

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 funding of share
4 accounts, member contributions and refunds; providing an effective date.
5

6 Be It Enacted by the Legislature of the State of Florida:
7

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

10 Section 16. West Palm Beach Police Pension Fund.

11 (1) Creation of fund.—There is hereby created and established a special fund
12 for the police officers of the City of West Palm Beach to be known as the West Palm
13 Beach Police Pension Fund. All assets of every description held in the name of the West
14 Palm Beach Police Pension and Relief Fund and in the name of the West Palm Beach
15 Pension Fund have been and continue to be combined.

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

18 (a) Actuarial equivalent value,” “actuarial equivalence,” or “single sum value”
19 means the stated determination using an interest rate of 8.25 percent per year and the
20 1983 Group Annuity Mortality Table.

21 (b) “Beneficiary” means any person, except a retirant, who is entitled to receive
22 a benefit from the West Palm Beach Police Pension Fund or the West Palm Beach Police
23 Pension and Relief Fund, as applicable.

24 (c) “Board of Trustees” or “Board” means the Board of Trustees provided for in
25 this act.

26 (d) "City" means the City of West Palm Beach, Florida.

27 (e) "Department" means the Police Department in the City of West Palm Beach.

28 (f) "Enrolled actuary" means an actuary who is enrolled under Subtitle C of Title
29 III of the Employee Retirement Income Security Act of 1974 and who is a member of the
30 Society of Actuaries or the American Academy of Actuaries.

31 (g) "Final average salary" means the average of the monthly salary paid a
32 member in the 3 best years of employment. In no event shall any one year, beginning
33 January 1, 2005, include more than 400 hours of overtime. Prior to January 1, 2005,
34 individual years may include more than 400 hours of overtime. Effective prospectively from
35 January 1, 2013, the overtime will be limited to 300 hours in any one year.

36 (h) "Fund" or "Pension Fund" means the West Palm Beach Police Pension Fund
37 or the West Palm Beach Pension and Relief Fund, as applicable.

38 (i) "Member" or "participant" means any person who is included in the
39 membership of the Fund in accordance with subsection (6).

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

42 (k) "Police officer" means any person who is elected, appointed, or employed full
43 time by the City, who is certified or required to be certified as a law enforcement officer in
44 compliance with section 943.14, Florida Statutes, who is vested with authority to bear arms
45 and make arrests, and whose primary responsibility is the prevention and detection of
46 crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. This
47 definition includes all certified supervisory and command personnel whose duties include,
48 in whole or in part, the supervision, training, guidance, and management responsibilities
49 of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law
50 enforcement officers, but does not include part-time law enforcement officers or auxiliary

51 law enforcement officers as the same are defined in subsections (6) and (8) of section
52 943.10, Florida Statutes.

53 (l) "Qualified health professional" means a person duly and regularly engaged
54 in the practice of his or her profession who holds a professional degree from a university
55 or college and has special professional training or skill regarding the physical or mental
56 condition, disability, or lack thereof, upon which he or she is to present evidence to the
57 Board.

58 (m) "Qualified public depository" means any bank or savings association
59 organized and existing under the laws of Florida and any bank or savings association
60 organized under the laws of the United States that has its principal place of business, or
61 a branch office, in Florida which is authorized under the laws of Florida or the United States
62 to receive deposits in Florida; that meets all of the requirements of chapter 280, Florida
63 Statutes; and that has been designated by the Treasurer of the State of Florida as a
64 qualified public depository.

65 (n) "Retirant" means any member who retires with a pension from the Fund.

66 (o) "Retirement" means a member's withdrawal from Police Department
67 employment as a police officer with a pension payable from the Fund.

68 (p) "Salary" means the fixed monthly compensation paid to a member;
69 compensation shall include those items as have been included as compensation in
70 accordance with past practice. However, the term shall not be construed to include lump
71 sum payments for accumulated leave. On and after January 1, 2003, salary shall mean
72 total cash remuneration paid by the City to a police officer for services rendered excluding
73 lump sum payments for accumulated leave such as accrued vacation leave, accrued sick
74 leave, and accrued personal leave. Effective January 1, 2005, overtime hours earned and
75 paid in excess of 400 hours in any 26 consecutive pay periods shall be excluded from the

76 definition of salary. Effective prospectively from January 1, 2013, overtime hours earned
77 and paid in excess of 300 hours in any 26 consecutive pay periods shall be excluded from
78 the definition of salary. Prior to January 1, 2005, all overtime hours earned and paid shall
79 be included in the definition of salary and shall not be limited by any cap. This definition of
80 compensation shall not include off-duty employment performed for vendors other than the
81 City of West Palm Beach per Article 30, Pension Plan and Section 5 of the collective
82 bargaining agreement between the Palm Beach County Police Benevolent Association and
83 the City of West Palm Beach. Beginning with salary paid after December 31, 2008, and
84 pursuant to s. 414(u)(7) of the Internal Revenue Code, "salary" includes amounts paid
85 by the City as differential wages to members who are absent from employment while in
86 qualified military service.

87 (q) "Service" or "service credit" means the total number of years, and fractional
88 parts of years, of employment of any police officer, omitting intervening years, and
89 fractional parts of years, when such police officer was not employed by the City. No
90 member shall receive credit for years, or fractional parts of years, of service for which the
91 member has withdrawn his or her contributions to the Fund. It is further provided that a
92 member may voluntarily leave his or her contributions in the Fund for a period of 5 years
93 after leaving the employ of the Department, pending the possibility of being rehired by the
94 Department, without losing credit for the time he or she has participated actively as a police
95 officer. Should he or she not be re-employed as a police officer with the Department within
96 5 years, his or her contributions shall be returned without interest. In determining the
97 aggregate number of years of service of any member, years of service for prior police
98 officer or military service, as well as intervening military service, may be added, provided
99 the member meets the requirements of subsection (35).

100 (r) The masculine gender includes the feminine and words in the singular with

101 respect to persons shall include the plural and vice versa.

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

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

109 1. Two legal residents of the City, who shall be appointed by the City. Each
110 resident trustee shall serve as a trustee for a period of 2 years, unless sooner replaced by
111 the City, at whose pleasure he or she shall serve, and may succeed himself or herself as
112 a trustee.

113 2. Two police officers, who shall be elected by a majority of the police officers
114 who are members of the Fund. Elections shall be held under such reasonable rules and
115 regulations as the Board shall from time to time adopt. Each member-trustee shall serve
116 as trustee for a period of 2 years, unless he or she sooner ceases to be a police officer in
117 the employ of the Department, whereupon the members shall choose his or her successor
118 in the same manner as the original appointment. Each member-trustee of the Fund may
119 succeed himself or herself as a trustee.

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

124 (b) Board vacancy; how filled.— In the event a trustee provided for in
125 subparagraph (a)2. ceases to be a police officer in the employ of the Department, he or

126 she shall be considered to have resigned from the Board. In the event a trustee provided
127 for in subparagraph (a)2. shall resign, be removed, or become ineligible to serve as a
128 trustee, the Board shall, by resolution, declare the office of trustee vacated as of the date
129 of adoption of said resolution. If such a vacancy occurs in the office of trustee within 90
130 days of the next succeeding election for trustee, the vacancy shall be filled at the regular
131 election for the next term; otherwise, the vacancy shall be filled for the unexpired portion
132 of the term, as provided in subparagraph (a)2. In the event a trustee provided for in
133 subparagraph (a)1. or subparagraph (a)3. shall resign, be removed, or become ineligible
134 to serve as a trustee, the Board shall, by resolution, declare the office of trustee vacated
135 as of the date of adoption of said resolution. The trustee's successor for the unexpired
136 portion of said trustee's term shall be chosen in the same manner as an original
137 appointment.

138 (c) Board meetings; quorum; procedures.— The Board shall hold meetings
139 regularly, at least one in each quarter year, and shall designate the time and place thereof.
140 At any meeting of the Board, three trustees shall constitute a quorum. Each trustee shall
141 be entitled to one vote on each question before the Board and at least three concurring
142 votes shall be required for a decision by the Board at any of its meetings. The Board shall
143 adopt its own rules of procedure and shall keep a record of its proceedings. All public
144 records of the Board shall be kept and maintained as required by law. All meetings of the
145 Board shall be open to the public and shall be held as required by law.

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

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

150 (f) Compensation.—The trustees of the Fund shall not receive any

151 compensation for their services as such, but may receive expenses and per diem as
152 provided by law.

153 (4) Professional and clerical services.—

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

156 (b) Custodian of funds.— All moneys and securities of the Fund may be
157 deposited with the cash management coordinator of the City, acting in a ministerial
158 capacity only, who shall be bonded and shall be liable in the same manner and to the
159 same extent as he or she is liable for the safekeeping of funds for the City. However, any
160 funds and securities deposited with the cash management coordinator shall be kept in a
161 separate fund by the cash management coordinator or clearly identified as funds and
162 securities of the Fund. In lieu thereof, the Board shall deposit the Funds and securities in
163 a qualified public depository designated by the Board.

