor in the same manner as the original appointment. Each  
146 member-trustee of the Fund may succeed himself or herself as a trustee.

147 3. A fifth trustee, who shall be chosen by a majority of the other four trustees.  
148 This fifth person's name shall be submitted to the City, which shall, as a ministerial duty,  
149 appoint such person to the Board as a fifth trustee. The fifth person shall serve as  
150 trustee for a period of 4 ~~2~~ years, and may succeed himself or herself as a trustee.

151 (b) Board vacancy; how filled.— In the event a trustee provided for in  
152 subparagraph (a)2. ceases to be a police officer in the employ of the Department, he or  
153 she shall be considered to have resigned from the Board. In the event a trustee  
154 provided for in subparagraph (a)2. shall resign, be removed, or become ineligible to  
155 serve as a trustee, the Board shall, by resolution, declare the office of trustee vacated  
156 as of the date of adoption of said resolution. If such a vacancy occurs in the office of  
157 trustee within 90 days of the next succeeding election for trustee, the vacancy shall be  
158 filled at the regular election for the next term; otherwise, the vacancy shall be filled for  
159 the unexpired portion of the term, as provided in subparagraph (a)2. In the event a  
160 trustee provided for in subparagraph (a)1. or subparagraph (a)3. shall resign, be  
161 removed, or become ineligible to serve as a trustee, the Board shall, by resolution,  
162 declare the office of trustee vacated as of the date of adoption of said resolution. The  
163 trustee's successor for the unexpired portion of said trustee's term shall be chosen in  
164 the same manner as an original appointment.

165 (c) Board meetings; quorum; procedures.— The Board shall hold meetings  
166 regularly, at least one in each quarter year, and shall designate the time and place  
167 thereof. At any meeting of the Board, three trustees shall constitute a quorum. Each  
168 trustee shall be entitled to one vote on each question before the Board and at least

169 three concurring votes shall be required for a decision by the Board at any of its  
170 meetings. The Board shall adopt its own rules of procedure and shall keep a record of  
171 its proceedings. All public records of the Board shall be kept and maintained as required  
172 by law. All meetings of the Board shall be open to the public and shall be held as  
173 required by law.

174 (d) Board chair.— The Board shall elect from among the trustees a chair.

175 (e) Board secretary.— The Board shall elect from among the trustees a  
176 secretary. The secretary shall keep a complete minute book of the actions, proceedings,  
177 and hearings of the Board.

178 (f) Compensation.—The trustees of the Fund shall not receive any  
179 compensation for their services as such, but may receive expenses and per diem as  
180 provided by law.

181 **(g) Powers of the Board of Trustees. – The duties and responsibilities of**  
182 **the Board shall include, but not necessarily be limited to, the following:**

183 **1. To construe the provisions of the plan and determine all questions**  
184 **arising thereunder.**

185 **2. To determine all questions relating to eligibility and participation.**

186 **3. To determine or have determined and certified the amount of all**  
187 **retirement allowances or other benefits hereunder.**

188 **4. To receive and process all applications for participation and benefits**  
189 **and, where necessary, conduct hearings thereon.**

190 **5. To authorize all payments whatsoever from the fund, and to notify**  
191 **the disbursing agent, in writing, or approve benefit payments and other**  
192 **expenditures arising through operation of the plan and fund.**

193 6. To make recommendations to the city commission regarding  
194 changes in the provisions of the plan.

195 7. To review reports of and have meetings with the custodian and  
196 investment agent(s) or advisor(s); to require written reports from the custodian  
197 on fund assets and transactions on a monthly basis; to require written and oral  
198 reports from the investment agents or advisors on at least an annual basis, such  
199 reports to reflect fund investment, performance, investment recommendations  
200 and overall review of fund investment policies.

201 8. To maintain a minute book containing the minutes and records of the  
202 proceedings and meetings of the Board.

203 9. To make uniform rules and regulations and to take action as may be  
204 necessary to carry out the provisions of the plan and all decisions of the Board  
205 made in good faith shall be final, binding, and conclusive on all parties.

206 10. To take such other action as the Board shall deem, in their sole and  
207 exclusive discretion, as being necessary for the efficient management of the plan.

208 (4) Professional and clerical services.—

209 (a) Pension administrator.—The pension administrator of the Fund shall be  
210 designated by the Board and shall carry out its orders and directions.

211 (b) Custodian of funds.— All moneys and securities of the Fund may be  
212 deposited with the cash management coordinator of the City, acting in a ministerial  
213 capacity only, who shall be bonded and shall be liable in the same manner and to the  
214 same extent as he or she is liable for the safekeeping of funds for the City. However,  
215 any funds and securities deposited with the cash management coordinator shall be kept  
216 in a separate fund by the cash management coordinator or clearly identified as funds

217 and securities of the Fund. In lieu thereof, the Board shall deposit the Funds and  
218 securities in a qualified public depository designated by the Board.

219 1. The cash management coordinator or other designated qualified public  
220 depository shall receive all moneys due said Fund from all sources whatsoever. All tax  
221 revenue received pursuant to the provisions of chapter 185, Florida Statutes, shall be  
222 deposited into the Fund no more than 5 days after receipt. Member contributions  
223 withheld by the City on behalf of a member shall be deposited in the Fund immediately.

224 2. The Board may issue drafts upon the Fund pursuant to this act and rules  
225 and regulations prescribed by the Board, provided that such drafts shall be issued in  
226 accordance with generally accepted accounting procedures, American Institute of  
227 Certified Public Accountants guidelines, and rules of the State of Florida Auditor  
228 General. All such drafts shall be consecutively numbered and signed by the chair and  
229 secretary, or other fiduciary designee, and each draft shall, upon its face, state the  
230 purpose for which it is drawn. For this purpose, the chair and secretary shall be bonded.  
231 The cash management coordinator or other depository shall retain such drafts when  
232 paid, as permanent vouchers for disbursements made, and no money shall be  
233 otherwise drawn from the Fund. Payments from the Fund shall be made only upon a  
234 specific or general motion or resolution previously adopted by the Board authorizing  
235 such payment or payments.

236 (c) Legal counsel.— The City Attorney shall give advice to the Board in all  
237 matters pertaining to its duties in the administration of the Fund whenever requested,  
238 shall represent and defend the Board as its attorney in all suits and actions at law or in  
239 equity that may be brought against it, and shall bring all suits and actions in its behalf  
240 that may be required or determined upon by said Board. However, if the Board so

241 elects, it may employ independent legal counsel at the Fund's expense for the purposes  
242 set forth in this act.

243 (d) Actuary.— The Board shall designate an enrolled actuary who shall be its  
244 technical advisor and who shall perform such other actuarial services as are required.

245 (e) Certified public accountant.— The Board shall employ, at its expense, a  
246 certified public accountant to conduct an independent audit of the Fund. The certified  
247 public accountant shall be independent of the Board and the City.

248 (f) Additional professional, technical, or other services.— The Board shall  
249 have the authority to employ such professional, technical, or other advisors as are  
250 required to carry out the provisions of this act.

251 (5) Reports; experience tables; regular interest.—

252 (a) Reports.— The pension administrator shall keep, or cause to be kept,  
253 such data as shall be necessary for an actuarial valuation of the assets and liabilities of  
254 the Fund.

255 (b) Experience tables; regular interest; adoption of same.—The Board shall,  
256 from time to time, adopt such mortality and other tables of experience, and a rate or  
257 rates of interest, as required to operate the Fund on an actuarial basis, except as  
258 provided in subsection (34).

259 (6) Membership.—All police officers in the employ of the Department shall be  
260 included in the membership of the Fund, and all persons who hereafter become police  
261 officers in the employ of the City shall thereupon become members of the Fund. New  
262 members to the Fund are required to undergo a physical examination for  
263 purposes of determining preexisting conditions. This physical examination shall  
264 be conducted in conjunction with the City's postoffer, preemployment physical

265 examination. The Board's medical director shall review the results of this  
266 physical examination and provide notice to the Board and the member of any  
267 abnormal findings of the examination. This physical examination will be used for  
268 the purposes of establishing a physical profile of the member for determining  
269 preexisting conditions and presumptive illnesses as provided for in subsections  
270 (14) and (15). After review, if further physical examination is required, such  
271 examination shall be conducted at Board expense.

272 Except as otherwise provided in this act, should any member cease to be a  
273 police officer in the employ of the Department, he or she shall thereupon cease to be a  
274 member and his or her credited service at that time shall be forfeited. In the event such  
275 person is re-employed in the Department as a police officer, he or she shall again  
276 become a member. His or her forfeited service shall be restored to the member's credit,  
277 provided that he or she returns to the Fund the amount he or she might have withdrawn,  
278 together with regular interest from the date of withdrawal to the date of repayment.

279 Members must begin the process of returning the withdrawn contributions within  
280 one (1) year after date of rehire or the time will only be eligible for purchase  
281 within the provisions of section (35) of this plan. Should a member have  
282 withdrawn their contributions due to a termination from employment and the  
283 member is subsequently reinstated through the grievance and arbitration process  
284 must also member must begin the process of returning the withdrawn  
285 contributions within one (1) year after the date of reinstatement or the time will  
286 only be eligible for purchase within the provisions of section (35) of this plan;  
287 however, a member who is reinstated through the grievance and arbitration  
288 process may repay the withdrawn contributions without interest if the repayment

289 process is started within one (1) year of the date of reinstatement. Upon the  
290 member's retirement or death, he or she shall thereupon cease to be a member.

291 (7) Service credit.— Pursuant to appropriate rules and regulations, the Board  
292 shall determine and credit the amount of service to which each member shall be  
293 credited, consistent with the provisions of this act and chapter 185, Florida Statutes.

294 (8) Age and service requirements for retirement.—

295 (a) Normal retirement.— Upon written application filed with the Board, any  
296 member may retire and receive the applicable pension provided for in paragraph (9)(a),  
297 provided that the member has attained age 50 and has at least 20 years of credited  
298 service, has attained age 55 and has at least 10 years of credited service, or has at  
299 least 25 years of continuous credited service, regardless of age. In the case of a  
300 retirement with twenty-five (25) years of service, Normal Retirement Age is the  
301 age a member has attained when retired at twenty-five (25) years of service.

302 (b) Vested deferred retirement.— A member who leaves the employ of the  
303 Department with 10 or more years of credited service and who is not eligible for any  
304 other retirement benefit under this act shall be entitled to the pension provided for in this  
305 subsection. Payments of this pension shall begin the first day of the calendar month  
306 following the month in which his or her application is filed with and accepted by the  
307 Board on or after attainment of age 50 years. If applicable, the amount of the pension  
308 shall be determined in accordance with the early retirement provisions below.

309 (c) Early retirement.— Any member may retire from the service of the  
310 Department as of the first day of any calendar month which is prior to the member's  
311 normal retirement date but subsequent to the date as of which he or she has both  
312 attained the age of 50 and completed 10 years of credited service. In the event of early

313 retirement, the monthly amount of retirement income payable shall be computed as  
314 described in paragraph (9)(a), taking into account his or her credited service to his or  
315 her date of actual retirement and his or her final average salary as of such date. The  
316 amount of retirement income shall be actuarially reduced to take into account the  
317 member's younger age and earlier commencement of retirement income benefits. The  
318 early retirement reduction shall be 3 percent for each year by which the member's age  
319 at retirement preceded the member's normal retirement age.

320 (9) Retirement pension calculation.—

321 (a) Upon retirement eligibility as provided in subsection (8), a member shall  
322 receive a monthly pension. The pension shall be the following, as applicable:

323 1. For all years of service earned after October 1, 2011, the benefit is  
324 calculated using 2.68 percent of final average salary per year and fractional parts of the  
325 years of service up to a total of 26 prospective years, plus 1 percent of the final average  
326 salary multiplied by the number of years, and fraction of a year, of credited service in  
327 excess of 26 years. This change in the multiplier is due to the change in assumptions  
328 set forth in subsection (34). This reduction is required by this paragraph. For years of  
329 service earned before October 1, 2011, the benefit will be calculated under the  
330 provisions of the applicable subparagraphs 2.-5. For purposes of determining the  
331 26-year limitation, the member's total number of years of credited service are used. In  
332 no event shall the benefit be less than 2 percent per year of credited service.