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

169 2. The Board may issue drafts upon the Fund pursuant to this act and rules and
170 regulations prescribed by the Board, provided that such drafts shall be issued in
171 accordance with generally accepted accounting procedures, American Institute of Certified
172 Public Accountants guidelines, and rules of the State of Florida Auditor General. All such
173 drafts shall be consecutively numbered and signed by the chair and secretary, or other
174 fiduciary designee, and each draft shall, upon its face, state the purpose for which it is
175 drawn. For this purpose, the chair and secretary shall be bonded. The cash management

176 coordinator or other depository shall retain such drafts when paid, as permanent vouchers
177 for disbursements made, and no money shall be otherwise drawn from the Fund.
178 Payments from the Fund shall be made only upon a specific or general motion or
179 resolution previously adopted by the Board authorizing such payment or payments.

180 (c) Legal counsel.— The City Attorney shall give advice to the Board in all
181 matters pertaining to its duties in the administration of the Fund whenever requested, shall
182 represent and defend the Board as its attorney in all suits and actions at law or in equity
183 that may be brought against it, and shall bring all suits and actions in its behalf that may
184 be required or determined upon by said Board. However, if the Board so elects, it may
185 employ independent legal counsel at the Fund's expense for the purposes set forth in this
186 act.

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

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

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

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

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

199 (b) Experience tables; regular interest; adoption of same.—vThe Board shall,
200 from time to time, adopt such mortality and other tables of experience, and a rate or rates

201 of interest, as required to operate the Fund on an actuarial basis, except as provided in
202 subsection (34).

203 (6) Membership.—All police officers in the employ of the Department shall be
204 included in the membership of the Fund, and all persons who hereafter become police
205 officers in the employ of the City shall thereupon become members of the Fund. Except
206 as otherwise provided in this act, should any member cease to be a police officer in the
207 employ of the Department, he or she shall thereupon cease to be a member and his or her
208 credited service at that time shall be forfeited. In the event such person is re-employed in
209 the Department as a police officer, he or she shall again become a member. His or her
210 forfeited service shall be restored to the member's credit, provided that he or she returns
211 to the Fund the amount he or she might have withdrawn, together with regular interest from
212 the date of withdrawal to the date of repayment. Upon the member's retirement or death,
213 he or she shall thereupon cease to be a member.

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

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

218 (a) Normal retirement.— Upon written application filed with the Board, any
219 member may retire and receive the applicable pension provided for in paragraph (9)(a),
220 provided that the member has attained age 50 and has at least 20 years of credited
221 service, has attained age 55 and has at least 10 years of credited service, or has at least
222 25 years of continuous credited service, regardless of age.

223 (b) Vested deferred retirement.— A member who leaves the employ of the
224 Department with 10 or more years of credited service and who is not eligible for any other
225 retirement benefit under this act shall be entitled to the pension provided for in this

226 subsection. Payments of this pension shall begin the first day of the calendar month
227 following the month in which his or her application is filed with and accepted by the Board
228 on or after attainment of age 50 years. If applicable, the amount of the pension shall be
229 determined in accordance with the early retirement provisions below.

230 (c) Early retirement.— Any member may retire from the service of the
231 Department as of the first day of any calendar month which is prior to the member’s normal
232 retirement date but subsequent to the date as of which he or she has both attained the age
233 of 50 and completed 10 years of credited service. In the event of early retirement, the
234 monthly amount of retirement income payable shall be computed as described in
235 paragraph (9)(a), taking into account his or her credited service to his or her date of actual
236 retirement and his or her final average salary as of such date. The amount of retirement
237 income shall be actuarially reduced to take into account the member’s younger age and
238 earlier commencement of retirement income benefits. The early retirement reduction shall
239 be 3 percent for each year by which the member’s age at retirement preceded the
240 member’s normal retirement age.

241 (9) Retirement pension calculation.—

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

244 1. For all years of service earned after October 1, 2011, the benefit is calculated
245 using 2.68 percent of final average salary per year and fractional parts of the years of
246 service up to a total of 26 prospective years, plus 1 percent of the final average salary
247 multiplied by the number of years, and fraction of a year, of credited service in excess of
248 26 years. This change in the multiplier is due to the change in assumptions set forth in
249 subsection (34). This reduction is required by this paragraph. For years of service earned
250 before October 1, 2011, the benefit will be calculated under the provisions of the applicable

251 subparagraphs 2.-5. For purposes of determining the 26-year limitation, the member's total
252 number of years of credited service are used. In no event shall the benefit be less than 2
253 percent per year of credited service.

254 2. A member who has more than or equal to 12 years and 6 months of service
255 at October 1, 1999, and who was actively employed by the Department on or after October
256 1, 1999, shall receive a benefit equal to the greater of the following:

257 a. Three percent of final average salary multiplied by the number of years, and
258 fraction of a year, of credited service earned from April 1, 1987, to September 30, 2011,
259 plus 2.5 percent of final average salary multiplied by the number of years, and fraction of
260 a year, of credited service earned prior to April 1, 1987, up to a total of 26 years, plus 1
261 percent of the final average salary multiplied by the number of years, and fraction of a year,
262 of credited service which is in excess of 26 years;

263 b. Two and one-half percent of final average salary multiplied by the number of
264 years, and fraction of a year, of credited service, not to exceed 26 years, plus 1 percent
265 of the final average salary multiplied by the number of years, and fraction of a year, of
266 credited service which is in excess of 26 years; or

267 c. The sum of the following:

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

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

272

273 However, in no event shall the benefit be less than 2 percent per year of credited service.

274 For all years of service after October 1, 2011, the benefit will be calculated in accordance
275 with subparagraph 1.

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

280 a. Three percent of final average salary multiplied by the number of years, and
281 fraction of a year, of credited service earned in the 12 years and 6 months prior to entering
282 the DROP, plus 2.5 percent of final average salary multiplied by the number of years, and
283 fraction of a year, of credited service earned prior to that date which is 12 years and 6
284 months prior to entering the DROP, up to a total of 26 years, plus 1 percent of the final
285 average salary multiplied by the number of years, and fraction of a year, of credited service
286 which is in excess of 26 years. The one-half percent enhancement to the accrual rate shall
287 also be applied retroactively to the date of entering the DROP, or 2 years, whichever is
288 less, provided that the retroactive application shall include principal only and not any
289 earnings thereon. An example of the calculation described in this sub-subparagraph is set
290 forth in the collective bargaining agreement between the City of West Palm Beach and the
291 Police Benevolent Association, Certified Unit No. 825, October 1, 1998- September 30,
292 2001;

293 b. Two and one-half percent of final average salary multiplied by the number of
294 years, and fraction of a year, of credited service, not to exceed 26 years, plus 1 percent
295 of the final average salary multiplied by the number of years, and fraction of a year, of
296 credited service which is in excess of 26 years; or

297 c. The sum of the following:

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

300 (ii) Two percent of final average salary multiplied by the number of years, and

301 fraction of a year, of credited service earned on and after October 1, 1988.
302 However, in no event shall the benefit be less than 2 percent per year of credited service.
303 For all years of service after October 1, 2011, the benefit will be calculated in accordance
304 with subparagraph 1.

305 4. A member who has less than 12 years and 6 months of service on October
306 1, 1999, and who was actively employed by the Department on or after October 1, 1999,
307 shall receive a benefit equal to the greater of the following:

308 a. Three percent of final average salary multiplied by the number of years, and
309 fraction of a year, of credited service up to September 30, 2011, plus 1 percent of the final
310 average salary multiplied by the number of years, and fraction of a year, of credited service
311 which is in excess of 26 years;

312 b. Two and one-half percent of final average salary multiplied by the number of
313 years, and fraction of a year, of credited service, not to exceed 26 years, plus 1 percent
314 of the final average salary multiplied by the number of years, and fraction of a year, of
315 credited service which is in excess of 26 years; or

316 c. The sum of the following:

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

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

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

324 5. A member who terminated employment, retired on a vested deferred benefit,
325 or retired on or before October 1, 1999, shall receive a benefit equal to the greater of the

326 following:

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

331 b. The sum of the following:

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

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

336

337 The 3-percent benefit accrual factor for active employees in subparagraphs (a)2., 3., and
338 4. is contingent on and subject to the adoption and maintenance of the assumptions set
339 forth in subsection (34). If such assumptions are modified by legislative, judicial, or
340 administrative agency action and the modification results in increased City contributions
341 to the Pension Fund, the 3-percent benefit accrual factor for active employees in
342 subparagraphs (a) 2., and 3., and 4. shall be automatically decreased prospectively from
343 the date of the action, to completely offset the increase in City contributions. However, in
344 no event shall the benefit accrual factor in subparagraphs (a)1., 2., 3., 4., and 5. be
345 adjusted below 2.5 percent.

346

347 To the extent that the benefit accrual factor is less than 3 percent for active members with
348 less than 12 years and 6 months of service on October 1, 1999, the supplemental pension
349 distribution calculation under subparagraph (12)(a)2. shall be adjusted for employees who
350 retire or enter the DROP after October 1, 1999. The adjustment shall be to decrease the

351 minimum return of 8.25 percent needed to afford the supplemental pension distribution,
352 where the amount of the reduction is zero if an employee has been credited with 12 years
353 and 6 months of service or more with the 3-percent benefit accrual factor or 1.25 percent
354 if an employee has been credited with no more than a 2.5-percent benefit accrual factor.
355 If an employee has been credited with less than 12 years and 6 months of service at the
356 3-percent benefit accrual factor, then the accumulated amount over 2.5 percent for each
357 year of service divided by one-half percent divided by 12.5 subtracted from 1 multiplied by
358 1.25 percent is the reduction from 8.25 percent. An example of the calculation of the
359 minimum return for the supplemental pension distribution as herein described is set forth
360 in the collective bargaining agreement between the City of West Palm Beach and the
361 Police Benevolent Association, Certified Unit No. 145 and Certified Unit No. 825, October
362 1, 1998-September 30, 2001.

363
364 Effective October 1, 2011, the assumed investment rate of return was lowered from 8.25
365 percent to 8 percent, which resulted in a reduction in the benefit multiplier to 2.68 percent
366 for all prospective years of service, up to 26 years of service in total, and 1 percent for each
367 year of service after 26. Additionally, for any supplemental pension distributions
368 subsequent to October 1, 2011, the revised factors in this paragraph will be applied.

369 (b) Payment of benefits.—

370 1. First payment.—Service pensions shall be payable on the first day of each
371 month. The first payment shall be payable the first day of the month coincident with or next
372 following the date of retirement or death, provided the member has completed the
373 applicable age and service requirements.

374 2. Last payment.—The last payment shall be the payment due next preceding
375 the member's death, except that payments shall be continued to the designated beneficiary

376 (or beneficiaries) if a 10-year certain benefit, a joint and survivor option, or beneficiary
377 benefits, as applicable, are payable.

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

379 1. Married member.— The normal form of retirement benefit for a married
380 member or for a member with dependent children or parents shall be a pension and death
381 benefits. The pension benefit shall provide monthly payments for the life of the member.
382 Thereafter, death benefits shall be paid to the beneficiary designated by the member as
383 provided in subsection (17).

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

391 (d) Optional forms of retirement income.—

392 1.a. In the event of normal, early, or disability retirement, in lieu of the normal form
393 of retirement income payable as specified in paragraph (c), and in lieu of the death benefits
394 as specified in subsection (17), a member, upon written request to the Board and subject
395 to the approval of the Board, may elect to receive a retirement income of equivalent
396 actuarial value payable in accordance with one of the following options:

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

399 (II) Joint and survivor option.— A retirement income of a modified monthly
400 amount, payable to the member during the joint lifetime of the member and a dependent

401 joint pensioner designated by the member, and following the death of either of them, 100
402 percent, 75 percent, $66\frac{2}{3}$ percent, or 50 percent of such monthly amounts, payable to the
403 survivor for the lifetime of the survivor.

404 b. The member, upon electing any option of this paragraph, shall designate the
405 joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable in the
406 event of his or her death, and shall have the power to change such designation from time
407 to time; but any such change shall be deemed a new election and shall be subject to
408 approval by the Board. Such designation shall name a joint pensioner or one or more
409 primary beneficiaries where applicable. If a member has elected an option with a joint
410 pensioner or beneficiary and his or her retirement income benefits have commenced, he
411 or she may thereafter change the designated joint pensioner or beneficiary only twice. Any
412 retired member who desires to change his or her joint pensioner or beneficiary shall file
413 with the Board a notarized notice of such change. Upon receipt of a completed change
414 of joint pensioner form or such other notice, the Board shall adjust the member's monthly
415 benefit by the application of actuarial tables and calculations developed to ensure that the
416 benefit paid is the actuarial equivalent of the present value of the member's current benefit
417 and there is no impact to the Plan.

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

420 d. For any other changes of beneficiaries, the Board may request such evidence
421 of the good health of the joint pensioner who is being removed as it may require; and the
422 amount of the retirement income payable to the member upon the designation of a new
423 joint pensioner shall be actuarially redetermined, taking into account the ages and sex of
424 the former joint pensioner, the new joint pensioner, and the member. Each such
425 designation shall be made in writing on a form prepared by the Board, and, on completion,

426 shall be filed with the Board. In the event that no designated beneficiary survives the
427 member, such benefits as are payable in the event of the death of the member subsequent
428 to his or her retirement shall be paid as provided in subparagraph (c)2.

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

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

435 b. If the designated beneficiary (or beneficiaries) or joint pensioner dies before
436 the member's retirement, the option elected shall be canceled automatically and a
437 retirement income of the normal form and amount shall be payable to the member upon
438 his or her retirement as if the election had not been made, unless a new election is made
439 in accordance with the provisions of this paragraph or a new beneficiary is designated by
440 the member prior to his or her retirement.

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

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

449 (e) Designation of beneficiary.—

450 1. Each member may, on a form provided for that purpose, signed and filed with

451 the Board, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which
452 may be payable in the event of the member's death; and each designation may be revoked
453 by such member by signing and filing with the Board a new designation of beneficiary form.
454 However, after the benefits have commenced, a retirant may change his or her designation
455 of a joint annuitant or beneficiary only twice. If the retirant desires to change his or her joint
456 annuitant or beneficiary, he or she shall file with the Board a notarized notice of such
457 change either by registered letter or on a form as provided by the Board. Upon receipt of
458 a completed change of joint annuitant form or such other notice, the Board shall adjust the
459 member's monthly benefit by the application of actuarial tables and calculations developed
460 to ensure that the benefit paid is the actuarial equivalent of the present value of the
461 member's current benefit.

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

- 467 a. The spouse or dependent child or children of the member;
- 468 b. The dependent living parent or parents of the member; or
- 469 c. The estate of the member.

470 (10) Cost-of-living adjustments.—

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

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

475 2. Consumer price index.—The consumer price index for urban wage earners

476 and clerical workers as published by the United States Department of Labor, Bureau of
477 Labor Statistics. Should the Bureau of Labor Statistics adopt a new base or modify the
478 method of computation of the consumer price index so as to render it unsuitable, the Board
479 shall make appropriate adjustments. The Board shall choose another index which it
480 determines to be appropriate if the consumer price index is no longer published.

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

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

487 (b) Subject to the limitations stated in this subsection, the unadjusted amount of
488 the retirement benefit for retirees 65 years of age or older shall be increased each January
489 1, beginning January 1, 1977. The retirement benefit shall increase by 3 percent multiplied
490 by the number of complete years from the later of:

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

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

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

501 (11) Chapter 185 share accounts.—

502 (a) A separate individual member account shall be established and maintained

503 in each member's name effective October 1, 1988.

504 (b) Share account funding.—

505 1. Chapter 185 moneys.—Each individual member account shall be credited

506 with the moneys received from chapter 185, Florida Statutes, tax revenues in June 1988

507 and thereafter. Of the Chapter 185 moneys received in calendar years 2011, ~~and 2012,~~

508 and 2014, the full amount will be used to reduce the employee contributions to 11 percent

509 as provided for in subparagraph (19)(a) 1. This is for calendar years 2011, and 2012, and

510 2014 only. Effective for calendar year 2013 and beginning again October 1, ~~2013~~ 2014,

511 the employee contribution will ~~once again~~ be 11 percent, and all of the Chapter 185

512 moneys received in calendar year 2013 and 2015 and each calendar year thereafter will

513 ~~once again~~ be allocated to the share accounts.

514 2. Forfeitures.— In addition, any forfeitures as provided in paragraph (e) shall

515 be credited to the individual member accounts in accordance with the formula set forth in

516 paragraph (c).

517 (c) Quarterly allocation of accounts.—

518 1. Moneys shall be credited to each individual member account in an amount

519 directly proportionate to the number of pay periods for which the member was paid

520 compared to the total number of pay periods for which all members were paid, counting

521 the pay periods in the calendar year preceding the date for which chapter 185, Florida

522 Statutes, tax revenues were received.

523 2. At the end of each fiscal quarter, each individual member account shall be

524 adjusted to reflect the earnings or losses resulting from investments, as well as reflecting

525 the costs, fees, and expenses of administration.

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

530 a. The investment earnings (or losses) credited to the individual member
531 accounts shall be the same percentage as are earned (or lost) by the total investment
532 earnings (or losses) of the Fund as a whole, unless the Board dedicates a separate
533 investment portfolio for chapter 185, Florida Statutes, share accounts, in which case the
534 investment earnings (or losses) shall be measured by the investment earnings (or losses)
535 of the separate investment portfolio.

536 b. A fixed annual rate of 8.25 percent. Effective October 1, 2012, the rate is 8
537 percent for members who are vested and are not at normal retirement age as of October
538 1, 2012. In any fiscal year, if the amount paid in investment earnings under this paragraph
539 creates a deficiency as compared to the gross earnings of the pension fund as a whole
540 (using the rate determined by the Fund's investment monitor), then the rate will be reduced
541 to 4 percent effective the following October 1 until the deficiency is satisfied. When the
542 deficiency is satisfied, the rate will return to 8 percent, effective the following October 1.
543 Beginning October 1, 2012, the cumulative amounts paid in earnings for the fixed rate will
544 be maintained in the actuarial valuation.

545 4. Costs, fees, and expenses of administration shall be debited from
546 the individual member accounts on a proportionate basis, taking the costs, fees, and
547 expenses of administration of the Fund as a whole, multiplied by a fraction, the numerator
548 of which is the total of the assets in all individual member accounts and the denominator
549 of which is the total of the assets of the Fund as a whole. The proportionate share of the
550 costs, fees, and expenses shall be debited to each individual member account on a pro

551 rata basis in the same manner as chapter 185, Florida Statutes, tax revenues are credited
552 to each individual member account (i.e., based on pay periods).