333 2. A member who has more than or equal to 12 years and 6 months of  
334 service at October 1, 1999, and who was actively employed by the Department on or  
335 after October 1, 1999, shall receive a benefit equal to ~~the greater of the following:~~

336 ~~a.~~ Three percent of final average salary multiplied by the number of years,

337 and fraction of a year, of credited service earned from April 1, 1987, to September 30,  
338 2011, plus 2.5 percent of final average salary multiplied by the number of years, and  
339 fraction of a year, of credited service earned prior to April 1, 1987, up to a total of 26  
340 years, plus 1 percent of the final average salary multiplied by the number of years, and  
341 fraction of a year, of credited service which is in excess of 26 years;

342 ~~b. Two and one-half percent of final average salary multiplied by the number~~  
343 ~~of years, and fraction of a year, of credited service, not to exceed 26 years, plus 1~~  
344 ~~percent of the final average salary multiplied by the number of years, and fraction of a~~  
345 ~~year, of credited service which is in excess of 26 years; or~~

346 ~~c. The sum of the following:~~

347 ~~(I) Two and one-half percent of final average salary multiplied by the number~~  
348 ~~of years, and fraction of a year, of credited service earned through September 30, 1988;~~  
349 ~~and~~

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

352  
353 However, in no event shall the benefit be less than 2 percent per year of credited  
354 service. For all years of service after October 1, 2011, the benefit will be calculated in  
355 accordance with subparagraph 1.

356 3. ~~A member who has more than 12 years and 6 months of service and who~~  
357 ~~has entered the DROP on or before October 1, 1999, and who was actively employed~~  
358 ~~by the Department on October 1, 1999, shall receive a benefit equal to the greater of~~  
359 ~~the following:~~

360 ~~a. Three percent of final average salary multiplied by the number of years,~~

361 ~~and fraction of a year, of credited service earned in the 12 years and 6 months prior to~~  
362 ~~entering the DROP, plus 2.5 percent of final average salary multiplied by the number of~~  
363 ~~years, and fraction of a year, of credited service earned prior to that date which is 12~~  
364 ~~years and 6 months prior to entering the DROP, up to a total of 26 years, plus 1 percent~~  
365 ~~of the final average salary multiplied by the number of years, and fraction of a year, of~~  
366 ~~credited service which is in excess of 26 years. The one-half percent enhancement to~~  
367 ~~the accrual rate shall also be applied retroactively to the date of entering the DROP, or~~  
368 ~~2 years, whichever is less, provided that the retroactive application shall include~~  
369 ~~principal only and not any earnings thereon. An example of the calculation described in~~  
370 ~~this sub-subparagraph is set forth in the collective bargaining agreement between the~~  
371 ~~City of West Palm Beach and the Police Benevolent Association, Certified Unit No. 825,~~  
372 ~~October 1, 1998- September 30, 2001;~~

373 ~~\_\_\_\_\_ b. \_\_\_\_\_ Two and one-half percent of final average salary multiplied by the number~~  
374 ~~of years, and fraction of a year, of credited service, not to exceed 26 years, plus 1~~  
375 ~~percent of the final average salary multiplied by the number of years, and fraction of a~~  
376 ~~year, of credited service which is in excess of 26 years; or~~

377 ~~\_\_\_\_\_ c. \_\_\_\_\_ The sum of the following:~~

378 ~~\_\_\_\_\_ (I) \_\_\_\_\_ Two and one-half percent of final average salary multiplied by the number~~  
379 ~~of years, and fraction of a year, of credited service earned through September 30, 1988;~~  
380 ~~and~~

381 ~~\_\_\_\_\_ (II) \_\_\_\_\_ Two percent of final average salary multiplied by the number of years, and~~  
382 ~~fraction of a year, of credited service earned on and after October 1, 1988.~~

383 ~~However, in no event shall the benefit be less than 2 percent per year of credited~~  
384 ~~service. For all years of service after October 1, 2011, the benefit will be calculated in~~

385 ~~accordance with subparagraph 1.~~

386 4. A member who has less than 12 years and 6 months of service on  
387 October 1, 1999, and who was actively employed by the Department on or after October  
388 1, 1999, shall receive a benefit equal to the ~~greater of the following:~~

389 ~~a. Three percent of final average salary multiplied by the number of years,~~  
390 ~~and fraction of a year, of credited service up to September 30, 2011, plus 1 percent of~~  
391 ~~the final average salary multiplied by the number of years, and fraction of a year, of~~  
392 ~~credited service which is in excess of 26 years;~~

393 ~~b. Two and one-half percent of final average salary multiplied by the number~~  
394 ~~of years, and fraction of a year, of credited service, not to exceed 26 years, plus 1~~  
395 ~~percent of the final average salary multiplied by the number of years, and fraction of a~~  
396 ~~year, of credited service which is in excess of 26 years; or~~

397 ~~c. The sum of the following:~~

398 ~~(i) Two and one-half percent of final average salary multiplied by the number~~  
399 ~~of years, and fraction of a year, of credited service earned through September 30, 1988;~~  
400 ~~and~~

401 ~~(ii) Two percent of final average salary multiplied by the number of years, and~~  
402 ~~fraction of a year, of credited service earned on and after October 1, 1988.~~

403 However, in no event shall the benefit be less than 2 percent per year of credited  
404 service. For all years of service after October 1, 2011, the benefit will be calculated in  
405 accordance with subparagraph 1.

406 4.5. A member who terminated employment, retired on a vested deferred  
407 benefit, or retired on or before October 1, 1999, shall receive a benefit equal to the  
408 greater of the following:

409 a. Two and one-half percent of final average salary multiplied by the number  
410 of years, and fraction of a year, of credited service not to exceed 26 years, plus 1  
411 percent of the final average salary multiplied by the number of years, and fraction of a  
412 year, of credited service which is in excess of 26 years; or

413 b. The sum of the following:

414 (I) Two and one-half percent of final average salary multiplied by the number  
415 of years, and fraction of a year, of credited service earned through September 30, 1988;  
416 and

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

419

420 ~~The 3-percent benefit accrual factor for active employees in subparagraphs (a)2., 3.,~~  
421 ~~and 4. is contingent on and subject to the adoption and maintenance of the assumptions~~  
422 ~~set forth in subsection (34). If such assumptions are modified by legislative, judicial, or~~  
423 ~~administrative agency action and the modification results in increased City contributions~~  
424 ~~to the Pension Fund, the 3-percent benefit accrual factor for active employees in~~  
425 ~~subparagraphs (a) 2., and 3., and 4. shall be automatically decreased prospectively~~  
426 ~~from the date of the action, to completely offset the increase in City contributions.~~  
427 ~~However, in no event shall the benefit accrual factor in subparagraphs (a)1., 2., 3., 4.,~~  
428 ~~and 5. be adjusted below 2.5 percent.~~

429

430 To the extent that the benefit accrual factor is less than 3 percent for active members  
431 with less than 12 years and 6 months of service on October 1, 1999, the supplemental  
432 pension distribution calculation under subparagraph (12)(a)2. shall be adjusted for

433 employees who retire or enter the DROP after October 1, 1999. The adjustment shall be  
434 to decrease the minimum return of 8.25 percent needed to afford the supplemental  
435 pension distribution, where the amount of the reduction is zero if an employee has been  
436 credited with 12 years and 6 months of service or more with the 3-percent benefit  
437 accrual factor or 1.25 percent if an employee has been credited with no more than a  
438 2.5-percent benefit accrual factor. If an employee has been credited with less than 12  
439 years and 6 months of service at the 3-percent benefit accrual factor, then the  
440 accumulated amount over 2.5 percent for each year of service divided by one-half  
441 percent divided by 12.5 subtracted from 1 multiplied by 1.25 percent is the reduction  
442 from 8.25 percent. An example of the calculation of the minimum return for the  
443 supplemental pension distribution as herein described is set forth in the collective  
444 bargaining agreement between the City of West Palm Beach and the Police Benevolent  
445 Association, Certified Unit No. 145 and Certified Unit No. 825, October 1,  
446 1998-September 30, 2001.

447  
448 Effective October 1, 2011, the assumed investment rate of return was lowered from  
449 8.25 percent to 8 percent, which resulted in a reduction in the benefit multiplier to 2.68  
450 percent for all prospective years of service, up to 26 years of service in total, and 1  
451 percent for each year of service after 26. Additionally, for any supplemental pension  
452 distributions subsequent to October 1, 2011, the revised factors in this paragraph will be  
453 applied.

454 (b) Payment of benefits.—

455 1. First payment.—Service pensions shall be payable on the first day of each  
456 month. The first payment shall be payable the first day of the month coincident with or

457 next following the date of retirement or death, provided the member has completed the  
458 applicable age and service requirements.

459 2. Last payment.—The last payment shall be the payment due next  
460 preceding the member's death, except that payments shall be continued to the  
461 designated beneficiary (or beneficiaries) if a 10-year certain benefit, a joint and survivor  
462 option, or beneficiary benefits, as applicable, are payable.

463 (c) Normal form of retirement income; 10-year certain benefit.—

464 1. Married member.— The normal form of retirement benefit for a married  
465 member or for a member with dependent children or parents shall be a pension and  
466 death benefits. The pension benefit shall provide monthly payments for the life of the  
467 member. Thereafter, death benefits shall be paid to the ~~beneficiary~~ designated survivor  
468 ~~by the member~~ as provided in subsection (17).

469 2. Unmarried member.— The normal form of retirement benefit for an  
470 unmarried member without dependent children or parents shall be a 10- year certain  
471 benefit. This benefit shall pay monthly benefits for the member's lifetime. In the event  
472 the member dies after his or her retirement but before receiving retirement benefits for a  
473 period of 10 years, the same monthly benefit shall be paid to the beneficiary (or  
474 beneficiaries) as designated by the member for the balance of such 10-year period or, if  
475 no beneficiary is designated, to heirs at law, or estate of the member, as provided in  
476 section 185.162, Florida Statutes.

477 (d) Optional forms of retirement income.—

478 1.a. In the event of normal, early, or disability retirement, in lieu of the normal  
479 form of retirement income payable as specified in paragraph (c), and in lieu of the death  
480 benefits as specified in subsection (17), a member, upon written request to the Board

481 and subject to the approval of the Board, may elect to receive a retirement income of  
482 equivalent actuarial value payable in accordance with one of the following options:

483 (I) Lifetime option.—A retirement income of a larger monthly amount, payable  
484 to the member for his or her lifetime only.

485 (II) Joint and survivor option.— A retirement income of a modified monthly  
486 amount, payable to the member during the joint lifetime of the member and a dependent  
487 joint pensioner designated by the member, and following the death of either of them,  
488 100 percent, 75 percent, 66- <sup>2</sup>/<sub>3</sub> percent, or 50 percent of such monthly amounts,  
489 payable to the survivor for the lifetime of the survivor.

490 **(III) 10-year certain option. – A retirement income of the normal form of**  
491 **benefit but in lieu of the survivor benefits as provided for in section (17), the**  
492 **member may elect to designate a beneficiary to receive the remainder of 120**  
493 **payments, in the event that the member dies before receiving 120 payments. In**  
494 **the event that the member/retiree receives 120 or more payments, no benefit is**  
495 **ever paid to a beneficiary.**

496 b. The member, upon electing any option of this paragraph, shall designate  
497 the joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable  
498 in the event of his or her death, and shall have the power to change such designation  
499 from time to time; but any such change shall be deemed a new election and shall be  
500 subject to approval by the Board. Such designation shall name a joint pensioner or one  
501 or more primary beneficiaries where applicable. If a member has elected an option with  
502 a joint pensioner or beneficiary and his or her retirement income benefits have  
503 commenced, he or she may thereafter change the designated joint pensioner or  
504 beneficiary only twice. Any retired member who desires to change his or her joint

505 pensioner or beneficiary shall file with the Board a notarized notice of such change.  
506 Upon receipt of a completed change of joint pensioner form or such other notice, the  
507 Board shall adjust the member's monthly benefit by the application of actuarial tables  
508 and calculations developed to ensure that the benefit paid is the actuarial equivalent of  
509 the present value of the member's current benefit and there is no impact to the Plan.

510 c. The consent of a member's joint pensioner or beneficiary to any such  
511 change shall not be required.

512 d. For any other changes of beneficiaries, the Board may request such  
513 evidence of the good health of the joint pensioner who is being removed as it may  
514 require; and the amount of the retirement income payable to the member upon the  
515 designation of a new joint pensioner shall be actuarially redetermined, taking into  
516 account the ages and sex of the former joint pensioner, the new joint pensioner, and the  
517 member. Each such designation shall be made in writing on a form prepared by the  
518 Board, and, on completion, shall be filed with the Board. In the event that no designated  
519 beneficiary survives the member, such benefits as are payable in the event of the death  
520 of the member subsequent to his or her retirement shall be paid as provided in  
521 subparagraph (c)2.

522 2. Retirement income payments shall be made under the option elected in  
523 accordance with the provisions of this paragraph and shall be subject to the following  
524 limitations:

525 a. If a member dies prior to his or her normal retirement date or early  
526 retirement date, whichever first occurs, retirement benefits shall be paid in accordance  
527 with subsection (17).