553 (d) Eligibility for benefits.—Any member who terminates employment with the
554 City, upon application filed with the Board, shall be entitled to 100 percent of the value of
555 his or her individual member account, provided the member meets any of the following
556 criteria:

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

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

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

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

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

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

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

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

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

576 be made:

577 1. Over 3 years in annual installments; or

578 2. In monthly installments over the lifetime of the member or until the entire
579 balance is exhausted. The monthly amount paid shall be determined by the Fund's actuary
580 in accordance with selections made by the member on a form provided by the Board of
581 Trustees.

582 (g) Death of member.— If a member dies and is eligible for benefits from the
583 individual member account, the entire balance of the individual member account shall be
584 converted to the name of the beneficiary designated in accordance with paragraph (9)(e).
585 The entire balance shall be paid out in a lump sum to the beneficiary, at the discretion of
586 the beneficiary. If the designated beneficiary is the surviving spouse, the account may
587 remain with the Fund until the latest period specified under subsection (30). These
588 individual accounts shall not be eligible for any further shares of the Chapter 185 moneys
589 but shall be credited with interest. If a member fails to designate a beneficiary, or if the
590 beneficiary predeceases the member, the entire balance shall be converted, in the
591 following order, to the name or names of:

592 1. The member's surviving children on a pro rata basis;

593 2. If no children are alive, the member's spouse;

594 3. If no spouse is alive, the member's surviving parents on a pro rata basis; or

595 4. If none are alive, the estate of the member.

596

597 The accounts which are converted to the names of the beneficiaries shall have the right
598 to name a successor beneficiary. Any designated beneficiary, other than the surviving
599 spouse of the member, must take a distribution of the entire share account balance by the
600 end of 5 years following the death of the member. Installment distributions which begin in

601 the calendar year of the member's death shall be treated as complying with this 5-year
602 distribution requirement, even though the installments are not completed within 5 years
603 after the member's death.

604 (12) Supplemental pension distribution.—

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

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

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

619 3. For those employees who have less than 12- 1/2 years of service as of
620 October 1, 1999, the amount of the distribution shall be equal to the actuarial present value
621 of future pension payments to those pensioners multiplied by the positive difference, if any,
622 between the rate of investment return (not to exceed 9 percent) and 8.25 percent, plus
623 one-half of any investment earnings over 9 percent. Effective October 1, 2011, the
624 8.25-percent rate has been changed per the formula contained in subsection (9) because
625 the actuarial assumption rate was changed to 8 percent and the members multiplier was

626 reduced prospectively to 2.68 percent.

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

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

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

638 3. The supplemental pension distribution amount shall not exceed accumulated
639 net actuarial experience from all pension liabilities and assets. If the net actuarial
640 experience is favorable, cumulatively, commencing with the experience for the year ending
641 September 30, 1991, after offset for all prior supplemental distributions, the supplemental
642 distribution may be made. If the net actuarial experience is unfavorable, cumulatively,
643 commencing with the experience for the year ended September 30, 1991, after offset for
644 all prior supplemental distributions, no supplemental distribution may be made, and the City
645 must amortize the loss until it is offset by cumulative favorable experience.

646
647 If an actuarial report submitted as provided in this paragraph is not state accepted prior to
648 distribution, and if a deficiency to the Pension Fund results, the deficiency shall be made
649 up from the next available supplemental pension distribution, unless sooner made up by
650 agreement between the Board of Trustees and the City. No such deficiency shall be

651 permitted to continue for a period greater than 3 years from the date of payment of the
652 supplemental pension distribution which resulted from the deficiency.

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

656 (d) Eligible persons are:

- 657 1. Pensioners.
- 658 2. Surviving spouses.
- 659 3. Surviving dependent children.
- 660 4. Pensioners' estates.

661 (e) The supplemental pension distribution shall be allocated among eligible
662 persons based upon years of service in the proportion that the eligible person's years of
663 service bear to the aggregate amount of years of service of all eligible persons. Allocations
664 for surviving spouses and surviving dependent children who are eligible to receive
665 supplemental pension distributions shall be $66\frac{2}{3}$ percent of the years of service earned
666 by the pensioner. Maximum service credits shall be 25 years. Allocations for duty-disability
667 pensioners shall be based upon 25 years of service. Allocations for duty-death
668 beneficiaries (surviving spouse and surviving dependent children) shall be based upon $66\frac{2}{3}$
669 percent of 25 years of service.

670 (f) The supplemental pension distribution shall be made as of April 1, 1992, and
671 each April 1 thereafter. Each eligible person shall be paid his or her allocated portion from
672 the preceding September 30. Eligible persons retired for less than 1 year are entitled to a
673 pro rata share of their supplemental pension distribution based on the number of months
674 retired. A pensioner's estate is entitled to a pro rata share of the deceased retirant's
675 supplemental pension distribution based on the number of months that the deceased

676 retirant received a pension during the year ending the September 30 prior to the retirant's
677 death.

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

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

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

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

685 3. A member shall not participate in the DROP beyond the time of attaining 30
686 years of service and the total years of participation in the DROP shall not exceed 5 years.

687 For example:

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

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

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

694 4. Upon a member's election to participate in the DROP, he or she shall cease
695 to be a member and shall no longer accrue any benefits under the Pension Fund, except
696 for the benefits provided under subsection (11), Chapter 185 share accounts. For all Fund
697 purposes, the member becomes a retirant, except that a DROP participant shall continue
698 to receive shares of the chapter moneys in accordance with subsection (11), Chapter 185
699 share accounts. DROP members shall also be eligible to vote as members for purposes
700 of election of the member-trustee. The amount of credited service shall freeze as of the

701 date of entry into the DROP.

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

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

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

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

715 b. A fixed rate of 8.25 percent for members who reached normal retirement age
716 on or before October 1, 2012. Effective October 1, 2012, the fixed rate is 8 percent for
717 members who retire or enter the DROP on or after October 1, 2012. In any fiscal year, if
718 the amount paid in investment earnings under this paragraph creates a deficiency as
719 compared to the gross earnings of the pension fund as a whole (using the rate determined
720 by the Fund's investment monitor), then the rate will be reduced to 4 percent effective the
721 next October 1 until the deficiency is satisfied. When the deficiency is satisfied, the rate will
722 return to 8 percent, effective the next October 1. Beginning October 1, 2012, the
723 cumulative amounts paid in earnings for the fixed rate will be maintained in the actuarial
724 valuation.

725

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

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

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

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

735 b. Payments shall be made in either:

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

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

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

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

749 d. The beneficiary of the DROP participant who dies before payments from the
750 DROP begin shall have the same right as the participant in accordance with subsection

751 (17).

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

757 (c) Loans from the DROP.—

758 1. Availability of loans.—

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

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

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

763 2. Amount of loan.—

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

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

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

768 3. Limitations on loans.—Loans shall be made from the amounts paid into the
769 DROP and the earnings thereon.

770 4. Term of loan.—

771 a. The loan must be for at least 1 year.

772 b. The loan shall be no longer than 5 years.

773 5. Loan interest rate.—

774 a. The interest rate shall be fixed at the time the loan is originated for the entire
775 term of the loan.

776 b. The interest rate shall be equal to the prime rate published by an established
777 local bank on the last day of each calendar quarter preceding the date of loan application.

778 6. Defaults on loans.—

779 a. Loans shall be in default if 2 consecutive months' repayments are missed or
780 if a total of 4 months' repayments are missed.

781 b. Upon default, the entire balance becomes due and payable immediately.

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

784 d. Upon default of a loan, a member shall not be eligible for additional loans.

785 7. Miscellaneous provisions.—

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

788 b. A member's spouse must consent in writing to the loan. The consent shall
789 acknowledge the effect of the loan on the member's account balance.

790 c. Loans shall be considered a general asset of the Fund.

791 d. Loans shall be subject to administrative fees to be set by the Board of
792 Trustees.

793 (14) Nonduty disability pension.—

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

801 whether:

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

804 2. The member is likely to remain so disabled continuously and permanently.
805

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

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

814 (c) Nonduty disability pension benefits; disability occurs before age and service
815 eligibility.—A member whose retirement on account of disability, as provided in paragraph
816 (a), occurs prior to the date he or she would have become eligible to retire under paragraph
817 (8)(a) shall receive a disability pension equal to the applicable pension payable in
818 subsection (9), provided that:

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

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

825 3. The disability pension shall be subject to the provisions of subsection

826 (18).

827 (15) Duty disability pension.—

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

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

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

838

839 The Board may admit and consider any other evidence that will assist it in understanding
840 the medical committee's report. Any condition or impairment of health of a member caused
841 by tuberculosis, hypertension, heart disease or hardening of the arteries, hepatitis, or
842 meningococcal meningitis resulting in total or partial disability or death shall be presumed
843 to be accidental and suffered in line of duty unless the contrary be shown by competent
844 evidence. Any condition or impairment of health caused directly or proximately by
845 exposure, which exposure occurred in the active performance of duty at some definite time
846 or place without willful negligence on the part of the member, resulting in total or partial
847 disability shall be presumed to be accidental and suffered in the line of duty, provided that
848 such member shall have successfully passed a physical examination upon entering such
849 service, which physical examination, including electrocardiogram, failed to reveal any
850 evidence of such condition. In order to be entitled to the presumption in the case of

851 hepatitis, meningococcal meningitis, or tuberculosis, the member must meet the
852 requirements of section 112.181, Florida Statutes. The final decision as to whether a
853 member meets the requirements for duty disability pension rests with the Board and shall
854 be based on substantial competent evidence on the record as a whole.

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

859 (c) Duty disability pension benefits; disability occurs before age and service
860 eligibility.— A member whose retirement on account of disability, as provided in paragraph
861 (a), occurs prior to the date he or she would become eligible to retire under subsection (8)
862 shall receive a disability pension equal to the appropriate pension payable in subsection
863 (9). The disability pension payable to age 55 shall not be less than two-thirds of his or her
864 final average salary. Beginning October 1, 2011, any member, upon reaching age 55, at
865 the member's option, may begin receiving a pension computed in accordance with the
866 applicable provisions of subsection (9). In calculating the new pension figure, the member
867 shall be given service credit for the period he or she was in receipt of the disability pension
868 provided for in this paragraph. Any pension payable under this subsection shall be subject
869 to the provisions of subsection (18).

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

871 (a) Medical committee.—The medical committee provided for in subsections (14)
872 and (15) shall consist of no less than two qualified health professionals, one of whom shall
873 be designated by the Board, and one by the member. If deemed necessary by the Board,
874 a third qualified health professional, selected by the two committee members previously
875 designated, may be named to the medical committee. The member shall be responsible

876 for the expenses of the qualified health professional he or she designates to serve on the
877 medical committee. Expenses for any other medical examination required under this act
878 shall be paid by the Fund. The medical committee shall report to the Board the existence
879 and degree of permanent physical impairment of the member, if any, based upon the most
880 recent edition of the American Medical Association's Guide to the Evaluation of
881 Permanent Impairment, if applicable.

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

- 884 1. Excessive and habitual use by the member of drugs, intoxicants, or narcotics;
- 885 2. Injury or disease sustained by the member while willfully and illegally
886 participating in fights, riots, or civil insurrections or while committing a crime;
- 887 3. Injury or disease sustained by the member while serving in any armed forces.

888 This exclusion does not affect members who have become disabled as a result of
889 intervening military service under the federal Heroes Earnings Assistance and Relief Tax
890 Act of 2008 (H.R. 6081; P.L. 110-245);

- 891 4. Injury or disease sustained by the member after his or her employment has
892 terminated;

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

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

898 (c) Payment of disability pensions.—Monthly disability retirement benefits shall
899 be payable as of the date the Board determines that the member was entitled to a disability
900 pension; however, the first payment shall actually be paid on the first day of the first month

901 after the Board determines such entitlement. Any portion due for a partial month shall be
902 paid together with the first payment. The last payment shall be, if the member recovers
903 from the disability prior to his or her normal retirement date, the payment due next
904 preceding the date of recovery or, if the member dies without recovering from his or her
905 disability, then the following shall apply:

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

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

910
911 Any monthly disability retirement income payments due after the death of a disabled
912 member shall be paid to the member's designated beneficiary (or beneficiaries) as
913 provided in section 185.162, Florida Statutes, or paragraph (9)(e) or subsection (17), as
914 applicable.

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

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

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

923 b. Unmarried member.— The standard form of disability retirement benefit for
924 a member who is not married or who does not have dependent children or parents shall
925 be a 10-year certain benefit. This benefit shall pay monthly benefits for the member's

926 lifetime. In the event the member dies after his or her retirement but before he or she has
927 received disability retirement benefits for a period of 10 years, the same monthly benefit
928 shall be paid to the beneficiary (or beneficiaries) as designated by the member for the
929 balance of such 10-year period. In the absence of a designated beneficiary, then the
930 benefits shall be paid to the estate of the retiree.

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

935 (e) Reexaminations of disability retirants.— At least once each year during the
936 first 5 years following a member’s retirement on account of disability, and at least once in
937 each 3-year period thereafter, the Board shall require any disability retirant who has not
938 attained age 50 to undergo a medical examination by a physician designated by the Board.
939 If the retirant refuses to submit to the medical examination, his or her disability pension
940 may be suspended by the Board until his or her withdrawal of such refusal. If such refusal
941 continues for 1 year, all of his or her rights in and to a disability pension may be revoked
942 by the Board. If, upon medical examination of such retirant, the physician reports to the
943 Board that the retirant is physically able and capable of performing the duties of a police
944 officer in the rank held by him or her at the time of his or her retirement, the retirant shall
945 be returned to employment in the Department at a salary not less than the salary of the
946 rank previously held by him or her. The disability pension shall then terminate.

947 (f) Credited service for disability retirant.— In the event a disability retirant is
948 returned to employment in the Department, as provided in paragraph (e), he or she shall
949 again become a member of the Fund and shall be restored the credited service at the time
950 of the member’s retirement. If he or she retired under a duty disability as provided in

951 paragraph (15)(a), he or she shall be given service credit for the period he or she was in
952 receipt of a disability pension. If the member retired under a nonduty disability as provided
953 in paragraph (14)(a), then he or she shall not be given service credit for the period he or
954 she was in receipt of a disability pension.

955 (17) Death benefits.—

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

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

967 2. In the event the deceased member does not leave a surviving spouse, or if
968 the surviving spouse dies and the member leaves an unmarried child or children under age
969 18, each such child shall receive a pension of any equal share of the pension to which the
970 said deceased member’s surviving spouse was entitled or would have been entitled if he
971 or she left a surviving spouse. Upon any such child’s adoption, marriage, death, or
972 attainment of age 18, the child’s pension shall terminate and it shall be apportioned to the
973 pensions payable to the said deceased member’s remaining eligible children under the age
974 of 18. In no case shall the pension payable to any such child exceed one-seventh of the
975 deceased member’s final average salary, nor shall it be less than \$15 per month. A

976 pension payable under this paragraph shall be subject to the provisions of subsection (18).

977
978 3. In the event the deceased member does not leave a surviving spouse or
979 children eligible to receive a pension and the member leaves a parent or parents who the
980 Board finds are dependent upon the member for at least 50 percent of his, her, or their
981 financial support, each parent shall receive a pension of an equal share of the pension to
982 which the member's surviving spouse would have been entitled if he or she had left a
983 surviving spouse. Upon any such parent's remarriage or death, his or her pension shall
984 terminate. Any pension payable under this paragraph shall be subject to the provisions of
985 subsection (18).

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

991
992 In any of the above cases, the Board, in its discretion, may direct that the actuarial value
993 of the monthly benefit be paid as a lump sum.

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

998 1. Effective October 1, 2003, the surviving spouse shall receive a pension equal
999 to two-thirds of the member's highest 12 consecutive months' salary or the current top step
1000 police officer pay, whichever is greater. Upon the surviving spouse's death, the pension

1001 shall terminate. Any pension payable under this paragraph shall be subject to the
1002 provisions of subsection (18).

1003 2. If, in addition to a surviving spouse, the deceased member leaves an
1004 unmarried child or children under age 18, each child shall receive a pension of \$150 per
1005 month. Upon any child's adoption, marriage, death, or attainment of age 18, the child's
1006 pension shall terminate. Any pension payable under this paragraph shall be subject to the
1007 provisions of subsection (18).

1008 3. In the event the deceased member does not leave a surviving spouse, or if
1009 the surviving spouse dies, and the member leaves an unmarried child or children under
1010 age 18, each such child shall receive a pension of an equal share of one-third of the
1011 deceased member's final average salary. Upon any such child's adoption, marriage, death,
1012 or attainment of age 18, the child's pension shall terminate and it shall be apportioned to
1013 the pensions payable to the deceased member's remaining eligible children under age 18.
1014 Any pension payable under this paragraph shall be subject to the provisions of subsection
1015 (18).

1016 4. Any pensions payable, under subparagraphs 2. and 3. above, to any child
1017 under age 18 shall be paid to his or her legal guardian.

1018 5. In the event the deceased member does not leave a surviving spouse or
1019 children under age 18 eligible to receive a pension provided for in subparagraph 1.,
1020 subparagraph 2., or subparagraph 3., and the member leaves a parent or parents who the
1021 Board finds are dependent upon the member for at least 50 percent of his, her, or their
1022 financial support, then each parent shall receive a pension of an equal share of one-third
1023 of the deceased member's final average salary. Upon any such parent's remarriage or
1024 death, his or her pension shall terminate. Any pension payable under this paragraph shall
1025 be subject to the provisions of subsection (18).

1026 6. In the event the deceased member does not leave a surviving spouse,
1027 children, or parents eligible to receive a pension, then the death benefit, if any, shall be
1028 paid to the estate of the deceased member. Any retirement income payments due after the
1029 death of a vested member may, in the discretion of the Board, be paid to the member's
1030 designated beneficiary or beneficiaries.

1031
1032 In any of the above cases, the Board, in its discretion, may direct that the actuarial value
1033 of the monthly benefit be paid as a lump sum.

1034 (c) Death after retirement.— Upon the death of a retirant, the following applicable
1035 pensions shall be paid, subject to the provisions of subsection (18):

1036 1. The surviving spouse of the retirant shall receive a pension of two-thirds of
1037 the retirant's pension, provided that the retirant was receiving a pension under paragraph
1038 (9)(a). Upon the surviving spouse's death, the pension shall terminate.