528 b. If the designated beneficiary (or beneficiaries) or joint pensioner dies

529 before the member's retirement, the option elected shall be canceled automatically and  
530 a retirement income of the normal form and amount shall be payable to the member  
531 upon his or her retirement as if the election had not been made, unless a new election is  
532 made in accordance with the provisions of this paragraph or a new beneficiary is  
533 designated by the member prior to his or her retirement.

534 c. If a member continues in the employ of the Department after meeting the  
535 age and service requirements set forth in paragraph (8)(a) and dies prior to retirement  
536 and while an option provided for in this paragraph is in effect, monthly retirement  
537 income payments shall be paid, under the option, to a beneficiary (or beneficiaries)  
538 designated by the member in the amount or amounts computed as if the member had  
539 retired under the option on the date on which his or her death occurred.

540 3. No member may make any change in his or her retirement option after the  
541 date of cashing or depositing the first retirement check.

542 (e) Designation of beneficiary.—

543 1. Each member may, on a form provided for that purpose, signed and filed  
544 with the Board, designate a beneficiary (or beneficiaries) to receive the benefit, if any,  
545 which may be payable in the event of the member's death; and each designation may  
546 be revoked by such member by signing and filing with the Board a new designation of  
547 beneficiary form. However, after the benefits have commenced, a retirant may change  
548 his or her designation of a joint annuitant or beneficiary only twice. If the retirant desires  
549 to change his or her joint annuitant or beneficiary, he or she shall file with the Board a  
550 notarized notice of such change either by registered letter or on a form as provided by  
551 the Board. Upon receipt of a completed change of joint annuitant form or such other  
552 notice, the Board shall adjust the member's monthly benefit by the application of

553 actuarial tables and calculations developed to ensure that the benefit paid is the  
554 actuarial equivalent of the present value of the member's current benefit.

555 2. Absence or death of beneficiary.— If a deceased member failed to name a  
556 beneficiary in the manner prescribed in subparagraph 1., or if the beneficiary (or  
557 beneficiaries) named by a deceased member predeceases the member, death benefits,  
558 if any, which may be payable under this act on behalf of such deceased member may  
559 be paid, in the discretion of the Board, to:

560 a. The spouse or dependent child or children of the member;

561 b. The dependent living parent or parents of the member; or

562 c. The estate of the member.

563 (10) Cost-of-living adjustments.—

564 (a) The following words and phrases as used in this subsection mean:

565 1. Unadjusted amount of retirement benefit.—The amount of retirement  
566 benefit that would be paid a retiree or beneficiary of the provisions if this subsection  
567 were not applicable.

568 2. Consumer price index.—The consumer price index for urban wage earners  
569 and clerical workers as published by the United States Department of Labor, Bureau of  
570 Labor Statistics. Should the Bureau of Labor Statistics adopt a new base or modify the  
571 method of computation of the consumer price index so as to render it unsuitable, the  
572 Board shall make appropriate adjustments. The Board shall choose another index which  
573 it determines to be appropriate if the consumer price index is no longer published.

574 3. Retirement benefit effective date.— The date as of which payments of a  
575 retirement benefit first commence. A new effective date does not occur when a retiree  
576 dies and a retirement allowance is paid to a beneficiary.

577           4.     Base month.—The more recent of the month of October 1976, the month  
578 and year of the retirement benefit effective date, or the month and year in which the  
579 retiree attains age 64 years.

580           (b)     Subject to the limitations stated in this subsection, the unadjusted amount  
581 of the retirement benefit for retirees 65 years of age or older shall be increased each  
582 January 1, beginning January 1, 1977. The retirement benefit shall increase by 3  
583 percent multiplied by the number of complete years from the later of:

- 584           1.     January 1, 1976;  
585           2.     The retirement benefit effective date; or  
586           3.     The first day of the month after attainment of age 65 years to January 1 of  
587 the year in which the adjustment is being made.

588           (c)     The accumulated adjustments to a retirement benefit after January 1,  
589 1977, expressed as a percentage of the unadjusted amount of retirement allowance,  
590 shall not exceed the percentage increase in the consumer price index for the period  
591 between the base month and the month of October in the year preceding adjustment.

592           (d)     An adjustment shall not be made on any January first if the amount of the  
593 adjustment is less than 1 percent of the unadjusted amount of retirement benefit.

594           (11)    Chapter 185 share accounts.—

595           (a)     A separate individual member account shall be established and  
596 maintained in each member's name effective October 1, 1988.

597           (b)     Share account funding.—

- 598           1.     Chapter 185 moneys.—Each individual member account shall be credited  
599 with the moneys received from chapter 185, Florida Statutes, tax revenues in June 1988  
600 and thereafter. Of the Chapter 185 moneys received in calendar years 2011, 2012,

601 and 2014, the full amount will be used to reduce the employee contributions to 11  
602 percent as provided for in subparagraph (19)(a) 1. This is for calendar years 2011,  
603 2012, and 2014 only. Effective for the fiscal year ending September 30, 2013 and  
604 beginning again October 1, 2014, the employee contribution will be 11 percent, and all  
605 of the Chapter 185 moneys received in calendar year 2013 and 2015 and each calendar  
606 year thereafter will be allocated to the share accounts.

607 2. Forfeitures.— In addition, any forfeitures as provided in paragraph (e)  
608 shall be credited to the individual member accounts in accordance with the formula set  
609 forth in paragraph (c).

610 (c) Quarterly allocation of accounts.—

611 1. Moneys shall be credited to each individual member account in an amount  
612 directly proportionate to the number of pay periods for which the member was paid  
613 compared to the total number of pay periods for which all members were paid, counting  
614 the pay periods in the calendar year preceding the date for which chapter 185, Florida  
615 Statutes, tax revenues were received.

616 2. At the end of each fiscal quarter, each individual member account shall be  
617 adjusted to reflect the earnings or losses resulting from investments, as well as  
618 reflecting the costs, fees, and expenses of administration.

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

623 a. The investment earnings (or losses) credited to the individual member  
624 accounts shall be the same percentage as are earned (or lost) by the total investment

625 earnings (or losses) of the Fund as a whole, unless the Board dedicates a separate  
626 investment portfolio for chapter 185, Florida Statutes, share accounts, in which case the  
627 investment earnings (or losses) shall be measured by the investment earnings (or  
628 losses) of the separate investment portfolio.

629         b.       A fixed annual rate of 8.25 percent. Effective October 1, 2012, the rate is  
630 8 percent for members who are vested and are not at normal retirement age as of  
631 October 1, 2012. In any fiscal year, if the amount paid in investment earnings under this  
632 paragraph creates a deficiency as compared to the gross earnings of the pension fund  
633 as a whole (using the rate determined by the Fund's investment monitor), then the rate  
634 will be reduced to 4 percent effective the following October 1 until the deficiency is  
635 satisfied. When the  
636 deficiency is satisfied, the rate will return to 8 percent, effective the following October 1.  
637 Beginning October 1, 2012, the cumulative amounts paid in earnings for the fixed rate  
638 will be maintained in the actuarial valuation.

639         4.       Costs, fees, and expenses of administration shall be debited from the  
640 individual member accounts on a proportionate basis, taking the costs, fees, and  
641 expenses of administration of the Fund as a whole, multiplied by a fraction, the  
642 numerator of which is the total of the assets in all individual member accounts and the  
643 denominator of which is the total of the assets of the Fund as a whole. The  
644 proportionate share of the costs, fees, and expenses shall be debited to each individual  
645 member account on a pro rata basis in the same manner as chapter 185, Florida  
646 Statutes, tax revenues are credited to each individual member account (i.e., based on  
647 pay periods).

648         (d)       Eligibility for benefits.—Any member who terminates employment with the

649 City, upon application filed with the Board, shall be entitled to 100 percent of the value  
650 of his or her individual member account, provided the member meets any of the  
651 following criteria:

652 1. The member is eligible to receive and is receiving a pension as provided in  
653 subsection (8);

654 2. The member has 5 or more years of credited service and is eligible to  
655 receive and is receiving either:

656 a. A nonduty disability pension as provided in paragraph (14)(a); or

657 b. Death benefits for nonduty death as provided in paragraph (17)(a); or

658 3. The member has any credited service and is eligible to receive and is  
659 receiving either:

660 a. A duty disability pension as provided in subsection (15); or

661 b. Death benefits for death in the line of duty as provided in paragraph  
662 (17)(b).

663 (e) Forfeitures.—Any member who has less than 10 years of credited service  
664 and who is not eligible for payment of benefits after termination of employment with the  
665 City shall forfeit his or her individual member account. The amounts credited to said  
666 individual member account shall be redistributed to the remaining individual member  
667 accounts in the same manner as chapter 185, Florida Statutes, tax revenues are  
668 credited (i.e., based on pay periods).

669 (f) Payment of benefits.—The normal form of benefit payment shall be a lump  
670 sum payment of the entire balance of the member's individual member account or upon  
671 the written election of the member, upon a form provided by the Board; and payment  
672 shall be made:

673 1. Over 3 years in annual installments; or  
674 2. In monthly installments over the lifetime of the member or until the entire  
675 balance is exhausted. The monthly amount paid shall be determined by the Fund's  
676 actuary in accordance with selections made by the member on a form provided by the  
677 Board of Trustees.

678 (g) Death of member.— If a member dies and is eligible for benefits from the  
679 individual member account, the entire balance of the individual member account shall  
680 be converted to the name of the beneficiary designated in accordance with paragraph  
681 (9)(e). The entire balance shall be paid out in a lump sum to the beneficiary, at the  
682 discretion of the beneficiary. If the designated beneficiary is the surviving spouse, the  
683 account may remain with the Fund until the latest period specified under subsection  
684 (30). These individual accounts shall not be eligible for any further shares of the  
685 Chapter 185 moneys but shall be credited with interest. If a member fails to designate a  
686 beneficiary, or if the beneficiary predeceases the member, the entire balance shall be  
687 converted, in the following order, to the name or names of:

- 688 1. The member's surviving children on a pro rata basis;  
689 2. If no children are alive, the member's spouse;  
690 3. If no spouse is alive, the member's surviving parents on a pro rata basis;  
691 or  
692 4. If none are alive, the estate of the member.

693  
694 The accounts which are converted to the names of the beneficiaries shall have the right  
695 to name a successor beneficiary. Any designated beneficiary, other than the surviving  
696 spouse of the member, must take a distribution of the entire share account balance by

697 the end of 5 years following the death of the member. Installment distributions which  
698 begin in the calendar year of the member's death shall be treated as complying with this  
699 5-year distribution requirement, even though the installments are not completed within 5  
700 years after the member's death.

701 (12) Supplemental pension distribution.—

702 (a) The Board of Trustees shall annually authorize a supplemental pension  
703 distribution, the amount of which shall be determined as of each September 30, as  
704 applicable.

705 1. For employees who retired prior to October 1, 1999, the amount of the  
706 distribution shall be equal to the actuarial present value of future pension payments to  
707 those pensioners, multiplied by the positive difference, if any, between the rate of  
708 investment return (not to exceed 9 percent) and 7 percent, plus one-half of any  
709 investment earnings over 9 percent.

710 2. For those employees who have more than 12- 1/2 years of service on and  
711 after October 1, 1999, or who are part of the DROP on or after October 1, 1999, the  
712 amount of the distribution shall be equal to the actuarial present value of future pension  
713 payments to those pensioners multiplied by the positive difference, if any, between the  
714 rate of investment return (not to exceed 9 percent) and 7 percent, plus one-half of any  
715 investment earnings over 9 percent.

716 3. For those employees who have less than 12- 1/2 years of service as of  
717 October 1, 1999, the amount of the distribution shall be equal to the actuarial present  
718 value of future pension payments to those pensioners multiplied by the positive  
719 difference, if any, between the rate of investment return (not to exceed 9 percent) and  
720 8.25 percent, plus one-half of any investment earnings over 9 percent. Effective October

721 1, 2011, the 8.25-percent rate has been changed per the formula contained in  
722 subsection (9) because the actuarial assumption rate was changed to 8 percent and the  
723 members multiplier was reduced prospectively to 2.68 percent.

724 (b) The actuary shall determine whether there may be a supplemental  
725 pension distribution based on the following factors:

726 1. The actuary for the Pension Fund shall determine the rate of investment  
727 return earned on the Pension Fund assets during the 12-month period ending each  
728 September 30. The rate determined shall be the rate reported in the most recent  
729 actuarial report submitted pursuant to part VII of chapter 112, Florida Statutes.

730 2. The actuary for the Pension Fund shall, as of September 30, determine  
731 the actuarial present value of future pension payments to current pensioners. The  
732 actuarial present values shall be calculated using an interest rate of 7 percent per year  
733 compounded annually, and a mortality table approved by the Board of Trustees and as  
734 used in the most recent actuarial report submitted pursuant to part VII of chapter 112,  
735 Florida Statutes.

736 3. The supplemental pension distribution amount shall not exceed  
737 accumulated net actuarial experience from all pension liabilities and assets. If the net  
738 actuarial experience is favorable, cumulatively, commencing with the experience for the  
739 year ending September 30, 1991, after offset for all prior supplemental distributions, the  
740 supplemental distribution may be made. If the net actuarial experience is unfavorable,  
741 cumulatively, commencing with the experience for the year ended September 30, 1991,  
742 after offset for all prior supplemental distributions, no supplemental distribution may be  
743 made, and the City must amortize the loss until it is offset by cumulative favorable  
744 experience.

745

746 If an actuarial report submitted as provided in this paragraph is not state accepted prior  
747 to distribution, and if a deficiency to the Pension Fund results, the deficiency shall be  
748 made up from the next available supplemental pension distribution, unless sooner made  
749 up by agreement between the Board of Trustees and the City. No such deficiency shall  
750 be permitted to continue for a period greater than 3 years from the date of payment of  
751 the supplemental pension distribution which resulted from the deficiency.

752 (c) If the actuary determines there may be a supplemental distribution, the  
753 Board of Trustees shall authorize a "supplemental pension distribution," unless the  
754 administrative expenses of distribution exceed the amount available for the distribution.

755 (d) Eligible persons are:

- 756 1. Pensioners.  
757 2. Surviving spouses.  
758 3. Surviving dependent children.  
759 4. Pensioners' estates.

760 (e) The supplemental pension distribution shall be allocated among eligible  
761 persons based upon years of service in the proportion that the eligible person's years of  
762 service bear to the aggregate amount of years of service of all eligible persons.  
763 Allocations for surviving spouses and surviving dependent children who are eligible to  
764 receive supplemental pension distributions shall be  $66\frac{2}{3}$  percent of the years of  
765 service earned by the pensioner. Maximum service credits shall be 25 years.  
766 Allocations for duty-disability pensioners shall be based upon 25 years of service.  
767 Allocations for duty-death beneficiaries (surviving spouse and surviving dependent chil-  
768 dren) shall be based upon  $66\frac{2}{3}$  percent of 25 years of service.

769 (f) The supplemental pension distribution shall be made as of April 1, 1992,  
770 and each April 1 thereafter. Each eligible person shall be paid his or her allocated  
771 portion from the preceding September 30. Eligible persons retired for less than 1 year  
772 are entitled to a pro rata share of their supplemental pension distribution based on the  
773 number of months retired. A pensioner's estate is entitled to a pro rata share of the  
774 deceased retirant's supplemental pension distribution based on the number of months  
775 that the deceased retirant received a pension during the year ending the September 30  
776 prior to the retirant's death.

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

778 (a) Eligibility to participate in the DROP.—

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

782 2. Election to participate shall be forfeited if not exercised within the first 27  
783 years of combined credited service.

784 3. A member shall not participate in the DROP beyond the time of attaining  
785 30 years of service and the total years of participation in the DROP shall not exceed 5  
786 years. For example:

787 a. Members with 25 years of credited service at the time of entry shall  
788 participate for only 5 years.

789 b. Members with 26 years of credited service at the time of entry shall  
790 participate for only 4 years.

791 c. Members with 27 years of credited service at the time of entry shall  
792 participate for only 3 years.

793 4. Upon a member's election to participate in the DROP, he or she shall  
794 cease to be a member and shall no longer accrue any benefits under the Pension Fund,  
795 except for the benefits provided under subsection (11), Chapter 185 share accounts.  
796 For all Fund purposes, the member becomes a retirant, except that a DROP participant  
797 shall continue to receive shares of the chapter moneys in accordance with subsection  
798 (11), Chapter 185 share accounts. DROP members shall also be eligible to vote as  
799 members for purposes of election of the member-trustee. The amount of credited  
800 service shall freeze as of the date of entry into the DROP.

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

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

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

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

814 b. A fixed rate of 8.25 percent for members who reached normal retirement  
815 age on or before October 1, 2012. Effective October 1, 2012, the fixed rate is 8 percent  
816 for members who retire or enter the DROP on or after October 1, 2012. In any fiscal

817 year, if the amount paid in investment earnings under this paragraph creates a  
818 deficiency as compared to the gross earnings of the pension fund as a whole (using the  
819 rate determined by the Fund's investment monitor), then the rate will be reduced to 4  
820 percent effective the next October 1 until the deficiency is satisfied. When the deficiency  
821 is satisfied, the rate will return to 8 percent, effective the next October 1. Beginning  
822 October 1, 2012, the cumulative amounts paid in earnings for the fixed rate will be  
823 maintained in the actuarial valuation.

824  
825 However, if a police officer does not terminate employment at the end of participation in  
826 the DROP, interest credits shall cease on the balance.

827 3. No payments shall be made from the DROP until the member terminates  
828 employment with the Department.

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

831 a. Members may elect to begin to receive payment upon termination of  
832 employment or defer payment of the DROP until the latest day as provided under  
833 sub-subparagraph c.

834 b. Payments shall be made in either:

835 (I) Lump sum.—The entire account balance shall be paid to the retiree upon  
836 approval of the Board of Trustees.

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

840 (III) Annuity.—The account balance shall be paid out in monthly installments

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

841 over the lifetime of the member or until the entire balance is exhausted. Monthly amount  
842 paid shall be determined by the Fund's actuary in accordance with selections made by  
843 the member on a form provided by the Board of Trustees.

844 c. Any form of payment selected by a police officer must comply with the  
845 minimum distribution requirements of s. 401(A)(9) of the Internal Revenue Code and is  
846 subject to the requirements of subsection (30) of this act; e.g., payments must  
847 commence by age 70- 1/2.

848 d. Death of member.— If a member dies and is eligible for benefits from  
849 the DROP account, the entire balance of the DROP account shall be converted to  
850 the name of the beneficiary designated in accordance with paragraph (9)(e). The  
851 entire balance shall be paid out in a lump sum to the beneficiary, at the discretion  
852 of the beneficiary. If the designated beneficiary is the surviving spouse, the  
853 account may remain with the Fund until the latest period specified under  
854 subsection (30). These DROP accounts shall not be eligible for any further DROP  
855 distributions but are eligible for earnings. If a member fails to designate a  
856 beneficiary, or if the beneficiary predeceases the member, the entire balance shall  
857 be converted, in the following order, to the name or names of:

- 858 1. The member's surviving children on a pro rata basis;  
859 2. If no spouse is alive, the member's surviving parents on a pro rata  
860 basis; or  
861 3. If none are alive, the estate of the member.

862  
863 The accounts which are converted to the names of the beneficiaries shall have  
864 the right to name a successor beneficiary. Any designated beneficiary, other than

865 the surviving spouse of the member, must take a distribution of the entire share  
866 account balance by the end of 5 years following the death of the member.  
867 Installment distributions which begin in the calendar year of the member's death  
868 shall be treated as complying with this 5-year distribution requirement, even  
869 though the installments are not completed within 5 years after the member's  
870 death. ~~The beneficiary of the DROP participant who dies before payments from the~~  
871 ~~DROP begin shall have the same right as the participant in accordance with subsection~~  
872 ~~(17).~~

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

878 (c) Loans from the DROP.—

879 1. Availability of loans.—

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

882 b. Loans may only be made from a member's own account.

883 c. There may be no more than one loan at a time.

884 2. Amount of loan.—

885 a. Loans may be made up to a maximum of 50 percent of account balance.

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

888 c. The minimum amount of a loan is \$5,000.

- 889           3.     Limitations on loans.—Loans shall be made from the amounts paid into the  
890 DROP and the earnings thereon.
- 891           4.     Term of loan.—
- 892           a.     The loan must be for at least 1 year.
- 893           b.     The loan shall be no longer than 5 years.
- 894           5.     Loan interest rate.—
- 895           a.     The interest rate shall be fixed at the time the loan is originated for the  
896 entire term of the loan.
- 897           b.     The interest rate shall be equal to the prime rate published by an  
898 established local bank on the last day of each calendar quarter preceding the date of  
899 loan application.
- 900           6.     Defaults on loans.—
- 901           a.     Loans shall be in default if 2 consecutive months' repayments are missed  
902 or if a total of 4 months' repayments are missed.
- 903           b.     Upon default, the entire balance becomes due and payable immediately.
- 904           c.     If a loan in default is not repaid in full immediately, the loan may be  
905 canceled and the outstanding balance treated as a distribution, which may be taxable.
- 906           d.     Upon default of a loan, a member shall not be eligible for additional loans.
- 907           7.     Miscellaneous provisions.—
- 908           a.     All loans must be evidenced by a written loan agreement signed by the  
909 member and the Board of Trustees. The agreement shall contain a promissory note.
- 910           b.     A member's spouse must consent in writing to the loan. The consent shall  
911 acknowledge the effect of the loan on the member's account balance.
- 912           c.     Loans shall be considered a general asset of the Fund.

913 d. Loans shall be subject to administrative fees to be set by the Board of  
914 Trustees.

915 (14) Nonduty disability pension.—

916 (a) Retirement.—Any member who entered the employ of the Department as a  
917 police officer after September 30, 1961, and who has 5 or more years of credited  
918 service, who becomes physically or mentally, totally and permanently disabled to  
919 perform the duties of a police officer, shall be retired with a pension provided for in this  
920 subsection upon his or her application, or upon the application of the Police Chief on his  
921 or her behalf, filed with the Board, provided that after a medical examination of the  
922 member made by or under the direction of the medical committee, the medical  
923 committee reports to the Board in writing whether:

924 1. The member is wholly prevented from rendering useful and efficient  
925 service as a police officer; and

926 2. The member is likely to remain so disabled continuously and permanently.

927

928 The Board may admit and consider any other evidence that will assist it in  
929 understanding the medical committee's report. The final decision as to whether a  
930 member meets the requirements for a nonduty disability pension rests with the Board  
931 and shall be based on substantial competent evidence on the record as a whole.

932 (b) Nonduty disability pension benefits; disability occurs after age and service  
933 eligibility.— A member whose retirement on account of disability, as provided in  
934 paragraph (a), occurs on or after the date he or she became eligible to retire under  
935 subsection (8) shall receive the applicable pension provided for in subsection (9).

936 (c) Nonduty disability pension benefits; disability occurs before age and

937 service eligibility.—A member whose retirement on account of disability, as provided in  
938 paragraph (a), occurs prior to the date he or she would have become eligible to retire  
939 under paragraph (8)(a) shall receive a disability pension equal to the applicable pension  
940 payable in subsection (9), provided that:

941 1. If the member has less than 10 years of credited service, the disability  
942 pension shall not be less than 20 percent of his or her final average salary as of his or  
943 her disability retirement date;

944 2. If the member has at least 10 years of credited service, the disability  
945 pension shall not be less than 25 percent of his or her final average salary as of his or  
946 her disability retirement date; and

947 3. The disability pension shall be subject to the provisions of subsection  
948 (18).

949 (15) Duty disability pension.—

950 (a) Retirement.— Any member who becomes physically or mentally, totally  
951 and permanently disabled to perform the duties of a police officer by reason of a  
952 personal injury or disease arising out of and in the course of the performance of his or  
953 her duties as a police officer in the employ of the City shall be retired with a pension  
954 provided for in this subsection, provided that, after a medical examination of the  
955 member made by or under the direction of the medical committee, the medical  
956 committee reports to the Board in writing whether:

957 1. The member is wholly prevented from rendering useful and efficient  
958 service as a police officer; and

959 2. The member is likely to remain so disabled continuously and permanently.

960

961 The Board may admit and consider any other evidence that will assist it in  
962 understanding the medical committee's report. Any condition or impairment of health of  
963 a member caused by tuberculosis, hypertension, heart disease or hardening of the  
964 arteries, hepatitis, or meningococcal meningitis resulting in total or partial disability or  
965 death shall be presumed to be accidental and suffered in line of duty unless the contrary  
966 be shown by competent evidence. Any condition or impairment of health caused directly  
967 or proximately by exposure, which exposure occurred in the active performance of duty  
968 at some definite time or place without willful negligence on the part of the member,  
969 resulting in total or partial disability shall be presumed to be accidental and suffered in  
970 the line of duty, provided that such member shall have successfully passed a physical  
971 examination upon entering such service, which physical examination, including  
972 electrocardiogram, failed to reveal any evidence of such condition. In order to be  
973 entitled to the presumption in the case of hepatitis, meningococcal meningitis, or  
974 tuberculosis, the member must meet the requirements of section 112.181, Florida  
975 Statutes. The final decision as to whether a member meets the requirements for duty  
976 disability pension rests with the Board and shall be based on substantial competent  
977 evidence on the record as a whole.