1039 2. In the event the deceased retirant does not leave a surviving spouse eligible
1040 to receive a pension, or if the surviving spouse dies and he or she leaves an unmarried
1041 child or children under age 18, each child shall receive a pension of an equal share of
1042 two-thirds of the deceased retirant's pension. Upon any child's adoption, marriage, death,
1043 or attainment of age 18, the child's pension shall terminate and it shall be apportioned to
1044 the pensions payable to the deceased retirant's remaining eligible children under age 18.
1045 In no case shall the pension payable to any such child exceed 20 percent of the deceased
1046 retirant's pension, or be less than \$15 per month.

1047 3. In the event the deceased retirant does not leave a surviving spouse or
1048 children eligible to a pension provided for in subparagraphs 1. and 2. above, and he or she
1049 leaves a parent or parents who the Board finds are dependent upon the retirant for at least
1050 50 percent of his, her, or their financial support, each parent shall receive a pension of an

1051 equal share of two-thirds of the deceased retirant's pension. Upon any parent's remarriage
1052 or death, his or her pension shall terminate.

1053 4. In the event the deceased member does not leave a surviving spouse,
1054 children, or parents eligible to receive a pension, then the death benefit, if any, shall be
1055 paid to the estate of the deceased member. Any retirement income payments due after the
1056 death of a vested member may, in the discretion of the Board, be paid to the member's
1057 designated beneficiary or beneficiaries.

1058
1059 In any of the above cases, the Board, in its discretion, may direct that the actuarial value
1060 of the monthly benefit be paid as a lump sum.

1061 (18) Workers' compensation offset.—The pension benefits payable under this act
1062 shall not be offset by any workers' compensation benefits payable as a result of the
1063 disability or death of a member, except to the extent that the total of the pension benefit
1064 and workers' compensation benefit exceeds the member's average monthly wage.

1065 (19) Member's contributions; refunds.—

1066 (a) Member's contributions.—

1067 1. The member shall contribute 7 percent of his or her salary to the Fund.
1068 Effective the first full payroll period after January 1, 2005, the member shall contribute 9
1069 percent of his or her salary to the Fund, which shall be deducted each pay period from the
1070 salary of each member in the Department. Effective the first full payroll period after January
1071 1, 2006, the member shall contribute 10 percent of his or her salary to the Fund, which
1072 shall be deducted each pay period from the salary of each member in the Department.
1073 Effective the first full payroll period after January 1, 2007, the member shall contribute 11
1074 percent of his or her salary to the Fund, which shall be deducted each pay period from the
1075 salary of each member in the Department. All amounts of member contributions that are

1076 deducted shall be immediately paid over to the Pension Fund. Any contribution amount
1077 over 7 percent is to be used to purchase eligibility for participation in the postretirement
1078 health insurance benefits. Effective October 1, 2011, the employee contributions will be
1079 18 percent. Of the Chapter 185 moneys received in calendar years 2011, ~~and 2012,~~ and
1080 2014, the full amount will be used to reduce the employee contributions to 11 percent.
1081 Effective for calendar year 2013 and beginning again October 1, ~~2013~~ 2014, the
1082 employee contribution will ~~once again~~ be 11 percent, and all of the Chapter 185 moneys
1083 received in calendar year 2013 and 2015 and each calendar year thereafter will ~~once~~
1084 ~~again~~ be allocated to the share accounts. Should the Chapter 185 moneys received be
1085 insufficient to reduce the member's contributions to 11 percent, then the City will make up
1086 the difference. No amount of the Chapter 185 money is to be considered employee
1087 contributions for purposes of a refund of contributions as provided for in paragraph
1088 (19)(b).

1089 2. The City shall cause the contributions provided for in subparagraph 1. to be
1090 deducted from the compensation of each member on each payroll, for each pay period,
1091 so long as he or she remains a member of the Fund. The member's contributions provided
1092 for herein shall be made, notwithstanding that the minimum compensation provided by law
1093 for any member is thereby changed. Each member shall be deemed to consent and agree
1094 to the deductions made and provided for herein. Payment of compensation, less said
1095 deductions, shall be a full and complete discharge and acquittance of all claims and
1096 demands whatsoever for the services rendered by him or her during the period covered by
1097 such payment, except as to benefits provided by this act. When deducted, each of said
1098 contributions shall be paid into the Fund and credited to the individual member from whose
1099 compensation said deduction was made.

1100 3. In addition to the contribution deducted from the compensation of a member,

1101 as hereinbefore provided, a member shall deposit in the Fund, by a single contribution or
1102 by an increased rate of contribution, as approved by the Board of Trustees, the amount of
1103 previously withdrawn member contributions not repaid to the Fund, together with regular
1104 interest from the date of withdrawal to the date of repayment. In no case shall any member
1105 be given credit for service rendered prior to the date he withdrew his aggregate
1106 contributions until he or she repays to the member's deposit account all amounts due the
1107 account by such member.

1108 (b) Refund of member's contributions.—

1109 1. Should any member cease to be employed by the City as a police officer and
1110 not be entitled to a pension payable from the Fund, upon application to and approval by
1111 the Board, he or she shall be paid the aggregate contributions standing to his or her credit
1112 in the Fund, without interest, less any benefits paid to him or her. In accordance with
1113 paragraph (2)(q), a member who has ceased to be employed by the City as a police officer
1114 may elect to voluntarily leave his or her contributions in the member's deposit account for
1115 a period of up to 5 years, pending the possibility of being rehired by the Department. If the
1116 member is not reemployed at the expiration of 5 years following the date the member
1117 ceased to be employed by the City as a police officer, all contributions remaining in the
1118 member's deposit account shall be refunded without interest. No amount of the Chapter
1119 185 money is to be considered employee contributions for purposes of a refund of
1120 contributions.

1121 2. Upon the death of a member, if no pension becomes payable on account of
1122 his or her death, the aggregate contributions standing to the member's credit in the Fund
1123 at the time of death shall be paid to his or her designated beneficiary. If there be no such
1124 designated person surviving the member, his or her aggregate contributions shall be paid
1125 to his or her estate in accordance with subsection (17).

1126 3. Repayments of refunds of a member's aggregate contributions, in
1127 accordance with subsection (6) and as provided in this paragraph, may be made in
1128 bimonthly installments according to such rules and regulations as the Board of Trustees
1129 shall from time to time adopt.

1130 (20) Sources of revenue.—

1131 (a) Contributions credited to Fund.—The contributions to be credited to the Fund
1132 shall consist of, but shall not be limited to, the following sources of revenue:

1133 1. Taxes of insurance companies.—The moneys returned to the City as
1134 provided by chapter 185, Florida Statutes, shall be used to fund the share account benefit
1135 described in subsection (11). The City shall not opt out of participation in chapter 185,
1136 Florida Statutes, or any similar statutory enactment unless exigent circumstances exist,
1137 such as the bankruptcy of the City or changes or amendments to the statute regarding
1138 extra benefits. If any statutory changes are made by the Legislature, the City and the Board
1139 shall renegotiate the impact of such changes, if necessary.

1140 2. City contribution.—The City shall contribute to the Fund annually an amount
1141 which, together with the contributions from the members and the amount derived from the
1142 premium tax provided in chapter 185, Florida Statutes, and other income sources as
1143 authorized bylaw, shall be sufficient to meet the normal cost of the Fund and to fund the
1144 actuarial deficiency over a period of not more than 40 years, provided that the net increase,
1145 if any, in unfunded liability of the Fund arising from significant amendments or other
1146 changes shall be amortized within 30 plan years.

1147 3. Member contributions.—As provided in subsection (19).

1148 4. Gifts, etc.—All gifts, bequests, and devises when donated to the Fund.

1149 5. Interest from deposits.—All accretions to the Fund by way of interest on bank
1150 deposits or otherwise.

1151 6. Other sources.—All other sources of income now or hereafter authorized by
1152 law for the augmentation of the Fund.

1153 (b) Actuarial valuations.—The Fund shall be actuarially evaluated at least once
1154 in each 3-year period.

1155 (21) Investments.—

1156 (a) The Board shall have the power and authority to invest and reinvest the
1157 moneys of the Fund and to hold, purchase, sell, assign, transfer, and dispose of any
1158 securities and investments held in the Fund, including the power and authority to employ
1159 counseling or investment management services. The aim of the investment policies shall
1160 be to preserve the integrity and security of Fund principal, to maintain a balanced
1161 investment portfolio, to maintain and enhance the value of the Fund principal, and to
1162 secure the maximum total return on investments that is consonant with safety of principal,
1163 provided that such investments and reinvestments shall be limited only by the investments
1164 permitted by the investment policy guidelines adopted by the Board in accordance with
1165 Florida law. Notwithstanding the foregoing, investments in foreign investments are limited
1166 in accordance with section 185.06(1)(b)4., Florida Statutes.

1167 1. The Board members must discharge these duties with respect to the Plan
1168 solely in the interest of the participants and beneficiaries and:

1169 a. For the exclusive purpose of providing benefits to participants and their
1170 beneficiaries and defraying reasonable expenses of administering the Plan;

1171 b. With the care, skill, prudence, and diligence under the circumstances then
1172 prevailing that a prudent person acting in a like capacity and familiar with such matters
1173 would use in the conduct of an enterprise of a like character and with like aims; and

1174 c. By diversifying the investments of the Plan so as to minimize the risk of large
1175 losses, unless under the circumstances it is clearly prudent not to do so.