978 (b) Duty disability pension benefits; disability occurs after age and service  
979 eligibility.— A member whose retirement on account of disability, as provided in  
980 paragraph (a), occurs on or after the date he or she becomes eligible to retire under  
981 subsection (8) shall receive the applicable pension provided for in subsection (9).

982 (c) Duty disability pension benefits; disability occurs before age and service  
983 eligibility.— A member whose retirement on account of disability, as provided in  
984 paragraph (a), occurs prior to the date he or she would become eligible to retire under

985 subsection (8) shall receive a disability pension equal to the appropriate pension  
986 payable in subsection (9). The disability pension payable to age 55 shall not be less  
987 than two-thirds of his or her final average salary. Beginning October 1, 2011, any  
988 member, upon reaching age 55, at the member's option, may begin receiving a pension  
989 computed in accordance with the applicable provisions of subsection (9). In calculating  
990 the new pension figure, the member shall be given service credit for the period he or  
991 she was in receipt of the disability pension provided for in this paragraph. Any pension  
992 payable under this subsection shall be subject to the provisions of subsection (18).

993 (16) Conditions applicable to all disability retirants.—

994 (a) Medical committee.—The medical committee provided for in subsections  
995 (14) and (15) shall consist of no less than two qualified health professionals, one of  
996 whom shall be designated by the Board, and one by the member. If deemed necessary  
997 by the Board, a third qualified health professional, selected by the two committee  
998 members previously designated, may be named to the medical committee. The member  
999 shall be responsible for the expenses of the qualified health professional he or she  
1000 designates to serve on the medical committee. Expenses for any other medical  
1001 examination required under this act shall be paid by the Fund. The medical committee  
1002 shall report to the Board the existence and degree of permanent physical impairment of  
1003 the member, if any, based upon the most recent edition of the American Medical  
1004 Association's Guide to the Evaluation of Permanent Impairment, if applicable.

1005 (b) Exclusions from disability pensions.—No disability pension shall be  
1006 payable, either as a duty disability or as a nonduty disability, if the disability is the result  
1007 of:

1008 1. Excessive and habitual use by the member of drugs, intoxicants, or

1009 narcotics;

1010 2. Injury or disease sustained by the member while willfully and illegally  
1011 participating in fights, riots, or civil insurrections or while committing a crime;

1012 3. Injury or disease sustained by the member while serving in any armed  
1013 forces. This exclusion does not affect members who have become disabled as a result  
1014 of intervening military service under the federal Heroes Earnings Assistance and Relief  
1015 Tax Act of 2008 (H.R. 6081; P.L. 110-245);

1016 4. Injury or disease sustained by the member after his or her employment  
1017 has terminated;

1018 5. Injury or disease sustained by the member while working for anyone other  
1019 than the City and arising out of such employment; or

1020 6. Injury or disease sustained by the member before employment with the  
1021 City begins. This exclusion applies only in the event of an application for a duty disability  
1022 benefit.

1023 (c) Payment of disability pensions.—Monthly disability retirement benefits  
1024 shall be payable as of the date the Board determines that the member was entitled to a  
1025 disability pension; however, the first payment shall actually be paid on the first day of  
1026 the first month after the Board determines such entitlement. Any portion due for a partial  
1027 month shall be paid together with the first payment. The last payment shall be, if the  
1028 member recovers from the disability prior to his or her normal retirement date, the  
1029 payment due next preceding the date of recovery or, if the member dies without  
1030 recovering from his or her disability, then the following shall apply:

1031 1. Member with 10 or more years of service.—Death benefits as set forth in  
1032 subsection (17) shall be paid.

1033           2.     Member with less than 10 years of service.—Payments shall be made  
1034 until the member's death.

1035  
1036 Any monthly disability retirement income payments due after the death of a disabled  
1037 member shall be paid to the member's designated beneficiary (or beneficiaries) as  
1038 provided in section 185.162, Florida Statutes, or paragraph (9)(e) or subsection (17), as  
1039 applicable.

1040           (d)     Normal form of disability retirement income.—

1041           1.     Duty or nonduty disability with 10 years of service.—

1042           a.     Married member.— The standard form of disability retirement benefit for a  
1043 married member or for a member with dependent children or parents shall be a  
1044 disability pension and death benefit. This form of benefit shall provide monthly  
1045 payments for the life of the member as set forth in subsection (14) or subsection (15),  
1046 as applicable, or the disability retiree may select optional forms of benefits in  
1047 accordance with paragraph (9)(d). Thereafter, death benefits shall be paid as provided  
1048 in subsection (17).

1049           b.     Unmarried member.— The standard form of disability retirement benefit  
1050 for a member who is not married or who does not have dependent children or parents  
1051 shall be a 10-year certain benefit. This benefit shall pay monthly benefits for the  
1052 member's lifetime. In the event the member dies after his or her retirement but before  
1053 he or she has received disability retirement benefits for a period of 10 years, the same  
1054 monthly benefit shall be paid to the beneficiary (or beneficiaries) as designated by the  
1055 member for the balance of such 10-year period. In the absence of a designated  
1056 beneficiary, then the benefits shall be paid to the estate of the retiree.

1057           2.     Duty or nonduty disability with less than 10 years of service.—The  
1058 standard form of disability retirement benefit shall provide monthly payments for the life  
1059 of a member as set forth in subsection (14) or subsection (15), as applicable.  
1060 Thereafter, beneficiary benefits shall be paid as provided in subsection (17), as  
1061 applicable.

1062           (e)     Reexaminations of disability retirants.— At least once each year during  
1063 the first 5 years following a member's retirement on account of disability, and at least  
1064 once in each 3-year period thereafter, the Board shall require any disability retirant who  
1065 has not attained age 50 to undergo a medical examination by a physician designated by  
1066 the Board. If the retirant refuses to submit to the medical examination, his or her  
1067 disability pension may be suspended by the Board until his or her withdrawal of such  
1068 refusal. If such refusal continues for 1 year, all of his or her rights in and to a disability  
1069 pension may be revoked by the Board. If, upon medical examination of such retirant, the  
1070 physician reports to the Board that the retirant is physically able and capable of  
1071 performing the duties of a police officer in the rank held by him or her at the time of his  
1072 or her retirement, the retirant shall be returned to employment in the Department at a  
1073 salary not less than the salary of the rank previously held by him or her. The disability  
1074 pension shall then terminate.

1075           (f)     Credited service for disability retirant.— In the event a disability retirant is  
1076 returned to employment in the Department, as provided in paragraph (e), he or she shall  
1077 again become a member of the Fund and shall be restored the credited service at the  
1078 time of the member's retirement. If he or she retired under a duty disability as provided  
1079 in paragraph (15)(a), he or she shall be given service credit for the period he or she was  
1080 in receipt of a disability pension. If the member retired under a nonduty disability as

1081 provided in paragraph (14)(a), then he or she shall not be given service credit for the  
1082 period he or she was in receipt of a disability pension.

1083 (17) Death benefits.—

1084 (a) Nonduty death while employed by the department; 5 years or more. In the  
1085 event a member who has 5 or more years of credited service dies, and the Board finds  
1086 his or her death to have occurred as the result of causes arising outside the  
1087 performance of his or her duties as a member, the following applicable pensions shall  
1088 be paid:

1089 1. A pension equal to two-thirds of the pension to which he or she would  
1090 have been entitled under subsection (9) if he or she had retired the day preceding the  
1091 date of his or her death, notwithstanding that he or she might not have satisfied a  
1092 retirement age and service requirement stipulated in subsection (8), provided that the  
1093 “widow’s pension” shall not be less than one-seventh of the member’s final average  
1094 salary. Upon the surviving spouse’s death, the pension shall terminate. Any pension  
1095 payable under this paragraph shall be subject to the provisions of subsection (18).

1096 2. In the event the deceased member does not leave a surviving spouse, or  
1097 if the surviving spouse dies and the member leaves an unmarried child or children  
1098 under age 18, each such child shall receive a pension of any equal share of the pension  
1099 to which the said deceased member’s surviving spouse was entitled or would have been  
1100 entitled if he or she left a surviving spouse. Upon any such child’s adoption, marriage,  
1101 death, or attainment of age 18, the child’s pension shall terminate and it shall be  
1102 apportioned to the pensions payable to the said deceased member’s remaining eligible  
1103 children under the age of 18. In no case shall the pension payable to any such child  
1104 exceed one-seventh of the deceased member’s final average salary, nor shall it be less

1105 than \$15 per month. A pension payable under this paragraph shall be subject to the  
1106 provisions of subsection (18).

1107 3. In the event the deceased member does not leave a surviving spouse or  
1108 children eligible to receive a pension and the member leaves a parent or parents who  
1109 the Board finds are dependent upon the member for at least 50 percent of his, her, or  
1110 their financial support, each parent shall receive a pension of an equal share of the  
1111 pension to which the member's surviving spouse would have been entitled if he or she  
1112 had left a surviving spouse. Upon any such parent's remarriage or death, his or her  
1113 pension shall terminate. Any pension payable under this paragraph shall be subject to  
1114 the provisions of subsection (18).

1115 4. In the event the deceased member does not leave a surviving spouse,  
1116 children, or parents to receive a pension, then the death benefit, if any, shall be paid to  
1117 the estate of the deceased member. Any retirement income payments due after the  
1118 death of a vested member may, in the discretion of the Board, be paid to the member's  
1119 designated beneficiary or beneficiaries.

1120  
1121 In any of the above cases, the Board, in its discretion, may direct that the actuarial value  
1122 of the monthly benefit be paid as a lump sum.

1123 (b) Duty death.— In the event a member dies and the Board finds his or her  
1124 death to be the natural and proximate result of a personal injury or disease arising out of  
1125 and in the course of his or her actual performance of the duties as a police officer in the  
1126 employ of the City, the following applicable pensions shall be paid:

1127 1. Effective October 1, 2003, the surviving spouse shall receive a pension  
1128 equal to two-thirds of the member's highest 12 consecutive months' salary or the

1129 current top step police officer pay, whichever is greater. Upon the surviving spouse's  
1130 death, the pension shall terminate. Any pension payable under this paragraph shall be  
1131 subject to the provisions of subsection (18).

1132 2. If, in addition to a surviving spouse, the deceased member leaves an  
1133 unmarried child or children under age 18, each child shall receive a pension of \$150 per  
1134 month. Upon any child's adoption, marriage, death, or attainment of age 18, the child's  
1135 pension shall terminate. Any pension payable under this paragraph shall be subject to  
1136 the provisions of subsection (18).

1137 3. In the event the deceased member does not leave a surviving spouse, or  
1138 if the surviving spouse dies, and the member leaves an unmarried child or children  
1139 under age 18, each such child shall receive a pension of an equal share of one-third of  
1140 the deceased member's final average salary. Upon any such child's adoption, marriage,  
1141 death, or attainment of age 18, the child's pension shall terminate and it shall be  
1142 apportioned to the pensions payable to the deceased member's remaining eligible  
1143 children under age 18. Any pension payable under this paragraph shall be subject to the  
1144 provisions of subsection (18).

1145 4. Any pensions payable, under subparagraphs 2. and 3. above, to any child  
1146 under age 18 shall be paid to his or her legal guardian.

1147 5. In the event the deceased member does not leave a surviving spouse or  
1148 children under age 18 eligible to receive a pension provided for in subparagraph 1.,  
1149 subparagraph 2., or subparagraph 3., and the member leaves a parent or parents who  
1150 the Board finds are dependent upon the member for at least 50 percent of his, her, or  
1151 their financial support, then each parent shall receive a pension of an equal share of  
1152 one-third of the deceased member's final average salary. Upon any such parent's

1153 remarriage or death, his or her pension shall terminate. Any pension payable under this  
1154 paragraph shall be subject to the provisions of subsection (18).

1155 6. In the event the deceased member does not leave a surviving spouse,  
1156 children, or parents eligible to receive a pension, then the death benefit, if any, shall be  
1157 paid to the estate of the deceased member. Any retirement income payments due after  
1158 the death of a vested member may, in the discretion of the Board, be paid to the  
1159 member's designated beneficiary or beneficiaries.

1160  
1161 In any of the above cases, the Board, in its discretion, may direct that the actuarial value  
1162 of the monthly benefit be paid as a lump sum.