1176 2. Notwithstanding any other provision of this subsection and as provided in
1177 section 215.473, Florida Statutes, the Board must identify and publicly report any direct or
1178 indirect holdings it may have in any scrutinized company, as defined in section 215.473,
1179 Florida Statutes. Beginning January 1, 2010, the Board must proceed to sell, redeem,
1180 divest, or withdraw all publicly traded securities it may have directly in any scrutinized
1181 company. The divestiture of any such security must be completed by September 10, 2010.
1182 The Board and its named officers or investment advisors may not be deemed to have
1183 breached their fiduciary duty in any action taken to dispose of any such security, and the
1184 Board shall have satisfactorily discharged the fiduciary duties of loyalty, prudence, and sole
1185 and exclusive benefit to the participants of the Pension Fund and their beneficiaries if the
1186 Board's actions are consistent with the duties imposed by section 215.473, Florida
1187 Statutes, as provided for in section 185.06(7), Florida Statutes, and the manner of the
1188 disposition, if any, is reasonable as to the means chosen. For purposes of determining
1189 which companies are scrutinized companies, the Board may utilize the list of scrutinized
1190 companies as developed by the State Board of Administration. No person may bring any
1191 civil, criminal, or administrative action against the Board of Trustees or any employee,
1192 officer, director, or advisor of such Pension Fund based upon the divestiture of any security
1193 pursuant to this subparagraph.

1194 (b) Professional counsel.— Board shall be required to engage the services of
1195 professional investment counsel to assist and advise the trustees in the performance of
1196 their duties.

1197 (c) Restricted use of assets.— The assets of the Police Pension Fund shall be
1198 used only for the payment of benefits and other disbursements authorized by this act and
1199 shall be used for no other purpose.

1200 (d) Performance evaluation and manager selection.— At least once every 3

1201 years, the Board of Trustees shall retain an independent consultant professionally qualified
1202 to evaluate the performance of its professional money manager or investment counsel. The
1203 independent consultant shall make recommendations to the Board of Trustees regarding
1204 the selection of money managers for the next investment term. These recommendations
1205 shall be considered by the Board of Trustees at its next regularly scheduled meeting. The
1206 date, time, place, and subject of this meeting shall be advertised in a newspaper of general
1207 circulation in the municipality at least 10 days prior to the date of the hearing.

1208 (e) Administrative expenses.—The administrative expenses of the Fund shall be
1209 paid by the Fund.

1210 (22) Existing benefits continued.—This act, and any amendments hereto, shall not
1211 be construed to increase or decrease the benefits payable to, or on account of, any
1212 member who retired or died prior to October 1, 1987.

1213 (23) Assignments prohibited; voluntary withholding.—

1214 (a) The pensions or other benefits accrued or accruing to any person under the
1215 provisions of this act and the accumulated contributions and the cash securities in the
1216 Fund created under this act shall not be subject to execution or attachment or to any legal
1217 process whatsoever and shall be unassignable. However, pursuant to a court support
1218 order, the trustees may direct that retirement benefits be paid for alimony or child support
1219 in accordance with rules and regulations adopted by the Board of Trustees.

1220 (b) Upon written request by the retiree, the Board may authorize the Plan
1221 administrator to withhold from the monthly retirement payment funds necessary to:

- 1222 1. Pay for benefits being received through the City;
1223 2. Pay the certified bargaining agent; or
1224 3. Pay for premiums for accident, health, and long-term care insurance for the
1225 retiree's spouse and dependents.

1226 A retirement plan does not incur liability for participation in this permissive program if the
1227 Board's actions are taken in good faith pursuant to section 185.05(6), Florida Statutes.

1228 (24) Subrogation rights; loss of pension rights.—

1229 (a) In the event a person becomes entitled to a pension or other benefits payable
1230 from the Fund as a result of an accident or injury caused by the act of a third party, the City
1231 shall be subrogated to the rights of the said person against such third person to the extent
1232 of the benefits which the City pays or becomes liable to pay hereunder.

1233 (b) No person shall be entitled to a pension under this act who is convicted of a
1234 specified offense as provided in section 112.3173, Florida Statutes.

1235 (25) Ordinances applicable.— All ordinances of the City applicable to chapter 185,
1236 Florida Statutes, are hereby made applicable to this act with equal force and effect. No
1237 proposed change or amendment to this act shall be adopted without the approval required
1238 by section 185.35(2), Florida Statutes.

1239 (26) Review procedures.—

1240 (a) The applicant for benefits under this act may, within 20 days after being
1241 informed of the denial of his or her request for pension benefits, appeal said denial by filing
1242 a reply to the proposed order with the pension's coordinator. If no appeal is filed within the
1243 time period specified, then the proposed order shall be final.

1244 (b) The Board of Trustees shall hold a hearing within 45 days after the receipt
1245 of the appeal. Written notice of said hearing shall be sent by certified mail to the applicant
1246 10 days prior to the hearing, at the address listed on the application.

1247 (c) The procedures at the hearing shall be as follows:

1248 1. All parties shall have an opportunity to respond, to present physical and
1249 testimonial evidence and argument on all issues involved, to conduct cross-examination,
1250 to submit rebuttal evidence, and to be represented by counsel. Medical reports and

1251 depositions may be accepted in lieu of live testimony, at the Board's discretion.

1252 2. All witnesses shall be sworn.

1253 3. The applicant and the Board shall have an opportunity to question all
1254 witnesses.

1255 4. Formal rules of evidence and formal rules of civil procedure shall not apply.

1256 The proceedings shall comply with the essential requirements of due process and law.

1257 5. The record in a case governed by this subsection shall consist only of:

1258 a. A tape recording of the hearing, to be taped and maintained as part of the
1259 official files of the Board of Trustees by the pension's secretary.

1260 b. Evidence received or considered.

1261 c. All notices, pleadings, motions, and intermediate rulings.

1262 d. Any decisions, opinions, proposed or recommended orders, or reports by the
1263 Board of Trustees.

1264 (d) Within 5 days after the hearing, the Board shall take one of the following
1265 actions:

1266 1. Grant the pension benefits by overturning the proposed order by majority
1267 vote.

1268 2. Deny the benefits and approve the proposed order as a final order, after
1269 making any changes in the order that the Board feels is necessary.

1270 (e) Findings of fact by the Board shall be based on competent, substantial
1271 evidence on the record.

1272 (f) Within 20 calendar days after rendering its order, the Board of Trustees shall
1273 send by certified mail a copy of said order to the applicant.

1274 (g) The applicant may seek review of the order of the Board of Trustees by filing
1275 a petition for writ of certiorari with the circuit court within 30 days.

1276 (27) Lump sum payment of small retirement income. —Notwithstanding any
1277 provision of the Fund to the contrary, if the monthly retirement income payable to any
1278 person entitled to benefits hereunder is less than \$30 or if the single sum value of the
1279 accrued retirement income is less than \$1,000 as of the date of retirement or termination
1280 of service, whichever is applicable, the Board of Trustees, in the exercise of its discretion,
1281 may specify that the actuarial equivalent of such retirement income be paid in lump sum.

1282 (28) Pickup of member contributions.—Effective the first day of the first full payroll
1283 period of the first calendar quarter following receipt of a favorable determination letter from
1284 the Internal Revenue Service, the City shall pick up the member contribution required by
1285 this section. The contributions so picked up shall be treated as employer contributions in
1286 determining tax treatment under the United States Internal Revenue Code. The City shall
1287 pick up the member contributions from funds established and available for salaries, which
1288 funds would otherwise have been designated as member contributions and paid to the
1289 Fund. Member contributions picked up by the City pursuant to this subsection shall be
1290 treated for purposes of making a refund of members' contributions, and for all other
1291 purposes of this and other laws, in the same manner and to the same extent as member
1292 contributions made prior to the effective date of this section. The intent of this section is
1293 to comply with s. 414(H)(2) of the Internal Revenue Code.

1294 (29) Internal Revenue Code limits.—

1295 (a) In no event may a member's annual benefit exceed \$160,000 (adjusted for
1296 cost of living in accordance with s. 415(d) of the Internal Revenue Code).

1297 (b) If a member has less than 10 years of service with the City, the applicable
1298 limitation in paragraph (a) shall be reduced by multiplying such limitation by a fraction, not
1299 to exceed 1. The numerator of such fraction shall be the number of years, or part thereof,
1300 of service with the City; the denominator shall be 10 years.

1301 (c) For purposes of this subsection, “annual benefit” means a benefit payable
1302 annually in the form of a straight life annuity with no ancillary incidental benefits and with
1303 no member or rollover contributions. To the extent that ancillary benefits are provided, the
1304 limits set forth in paragraph (a) shall be reduced actuarially, using an interest rate
1305 assumption equal to the greater of 5 percent or the rate being used for actuarial
1306 equivalence, to reflect such ancillary benefits.

1307 (d) If distribution of retirement benefits begins before age 62, the dollar limitation
1308 as described in paragraph (a) shall be reduced, using an interest rate assumption equal
1309 to the greater of 5 percent or the interest rate used for actuarial equivalence; however,
1310 retirement benefits shall not be reduced below \$75,000 if payment of benefits begins at or
1311 after age 55 and not below the actuarial equivalent of \$75,000 if payment of benefits
1312 begins before age 55. For a member with 15 or more years of service with the City, the
1313 reductions described above shall not reduce such member’s benefit below \$50,000
1314 (adjusted for cost of living in accordance with s. 415(d) of the Internal Revenue Code, but
1315 only for the year in which such adjustment is effective). If retirement benefits begin after
1316 age 65, the dollar limitation of paragraph (a) shall be increased actuarially by using an
1317 interest assumption equal to the lesser of 5 percent or the rate used for actuarial
1318 equivalence.