1163 (c) Death after retirement.— Upon the death of a retirant, the following  
1164 applicable pensions shall be paid, subject to the provisions of subsection (18): **This**  
1165 **paragraph is not applicable if a retiree chose an option form of benefit at the time**  
1166 **of retirement or if the retiree was not married at the time of retirement.**

1167 1. The surviving spouse of the retirant shall receive a pension of two-thirds of  
1168 the retirant's pension, provided that the retirant was receiving a pension under  
1169 paragraph (9)(a). Upon the surviving spouse's death, the pension shall terminate.  
1170 **Effective for years of service earned after [insert effective date], if the retiree**  
1171 **leaves a surviving spouse that he/she was not married to on the date of**  
1172 **retirement, then the survivor benefit may be actuarially reduced to take into**  
1173 **account the age of the substituted survivor.**

1174 2. In the event the deceased retirant does not leave a surviving spouse  
1175 eligible to receive a pension, or if the surviving spouse dies and he or she leaves an  
1176 unmarried child or children under age 18, each child shall receive a pension of an equal

1177 share of two-thirds of the deceased retirant's pension. Upon any child's adoption,  
1178 marriage, death, or attainment of age 18, the child's pension shall terminate and it shall  
1179 be apportioned to the pensions payable to the deceased retirant's remaining eligible  
1180 children under age 18. In no case shall the pension payable to any such child exceed 20  
1181 percent of the deceased retirant's pension, or be less than \$15 per month.

1182 3. In the event the deceased retirant does not leave a surviving spouse or  
1183 children eligible to a pension provided for in subparagraphs 1. and 2. above, and he or  
1184 she leaves a parent or parents who the Board finds are dependent upon the retirant for  
1185 at least 50 percent of his, her, or their financial support, each parent shall receive a  
1186 pension of an equal share of two-thirds of the deceased retirant's pension. Upon any  
1187 parent's remarriage or death, his or her pension shall terminate.

1188 4. In the event the deceased member does not leave a surviving spouse,  
1189 children, or parents eligible to receive a pension, then the death benefit, if any, shall be  
1190 paid to the estate of the deceased member. Any retirement income payments due after  
1191 the death of a vested member may, in the discretion of the Board, be paid to the  
1192 member's designated beneficiary or beneficiaries.

1193  
1194 In any of the above cases, the Board, in its discretion, may direct that the actuarial value  
1195 of the monthly benefit be paid as a lump sum.

1196 (18) Workers' compensation offset. —The pension benefits payable under this  
1197 act shall not be offset by any workers' compensation benefits payable as a result of the  
1198 disability or death of a member, except to the extent that the total of the pension benefit  
1199 and workers' compensation benefit exceeds the member's average monthly wage.

1200 (19) Member's contributions; refunds.—

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(a) Member's contributions.—

1. The member shall contribute 7 percent of his or her salary to the Fund. Effective the first full payroll period after January 1, 2005, the member shall contribute 9 percent of his or her salary to the Fund, which shall be deducted each pay period from the salary of each member in the Department. Effective the first full payroll period after January 1, 2006, the member shall contribute 10 percent of his or her salary to the Fund, which shall be deducted each pay period from the salary of each member in the Department. Effective the first full payroll period after January 1, 2007, the member shall contribute 11 percent of his or her salary to the Fund, which shall be deducted each pay period from the salary of each member in the Department. All amounts of member contributions that are deducted shall be immediately paid over to the Pension Fund. Any contribution amount over 7 percent is to be used to purchase eligibility for participation in the postretirement health insurance benefits. Effective October 1, 2011, the employee contributions will be 18 percent and effective October 1, 2013, the employee contribution will be 20 percent. Of the Chapter 185 moneys received in calendar years 2011, 2012, and 2014, the full amount will be used to reduce the employee contributions to 11 percent. Effective for the fiscal year ending September 30, 2013 and beginning again October 1, 2014 and each fiscal year thereafter, the employee contribution will be 11 percent, and the Chapter 185 moneys received in calendar years 2013 and 2015 and each calendar year thereafter will be allocated to the share accounts. Should the Chapter 185 moneys received be insufficient to reduce the member's contributions to 11 percent, then the City will make up the difference. No amount of the Chapter 185 money is to be considered employee contributions for purposes of a refund of contributions as provided for in paragraph (19)(b).

1225           2.     The City shall cause the contributions provided for in subparagraph 1. to  
1226 be deducted from the compensation of each member on each payroll, for each pay  
1227 period, so long as he or she remains a member of the Fund. The member's  
1228 contributions provided for herein shall be made, notwithstanding that the minimum  
1229 compensation provided by law for any member is thereby changed. Each member shall  
1230 be deemed to consent and agree to the deductions made and provided for herein.  
1231 Payment of compensation, less said deductions, shall be a full and complete discharge  
1232 and acquittance of all claims and demands whatsoever for the services rendered by him  
1233 or her during the period covered by such payment, except as to benefits provided by  
1234 this act. When deducted, each of said contributions shall be paid into the Fund and  
1235 credited to the individual member from whose compensation said deduction was made.

1236           3.     In addition to the contribution deducted from the compensation of a  
1237 member, as hereinbefore provided, a member shall deposit in the Fund, by a single  
1238 contribution or by an increased rate of contribution, as approved by the Board of  
1239 Trustees, the amount of previously withdrawn member contributions not repaid to the  
1240 Fund, together with regular interest from the date of withdrawal to the date of  
1241 repayment. In no case shall any member be given credit for service rendered prior to  
1242 the date he withdrew his aggregate contributions until he or she repays to the member's  
1243 deposit account all amounts due the account by such member.

1244           (b)    Refund of member's contributions.—

1245           1.     Should any member cease to be employed by the City as a police officer  
1246 and not be entitled to a pension payable from the Fund, upon application to and  
1247 approval by the Board, he or she shall be paid the aggregate contributions standing to  
1248 his or her credit in the Fund, without interest, less any benefits paid to him or her. In

1249 accordance with paragraph (2)(q), a member who has ceased to be employed by the  
1250 City as a police officer may elect to voluntarily leave his or her contributions in the  
1251 member's deposit account for a period of up to 5 years, pending the possibility of being  
1252 rehired by the Department. If the member is not reemployed at the expiration of 5 years  
1253 following the date the member ceased to be employed by the City as a police officer, all  
1254 contributions remaining in the member's deposit account shall be refunded without  
1255 interest. No amount of the Chapter 185 money is to be considered employee  
1256 contributions for purposes of a refund of contributions.

1257 2. Upon the death of a member, if no pension becomes payable on account  
1258 of his or her death, the aggregate contributions standing to the member's credit in the  
1259 Fund at the time of death shall be paid to his or her designated beneficiary. If there be  
1260 no such designated person surviving the member, his or her aggregate contributions  
1261 shall be paid to his or her estate in accordance with subsection (17).

1262 3. Repayments of refunds of a member's aggregate contributions, in  
1263 accordance with subsection (6) and as provided in this paragraph, may be made in  
1264 bi-monthly installments according to such rules and regulations as the Board of Trustees  
1265 shall from time to time adopt.

1266 (20) Sources of revenue.—

1267 (a) Contributions credited to Fund.—The contributions to be credited to the  
1268 Fund shall consist of, but shall not be limited to, the following sources of revenue:

1269 1. Taxes of insurance companies.—The moneys returned to the City as  
1270 provided by chapter 185, Florida Statutes, shall be used to fund the share account  
1271 benefit described in subsection (11). The City shall not opt out of participation in chapter  
1272 185, Florida Statutes, or any similar statutory enactment unless exigent circumstances

1273 exist, such as the bankruptcy of the City or changes or amendments to the statute  
1274 regarding extra benefits. If any statutory changes are made by the Legislature, the City  
1275 and the Board shall renegotiate the impact of such changes, if necessary.

1276 2. City contribution.—The City shall contribute to the Fund annually an  
1277 amount which, together with the contributions from the members and the amount  
1278 derived from the premium tax provided in chapter 185, Florida Statutes, and other  
1279 income sources as authorized bylaw, shall be sufficient to meet the normal cost of the  
1280 Fund and to fund the actuarial deficiency over a period of not more than 40 years,  
1281 provided that the net increase, if any, in unfunded liability of the Fund arising from  
1282 significant amendments or other changes shall be amortized within 30 plan years.

1283 3. Member contributions.—As provided in subsection (19).

1284 4. Gifts, etc.—All gifts, bequests, and devises when donated to the Fund.

1285 5. Interest from deposits.—All accretions to the Fund by way of interest on  
1286 bank deposits or otherwise.

1287 6. Other sources.—All other sources of income now or hereafter authorized  
1288 by law for the augmentation of the Fund.

1289 (b) Actuarial valuations.—The Fund shall be actuarially evaluated at least  
1290 once in each 3-year period.

1291 (21) Investments.—

1292 (a) The Board shall have the power and authority to invest and reinvest the  
1293 moneys of the Fund and to hold, purchase, sell, assign, transfer, and dispose of any  
1294 securities and investments held in the Fund, including the power and authority to  
1295 employ counseling or investment management services. The aim of the investment  
1296 policies shall be to preserve the integrity and security of Fund principal, to maintain a

1297 balanced investment portfolio, to maintain and enhance the value of the Fund principal,  
1298 and to secure the maximum total return on investments that is consonant with safety of  
1299 principal, provided that such investments and reinvestments shall be limited only by the  
1300 investments permitted by the investment policy guidelines adopted by the Board in  
1301 accordance with Florida law. Notwithstanding the foregoing, investments in foreign  
1302 investments are limited in accordance with section 185.06(1)(b)4., Florida Statutes.

1303 1. The Board members must discharge these duties with respect to the Plan  
1304 solely in the interest of the participants and beneficiaries and:

1305 a. For the exclusive purpose of providing benefits to participants and their  
1306 beneficiaries and defraying reasonable expenses of administering the Plan;

1307 b. With the care, skill, prudence, and diligence under the circumstances then  
1308 prevailing that a prudent person acting in a like capacity and familiar with such matters  
1309 would use in the conduct of an enterprise of a like character and with like aims; and

1310 c. By diversifying the investments of the Plan so as to minimize the risk of  
1311 large losses, unless under the circumstances it is clearly prudent not to do so.

1312 2. Notwithstanding any other provision of this subsection and as provided in  
1313 section 215.473, Florida Statutes, the Board must identify and publicly report any direct  
1314 or indirect holdings it may have in any scrutinized company, as defined in section  
1315 215.473, Florida Statutes. Beginning January 1, 2010, the Board must proceed to sell,  
1316 redeem, divest, or withdraw all publicly traded securities it may have directly in any  
1317 scrutinized company. The divestiture of any such security must be completed by  
1318 September 10, 2010. The Board and its named officers or investment advisors may not  
1319 be deemed to have breached their fiduciary duty in any action taken to dispose of any  
1320 such security, and the Board shall have satisfactorily discharged the fiduciary duties of

1321 loyalty, prudence, and sole and exclusive benefit to the participants of the Pension Fund  
1322 and their beneficiaries if the Board's actions are consistent with the duties imposed by  
1323 section 215.473, Florida Statutes, as provided for in section 185.06(7), Florida Statutes,  
1324 and the manner of the disposition, if any, is reasonable as to the means chosen. For  
1325 purposes of determining which companies are scrutinized companies, the Board may  
1326 utilize the list of scrutinized companies as developed by the State Board of  
1327 Administration. No person may bring any civil, criminal, or administrative action against  
1328 the Board of Trustees or any employee, officer, director, or advisor of such Pension  
1329 Fund based upon the divestiture of any security pursuant to this subparagraph.

1330 (b) Professional counsel.— Board shall be required to engage the services of  
1331 professional investment counsel to assist and advise the trustees in the performance of  
1332 their duties.

1333 (c) Restricted use of assets.— The assets of the Police Pension Fund shall  
1334 be used only for the payment of benefits and other disbursements authorized by this act  
1335 and shall be used for no other purpose.

1336 (d) Performance evaluation and manager selection.— At least once every 3  
1337 years, the Board of Trustees shall retain an independent consultant professionally  
1338 qualified to evaluate the performance of its professional money manager or investment  
1339 counsel. The independent consultant shall make recommendations to the Board of  
1340 Trustees regarding the selection of money managers for the next investment term.  
1341 These recommendations shall be considered by the Board of Trustees at its next  
1342 regularly scheduled meeting. The date, time, place, and subject of this meeting shall be  
1343 advertised in a newspaper of general circulation in the municipality at least 10 days prior  
1344 to the date of the hearing.

1345 (e) Administrative expenses.—The administrative expenses of the Fund shall  
1346 be paid by the Fund.

1347 (22) Existing benefits continued.—This act, and any amendments hereto, shall  
1348 not be construed to increase or decrease the benefits payable to, or on account of, any  
1349 member who retired or died prior to October 1, 1987.

1350 (23) Assignments prohibited; voluntary withholding.—

1351 (a) The pensions or other benefits accrued or accruing to any person under  
1352 the provisions of this act and the accumulated contributions and the cash securities in  
1353 the Fund created under this act shall not be subject to execution or attachment or to any  
1354 legal process whatsoever and shall be unassignable. However, pursuant to a court  
1355 support order, the trustees may direct that retirement benefits be paid for alimony or  
1356 child support in accordance with rules and regulations adopted by the Board of  
1357 Trustees.

1358 (b) Upon written request by the retiree, the Board may authorize the Plan  
1359 administrator to withhold from the monthly retirement payment funds necessary to:

- 1360 1. Pay for benefits being received through the City;  
1361 2. Pay the certified bargaining agent; or  
1362 3. Pay for premiums for accident, health, and long-term care insurance for  
1363 the retiree's spouse and dependents.

1364  
1365 A retirement plan does not incur liability for participation in this permissive program if the  
1366 Board's actions are taken in good faith pursuant to section 185.05(6), Florida Statutes.

1367 (24) Subrogation rights; loss of pension rights.—

1368 (a) In the event a person becomes entitled to a pension or other benefits

1369 payable from the Fund as a result of an accident or injury caused by the act of a third  
1370 party, the City shall be subrogated to the rights of the said person against such third  
1371 person to the extent of the benefits which the City pays or becomes liable to pay  
1372 hereunder.

1373 (b) No person shall be entitled to a pension under this act who is convicted of  
1374 a specified offense as provided in section 112.3173, Florida Statutes.

1375 (25) Ordinances applicable.— All ordinances of the City applicable to chapter  
1376 185, Florida Statutes, are hereby made applicable to this act with equal force and effect.  
1377 No proposed change or amendment to this act shall be adopted without the approval  
1378 required by section 185.35(2), Florida Statutes.

1379 (26) Review procedures.—

1380 (a) The applicant for benefits under this act may, within 20 days after being  
1381 informed of the denial of his or her request for pension benefits, appeal said denial by  
1382 filing a reply to the proposed order with the pension's coordinator. If no appeal is filed  
1383 within the time period specified, then the proposed order shall be final.

1384 (b) The Board of Trustees shall hold a hearing within 45 days after the receipt  
1385 of the appeal. Written notice of said hearing shall be sent by certified mail to the  
1386 applicant 10 days prior to the hearing, at the address listed on the application.

1387 (c) The procedures at the hearing shall be as follows:

1388 1. All parties shall have an opportunity to respond, to present physical and  
1389 testimonial evidence and argument on all issues involved, to conduct  
1390 cross-examination, to submit rebuttal evidence, and to be represented by counsel.  
1391 Medical reports and depositions may be accepted in lieu of live testimony, at the  
1392 Board's discretion.

- 1393           2.     All witnesses shall be sworn.
- 1394           3.     The applicant and the Board shall have an opportunity to question all  
1395 witnesses.
- 1396           4.     Formal rules of evidence and formal rules of civil procedure shall not  
1397 apply. The proceedings shall comply with the essential requirements of due process  
1398 and law.
- 1399           5.     The record in a case governed by this subsection shall consist only of:
- 1400           a.     A tape recording of the hearing, to be taped and maintained as part of the  
1401 official files of the Board of Trustees by the pension's secretary.
- 1402           b.     Evidence received or considered.
- 1403           c.     All notices, pleadings, motions, and intermediate rulings.
- 1404           d.     Any decisions, opinions, proposed or recommended orders, or reports by  
1405 the Board of Trustees.
- 1406           (d)    Within 5 days after the hearing, the Board shall take one of the following  
1407 actions:
- 1408           1.     Grant the pension benefits by overturning the proposed order by majority  
1409 vote.
- 1410           2.     Deny the benefits and approve the proposed order as a final order, after  
1411 making any changes in the order that the Board feels is necessary.
- 1412           (e)    Findings of fact by the Board shall be based on competent, substantial  
1413 evidence on the record.
- 1414           (f)    Within 20 calendar days after rendering its order, the Board of Trustees  
1415 shall send by certified mail a copy of said order to the applicant.
- 1416           (g)    The applicant may seek review of the order of the Board of Trustees by

1417 filing a petition for writ of certiorari with the circuit court within 30 days.

1418 (27) Lump sum payment of small retirement income. —Notwithstanding any  
1419 provision of the Fund to the contrary, if the monthly retirement income payable to any  
1420 person entitled to benefits hereunder is less than \$30 or if the single sum value of the  
1421 accrued retirement income is less than \$1,000 as of the date of retirement or  
1422 termination of service, whichever is applicable, the Board of Trustees, in the exercise of  
1423 its discretion, may specify that the actuarial equivalent of such retirement income be  
1424 paid in lump sum.

1425 (28) Pickup of member contributions.—Effective the first day of the first full  
1426 payroll period of the first calendar quarter following receipt of a favorable determination  
1427 letter from the Internal Revenue Service, the City shall pick up the member contribution  
1428 required by this section. The contributions so picked up shall be treated as employer  
1429 contributions in determining tax treatment under the United States Internal Revenue  
1430 Code. The City shall pick up the member contributions from funds established and  
1431 available for salaries, which funds would otherwise have been designated as member  
1432 contributions and paid to the Fund. Member contributions picked up by the City  
1433 pursuant to this subsection shall be treated for purposes of making a refund of  
1434 members' contributions, and for all other purposes of this and other laws, in the same  
1435 manner and to the same extent as member contributions made prior to the effective  
1436 date of this section. The intent of this section is to comply with s. 414(H)(2) of the  
1437 Internal Revenue Code.

1438 (29) Internal Revenue Code limits.—

1439 (a) In no event may a member's annual benefit exceed \$160,000 (adjusted for  
1440 cost of living in accordance with s. 415(d) of the Internal Revenue Code).

1441 (b) If a member has less than 10 years of service with the City, the applicable  
1442 limitation in paragraph (a) shall be reduced by multiplying such limitation by a fraction,  
1443 not to exceed 1. The numerator of such fraction shall be the number of years, or part  
1444 thereof, of service with the City; the denominator shall be 10 years.

1445 (c) For purposes of this subsection, "annual benefit" means a benefit payable  
1446 annually in the form of a straight life annuity with no ancillary incidental benefits and with  
1447 no member or rollover contributions. To the extent that ancillary benefits are provided,  
1448 the limits set forth in paragraph (a) shall be reduced actuarially, using an interest rate  
1449 assumption equal to the greater of 5 percent or the rate being used for actuarial  
1450 equivalence, to reflect such ancillary benefits.

1451 (d) If distribution of retirement benefits begins before age 62, the dollar  
1452 limitation as described in paragraph (a) shall be reduced, using an interest rate  
1453 assumption equal to the greater of 5 percent or the interest rate used for actuarial  
1454 equivalence; however, retirement benefits shall not be reduced below \$75,000 if  
1455 payment of benefits begins at or after age 55 and not below the actuarial equivalent of  
1456 \$75,000 if payment of benefits begins before age 55. For a member with 15 or more  
1457 years of service with the City, the reductions described above shall not reduce such  
1458 member's benefit below \$50,000 (adjusted for cost of living in accordance with s. 415(d)  
1459 of the Internal Revenue Code, but only for the year in which such adjustment is  
1460 effective). If retirement benefits begin after age 65, the dollar limitation of paragraph (a)  
1461 shall be increased actuarially by using an interest assumption equal to the lesser of 5  
1462 percent or the rate used for actuarial equivalence.

1463 (e) Compensation in excess of limitations set forth in s. 401(a)(17) of the  
1464 Internal Revenue Code shall be disregarded. The limitation on compensation for an

1465 eligible employee shall not be less than the amount that was allowed to be taken into  
1466 account hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who  
1467 was a member before the first plan year beginning after December 31, 1995.

1468 (30) Required distributions.—

1469 (a) In accordance with s. 401(a)(9) of the Internal Revenue Code, all benefits  
1470 under this plan shall be distributed, beginning not later than the required beginning date  
1471 set forth below, over a period not extending beyond the life expectancy of the police  
1472 officers or the life expectancy of the police officer and a beneficiary designated in  
1473 accordance with paragraph (9)(e).

1474 (b) Any and all benefit payments shall begin by the later of:

1475 1. April 1 of the calendar year following the calendar year of the member's  
1476 retirement date; or

1477 2. April 1 of the calendar year following the calendar year in which the  
1478 member attains age 70- 1/2.

1479 (c) If an employee dies before his or her entire vested interest has been  
1480 distributed to him or her, the remaining portion of such interest shall be distributed at  
1481 least as rapidly as provided for under subsection (17).

1482 (31)(a) Rollovers from qualified plans.— A member may roll over all or a  
1483 part of his or her interest in another qualified plan to the Fund, provided all of the  
1484 following requirements are met:

1485 1. Some or all of the amount distributed from the other plan is rolled over  
1486 to this plan no later than the 60th day after distribution was made from the Plan or, if  
1487 distributions are made in installments, no later than the 60th day after the last  
1488 distribution was made.

1489           2.     The amount rolled over to this Fund does not include any amount  
1490 contributed by the member to the Plan on a post tax basis.

1491           3.     The rollover is made in cash.

1492           4.     The member certifies that the distribution is eligible for a rollover.

1493           5.     Any amount which the trustees accept as a rollover to this Fund shall,  
1494 along with any earnings allocated to them, be fully vested at all times.

1495           6.     Effective October 1, 2012, the assets that are rolled over may not be  
1496 invested in the fixed rate option. The assets may only be invested in the option for the  
1497 plan returns, and the rolled over assets shall be subject to paying the pro rata  
1498 administrative and investment expenses of the Plan.

1499

1500 A rollover may also be made to this Plan from an individual retirement account qualified  
1501 under s. 408 of the Internal Revenue Code when the individual retirement account was  
1502 merely used as a conduit for funds from another qualified plan and the rollover is made  
1503 in accordance with the rules provided in subparagraphs 1.-6. Amounts rolled over may  
1504 be segregated from other Fund assets. The trustees shall separately account for gains,  
1505 losses, and administrative expenses of these rollovers as provided for in subsections  
1506 (11) and (13). In addition, the Fund may accept the direct transfer of a member's  
1507 benefits from another qualified retirement plan or an Internal Revenue Code section 457  
1508 plan. The Fund shall account for direct transfers in the same manner as a rollover and  
1509 shall obtain certification from the member that the amounts are eligible for a rollover or  
1510 direct transfer to this Fund.

1511           (b)    Transfer of accumulated leave.—

1512           1.     Members who are eligible to receive a lump-sum payment for

1513 accumulated leave payable upon separation and who have funds remaining after the  
1514 contributions to the health savings account as required by the collective bargaining  
1515 agreement shall have the remaining leave payment transferred to the Fund up to the  
1516 amount permitted by law. Any additional amounts shall be paid directly to the member.  
1517 Members on whose behalf leave has been transferred shall maintain the entire amount  
1518 of the transferred leave balance in the DROP or Share Account.

1519 2. If a member on whose behalf the City makes a transferred leave balance  
1520 to the Plan dies after retirement or other separation, then any person who would have  
1521 received a death benefit had the member died in service immediately prior to the date of  
1522 retirement or other separation shall be entitled to receive an amount equal to the  
1523 transferred leave balance in a lump sum. In the case of a surviving spouse or former  
1524 spouse, an election may be made to transfer the leave balance to an eligible retirement  
1525 plan in lieu of the lump sum payment. Failure to make such an election by the surviving  
1526 spouse or former spouse within 60 days after the member's death shall be deemed an  
1527 election to receive the lump sum payment.

1528 3. The Board, by rule, shall prescribe the method for implementing the  
1529 provisions of this paragraph.

1530 4. Amounts transferred under this section shall remain invested in the Fund  
1531 for a period of not less than 1 year.

1532 (32) Rollover distributions.—

1533 (a) This subsection applies to distributions made on or after January 1, 1993.  
1534 Notwithstanding any provision of the Plan to the contrary that would otherwise limit a  
1535 distributee's election under this subsection, a distributee may elect, at the time and in  
1536 the manner prescribed by the Board of Trustees, to have any portion of an eligible

1537 rollover distribution paid directly to an eligible retirement plan specified by the distributee  
1538 in a direct rollover.

1539 (b) Definitions.—

1540 1. “Eligible rollover distribution” is any distribution of all or any portion of the  
1541 balance to the credit of the distributee, except that an eligible rollover does not include  
1542 any distribution that is one of a series of substantially equal periodic payments (not less  
1543 frequently than annually) made for the life (or life expectancy) of the distributee or the  
1544 joint lives (or joint life expectancies) of the distributee and the distributee’s designated  
1545 beneficiary, or for a specified period of 10 years or more; any distribution to the extent  
1546 such distribution is required under s. 401(a)(9) of the Internal Revenue Code; and the  
1547 portion of any distribution that is not includable in gross income.

1548 2. “Eligible retirement plan” is an individual retirement account described in s.  
1549 408(a) of the Internal Revenue Code, an individual retirement annuity described in s.  
1550 408(b) of the Internal Revenue Code, an annuity plan described in s. 403(a) of the  
1551 Internal Revenue Code, or a qualified trust described in s. 401(a) of the Internal  
1552 Revenue Code that accepts the distributee’s eligible rollover distribution. However, in  
1553 the case of an eligible rollover distribution to the surviving spouse, an “eligible  
1554 retirement plan” is an individual retirement account or individual retirement annuity.

1555 3. “Distributee” includes an employee or former employee. In addition, the  
1556 employee’s or former employee’s surviving spouse and the employee’s or former  
1557 employee’s spouse or former spouse who is entitled to payment for alimony and child  
1558 support under a domestic relations order determined to be qualified by this Fund are  
1559 distributees with regard to the interest of the spouse or former spouse.

1560 4. “Direct rollover” is a payment by the Plan to the eligible retirement plan

1561 specified by the distributee.

1562 (33) Miscellaneous requirements.—

1563 (a) No benefit of any kind shall be payable from the assets of the Pension  
1564 Fund unless specifically provided for in this act; however, the Board of Trustees, with  
1565 the approval of the City, may grant ad hoc benefits after a public hearing and  
1566 acceptance by the state of an actuarial impact statement submitted pursuant to part VII  
1567 of chapter 112, Florida Statutes.

1568 (b) The City may not offset any part of its required annual contribution by the  
1569 Fund's assets except as determined in an actuarial valuation, the report for which is  
1570 determined to be state accepted pursuant to part VII of chapter 112, Florida Statutes.

1571 (c) All provisions of this act and operations of the Pension Fund shall be  
1572 carried out in compliance with part VII of chapter 112, Florida Statutes.

1573 (d)1. It is unlawful for a person to willfully and knowingly make, or cause to be  
1574 made, or to assist, conspire with, or urge another to make, or cause to be made, any  
1575 false, fraudulent, or misleading oral or written statement or to withhold or conceal  
1576 material information to obtain any benefit under this Plan.

1577 2.a. A person who violates subparagraph 1. commits a misdemeanor of the  
1578 first degree, punishable as provided in section 775.082 or section 775.083, Florida  
1579 Statutes.

1580 b. In addition to any applicable criminal penalty, upon conviction for a  
1581 violation described in subparagraph 1., a participant or beneficiary of this Plan may, in  
1582 the discretion of the Board of Trustees, be required to forfeit the right to receive any or  
1583 all benefits to which the person would otherwise be entitled under this Plan. For  
1584 purposes of this sub-subparagraph, "conviction" means a determination of guilt that is

1585 the result of a plea or trial, regardless of whether adjudication is withheld.

1586 (34) ~~Actuarial assumptions.—The following actuarial assumptions shall be~~  
1587 ~~used for all purposes in connection with this Fund, effective October 1, 1999:~~

1588 ~~(a) The assumed investment rate of return shall be 8.25 percent. Effective~~  
1589 ~~October 1, 2011, the Board of Trustees changed the assumed rate of return to 8~~  
1590 ~~percent.—~~

1591 ~~(b) The period for amortizing current, future, and past actuarial gains or~~  
1592 ~~losses shall be 20 years, except that in order to smooth existing gains and losses which~~  
1593 ~~are expected to create volatile swings in the unfunded actuarial liability contribution rate,~~  
1594 ~~the trustees may combine amortization bases to re-amortize the unfunded actuarial~~  
1595 ~~liability contribution rate. This re-amortization will not impact member benefits as~~  
1596 ~~provided by subsection (9).~~

1597

1598 ~~The consequences of the change in assumptions in paragraphs (a) and (b) shall first~~  
1599 ~~take effect during the October 1, 1999-September 30, 2000, fiscal year of the City of~~  
1600 ~~West Palm Beach. To the extent that effective dates or legislative delays might~~  
1601 ~~influence the direct application to the October 1, 1999-September 30, 2000, fiscal year~~  
1602 ~~of the actuarial cost estimate dated March 24, 2000, there shall be a minimum~~  
1603 ~~contribution reserve established by the Pension Fund for the City of West Palm Beach.~~

1604 ~~The reserve shall be credited with any amounts contributed to the Pension Fund by the~~  
1605 ~~City of West Palm Beach during the October 1, 1999-September 30, 2000, fiscal year in~~  
1606 ~~excess of \$1,462,965. This amount has been determined by combining the contribution~~  
1607 ~~requirement from the September 30, 1998, actuarial valuation report dated May 7, 1999,~~  
1608 ~~with the subsequent actuarial cost estimate dated March 24, 2000, both of which were~~

1609 prepared by the Fund's actuary.

1610 ~~(35)~~ Other police officer or military service.—

1611 (a) Prior police officer or military service.— Unless otherwise prohibited by  
1612 law, the years, or fractional parts of years, that a member served as a police officer for  
1613 any other municipal, county, state, or federal law enforcement office or any time served  
1614 in the military service of the Armed Forces of the United States shall be added to the  
1615 years of credited service, provided that the member contributes to the fund the sum that  
1616 would have been contributed, based on the member's salary and the employee  
1617 contribution rate in effect at the time that the credited service is requested, had the  
1618 member been a member of this system for the years, or fractional parts of years, for  
1619 which the credit is requested, plus the amount actuarially determined, such that the  
1620 crediting of service does not result in any cost to the fund, plus payment of costs for all  
1621 professional services rendered to the Board in connection with the purchase of years of  
1622 credited service.

1623 1. Payment by the member of the required amount may be made within 6  
1624 months after the request for credit and in one lump sum payment, or the member may  
1625 buy back this time over a period equal to the length of time being purchased or 5 years,  
1626 whichever is greater, at an interest rate which is equal to the Fund's actuarial  
1627 assumption. A member may request to purchase some or all years of service.

1628 2. The credit purchased under this subsection shall count for all purposes,  
1629 except vesting.

1630 3. In no event, however, may credited service be purchased pursuant to this  
1631 section for prior service with any other municipal, county, state, or federal law  
1632 enforcement office, if such prior service forms or will form the basis of a retirement

1633 benefit or pension from another retirement system or plan.

1634 4. In the event that a member who is in the process of purchasing service  
1635 suffers a disability and is awarded a benefit from the plan, the member shall not be  
1636 required to complete the buyback. However, contributions made prior to the date the  
1637 disability payment begins will be retained by the Fund.

1638 5. If a member who has either completed the purchase of service or is in the  
1639 process of purchasing service terminates before vesting, the member's contributions  
1640 shall be refunded, including the buyback contributions.

1641 6. A request to purchase service may be made at any time during the course  
1642 of employment; however, the buyback is a one-time opportunity.

1643 7. A member who previously served as a police officer with the City during a  
1644 period of employment and for which accumulated contributions were withdrawn from the  
1645 Fund may recontribute such withdrawn contributions plus interest from the date of  
1646 withdrawal to the date of repayment in accordance with subsection (6).

1647 **8. A member may purchase up to 5 years of credited service total for**  
1648 **prior police and/or military service.**

1649 (b) Intervening military service.—In determining the creditable service of any  
1650 police officer, credit for up to 5 years of the time spent in the military service of the  
1651 Armed Forces of the United States shall be added to the years of actual service without  
1652 employee contribution, if:

1653 1. The police officer is in the active employ of the municipality prior to such  
1654 service and leaves a position, other than a temporary position, for the purpose of  
1655 voluntary or involuntary service in the Armed Forces of the United States.

1656 2. The police officer is entitled to reemployment under the provisions of the

1657 federal Uniformed Services Employment and Reemployment Rights Act.

1658           3.     The police officer returns to his or her employment as a police officer of  
1659 the municipality within 1 year after the date of his or her release from such active  
1660 service, except that, effective January 1, 2007, members who die or become disabled  
1661 while on active duty military service shall be entitled to the rights of this section even  
1662 though such member was not reemployed by the City. A member who dies or becomes  
1663 disabled while on active duty military service shall be treated as though he or she were  
1664 reemployed the day before he or she became disabled or died, were credited with the  
1665 service he or she would have been entitled to under this section, and then either died a  
1666 nonduty death while employed or became disabled from a nonduty disability.

1667           (35)~~(36)~~     Reemployment after retirement.—

1668           (a)     Reemployment by public or private employer.—Any retiree who is retired  
1669 under this Plan, except for disability retirement as previously provided for, may be  
1670 reemployed by any public or private employer, except the City, and may receive  
1671 compensation from that employment without limiting or restricting in any way the  
1672 retirement benefits payable under this Plan. Reemployment by the City on or after  
1673 August 1, 2008, shall be subject to the limitations set forth in this section.

1674           (b)     Reemployment after normal retirement outside Police Department. Any  
1675 retiree who is retired under normal retirement pursuant to this Plan and who is  
1676 reemployed by the City after that retirement shall, upon being reemployed, continue  
1677 receipt of benefits, provided the retiree is not hired into the Police Department. Upon  
1678 reemployment, the retiree is eligible to participate in the plan offered to new employees  
1679 of that department, and the retiree shall be deemed a new employee subject to any  
1680 vesting and

1681 contribution requirements of that plan. The benefit paid under this Plan shall not be  
1682 changed in any way.

1683 (c) Reemployment after normal retirement in Police Department.—Any retiree  
1684 who is retired after normal retirement pursuant to this Plan shall not be reemployed by  
1685 the Police Department as a police officer or in any position that supervises police  
1686 officers. The pension of a retiree who is reemployed by the Police Department as a  
1687 police officer or in any position that supervises police officers shall stop until the  
1688 member terminates employment. However, a retiree who is reemployed by the Police  
1689 Department neither as a police officer nor in any position that supervises police officers  
1690 is eligible to participate in the plan offered to new employees of that employee  
1691 classification, and the retiree shall be deemed a new employee subject to any vesting  
1692 and contribution requirements of that plan. The benefit paid under this Plan shall not be  
1693 changed in any way.

1694 (d) Reemployment of terminated vested persons.—Reemployed terminated  
1695 vested persons shall not be subject to the provisions of this section until such time as  
1696 they begin to actually receive benefits but shall be subject to paragraph (9)(c). Upon  
1697 receipt of benefits, terminated vested persons shall be treated as normal retirees for  
1698 purposes of applying the provisions of this section.

1699 (e) DROP participants.— Members or retirees who were in the deferred  
1700 retirement option plan shall have the options provided for in this section for  
1701 reemployment after termination of employment as if the retiree were a retiree under  
1702 normal retirement.

1703 (36)~~(37)~~ Termination of the Plan.—Upon termination of the Plan by the City  
1704 for any reason, or because of a transfer, merger, or consolidation of governmental units,

1705 services, or functions as provided in chapter 121, Florida Statutes, or upon written  
1706 notice to the Board by the City that contributions under the Plan are being permanently  
1707 discontinued, the rights of all employees to benefits accrued to the date of such  
1708 termination or discontinuance and the amounts credited to the employees' accounts are  
1709 nonforfeitable. The Fund shall be distributed in accordance with the following  
1710 procedures:

1711 (a) The Board shall determine the date of distribution and the asset value  
1712 required to fund all the nonforfeitable benefits after taking into account the expenses of  
1713 such distribution. The Board shall inform the City if additional assets are required, in  
1714 which event the City shall continue to financially support the Plan until all nonforfeitable  
1715 benefits have been funded.

1716 (b) The Board shall determine the method of distribution of the asset value  
1717 and whether distribution shall be by payment in cash, by the maintenance of another or  
1718 substituted trust fund, by the purchase of insured annuities, or otherwise for each police  
1719 officer entitled to benefits under the Plan, as specified in paragraph (c).

1720 (c) The Board shall distribute the asset value as of the date of termination in  
1721 the manner set forth in this subsection on the basis that the amount required to provide  
1722 any given retirement income is the actuarially computed single-sum value of such  
1723 retirement income, except that if the method of distribution determined under paragraph  
1724 (b) involves the purchase of an insured annuity, the amount required to provide the  
1725 given retirement income is the single premium payable for such annuity. The actuarial  
1726 single-sum value may not be less than the employee's accumulated contributions to the  
1727 Plan, with interest if provided by the Plan, less the value of any Plan benefits previously  
1728 paid to the employee.

1729 (d) If there is asset value remaining after the full distribution specified in  
1730 paragraph (c), and after payment of any expenses incurred with such distribution, such  
1731 excess shall be returned to the City, less the return to the state of the state's  
1732 contributions, provided that if the excess is less than the total contributions made by the  
1733 City and the state to date of termination of the Plan, such excess shall be divided  
1734 proportionately to the total contributions made by the City and the state.

1735 (e) The Board shall distribute, in accordance with the manner of distribution  
1736 determined under paragraph (b), the amounts determined under paragraph (c).

1737 Section 2. This act shall take effect upon becoming a law.