1319 (e) Compensation in excess of limitations set forth in s. 401(a)(17) of the Internal
1320 Revenue Code shall be disregarded. The limitation on compensation for an eligible
1321 employee shall not be less than the amount that was allowed to be taken into account
1322 hereunder as in effect on July 1, 1993. “Eligible employee” is an individual who was a
1323 member before the first plan year beginning after December 31, 1995.

1324 (30) Required distributions.—

1325 (a) In accordance with s. 401(a)(9) of the Internal Revenue Code, all benefits

1326 under this plan shall be distributed, beginning not later than the required beginning date
1327 set forth below, over a period not extending beyond the life expectancy of the police
1328 officers or the life expectancy of the police officer and a beneficiary designated in
1329 accordance with paragraph (9)(e).

1330 (b) Any and all benefit payments shall begin by the later of:

1331 1. April 1 of the calendar year following the calendar year of the member's
1332 retirement date; or

1333 2. April 1 of the calendar year following the calendar year in which the member
1334 attains age 70- 1/2.

1335 (c) If an employee dies before his or her entire vested interest has been
1336 distributed to him or her, the remaining portion of such interest shall be distributed at least
1337 as rapidly as provided for under subsection (17).

1338 (31)(a) Rollovers from qualified plans.— A member may roll over all or a part
1339 of his or her interest in another qualified plan to the Fund, provided all of the following
1340 requirements are met:

1341 1. Some or all of the amount distributed from the other plan is rolled over
1342 to this plan no later than the 60th day after distribution was made from the Plan or, if
1343 distributions are made in installments, no later than the 60th day after the last distribution
1344 was made.

1345 2. The amount rolled over to this Fund does not include any amount contributed
1346 by the member to the Plan on a post tax basis.

1347 3. The rollover is made in cash.

1348 4. The member certifies that the distribution is eligible for a rollover.

1349 5. Any amount which the trustees accept as a rollover to this Fund shall,
1350 along with any earnings allocated to them, be fully vested at all times.

1351 6. Effective October 1, 2012, the assets that are rolled over may not be invested
1352 in the fixed rate option. The assets may only be invested in the option for the plan returns,
1353 and the rolled over assets shall be subject to paying the pro rata administrative and
1354 investment expenses of the Plan.

1355
1356 A rollover may also be made to this Plan from an individual retirement account qualified
1357 under s. 408 of the Internal Revenue Code when the individual retirement account was
1358 merely used as a conduit for funds from another qualified plan and the rollover is made in
1359 accordance with the rules provided in subparagraphs 1.-6. Amounts rolled over may be
1360 segregated from other Fund assets. The trustees shall separately account for gains,
1361 losses, and administrative expenses of these rollovers as provided for in subsections (11)
1362 and (13). In addition, the Fund may accept the direct transfer of a member's benefits from
1363 another qualified retirement plan or an Internal Revenue Code section 457 plan. The Fund
1364 shall account for direct transfers in the same manner as a rollover and shall obtain
1365 certification from the member that the amounts are eligible for a rollover or direct transfer
1366 to this Fund.

1367 (b) Transfer of accumulated leave.—

1368 1. Members who are eligible to receive a lump-sum payment for accumulated
1369 leave payable upon separation and who have funds remaining after the contributions to the
1370 health savings account as required by the collective bargaining agreement shall have the
1371 remaining leave payment transferred to the Fund up to the amount permitted by law. Any
1372 additional amounts shall be paid directly to the member. Members on whose behalf leave
1373 has been transferred shall maintain the entire amount of the transferred leave balance in
1374 the DROP or Share Account.

1375 2. If a member on whose behalf the City makes a transferred leave balance to

1376 the Plan dies after retirement or other separation, then any person who would have
1377 received a death benefit had the member died in service immediately prior to the date of
1378 retirement or other separation shall be entitled to receive an amount equal to the
1379 transferred leave balance in a lump sum. In the case of a surviving spouse or former
1380 spouse, an election may be made to transfer the leave balance to an eligible retirement
1381 plan in lieu of the lump sum payment. Failure to make such an election by the surviving
1382 spouse or former spouse within 60 days after the member's death shall be deemed an
1383 election to receive the lump sum payment.

1384 3. The Board, by rule, shall prescribe the method for implementing the
1385 provisions of this paragraph.

1386 4. Amounts transferred under this section shall remain invested in the Fund for
1387 a period of not less than 1 year.

1388 (32) Rollover distributions.—

1389 (a) This subsection applies to distributions made on or after January 1, 1993.
1390 Notwithstanding any provision of the Plan to the contrary that would otherwise limit a
1391 distributee's election under this subsection, a distributee may elect, at the time and in the
1392 manner prescribed by the Board of Trustees, to have any portion of an eligible rollover
1393 distribution paid directly to an eligible retirement plan specified by the distributee in a direct
1394 rollover.

1395 (b) Definitions.—

1396 1. Eligible rollover distribution" is any distribution of all or any portion of the
1397 balance to the credit of the distributee, except that an eligible rollover does not include any
1398 distribution that is one of a series of substantially equal periodic payments (not less
1399 frequently than annually) made for the life (or life expectancy) of the distributee or the joint
1400 lives (or joint life expectancies) of the distributee and the distributee's designated

1401 beneficiary, or for a specified period of 10 years or more; any distribution to the extent such
1402 distribution is required under s. 401(a)(9) of the Internal Revenue Code; and the portion
1403 of any distribution that is not includable in gross income.

1404 2. "Eligible retirement plan" is an individual retirement account described in s.
1405 408(a) of the Internal Revenue Code, an individual retirement annuity described in s.
1406 408(b) of the Internal Revenue Code, an annuity plan described in s. 403(a) of the Internal
1407 Revenue Code, or a qualified trust described in s. 401(a) of the Internal Revenue Code
1408 that accepts the distributee's eligible rollover distribution. However, in the case of an
1409 eligible rollover distribution to the surviving spouse, an "eligible retirement plan" is an
1410 individual retirement account or individual retirement annuity.

1411 3. Distributee" includes an employee or former employee. In addition, the
1412 employee's or former employee's surviving spouse and the employee's or former
1413 employee's spouse or former spouse who is entitled to payment for alimony and child
1414 support under a domestic relations order determined to be qualified by this Fund are
1415 distributees with regard to the interest of the spouse or former spouse.

1416 4. "Direct rollover" is a payment by the Plan to the eligible retirement plan
1417 specified by the distributee.

1418 (33) Miscellaneous requirements.—

1419 (a) No benefit of any kind shall be payable from the assets of the Pension Fund
1420 unless specifically provided for in this act; however, the Board of Trustees, with the
1421 approval of the City, may grant ad hoc benefits after a public hearing and acceptance by
1422 the state of an actuarial impact statement submitted pursuant to part VII of chapter 112,
1423 Florida Statutes.

1424 (b) The City may not offset any part of its required annual contribution by the
1425 Fund's assets except as determined in an actuarial valuation, the report for which is

1426 determined to be state accepted pursuant to part VII of chapter 112, Florida Statutes.

1427 (c) All provisions of this act and operations of the Pension Fund shall be carried
1428 out in compliance with part VII of chapter 112, Florida Statutes.

1429 (d)1. It is unlawful for a person to willfully and knowingly make, or cause to be
1430 made, or to assist, conspire with, or urge another to make, or cause to be made, any false,
1431 fraudulent, or misleading oral or written statement or to withhold or conceal material
1432 information to obtain any benefit under this Plan.

1433 2.a. A person who violates subparagraph 1. commits a misdemeanor of the first
1434 degree, punishable as provided in section 775.082 or section 775.083, Florida Statutes.

1435 b. In addition to any applicable criminal penalty, upon conviction for a violation
1436 described in subparagraph 1., a participant or beneficiary of this Plan may, in the discretion
1437 of the Board of Trustees, be required to forfeit the right to receive any or all benefits to
1438 which the person would otherwise be entitled under this Plan. For purposes of this
1439 sub-subparagraph, "conviction" means a determination of guilt that is the result of a plea
1440 or trial, regardless of whether adjudication is withheld.

1441 (34) Actuarial assumptions.—The following actuarial assumptions shall be used
1442 for all purposes in connection with this Fund, effective October 1, 1999:

1443 (a) The assumed investment rate of return shall be 8.25 percent. Effective
1444 October 1, 2011, the Board of Trustees changed the assumed rate of return to 8 percent.

1445 (b) The period for amortizing current, future, and past actuarial gains or losses
1446 shall be 20 years, except that in order to smooth existing gains and losses which are
1447 expected to create volatile swings in the unfunded actuarial liability contribution rate, the
1448 trustees may combine amortization bases to re-amortize the unfunded actuarial liability
1449 contribution rate. This re-amortization will not impact member benefits as provided by
1450 subsection (9).

1451 The consequences of the change in assumptions in paragraphs (a) and (b) shall first take
1452 effect during the October 1, 1999-September 30, 2000, fiscal year of the City of West Palm
1453 Beach. To the extent that effective dates or legislative delays might influence the direct
1454 application to the October 1, 1999-September 30, 2000, fiscal year of the actuarial cost
1455 estimate dated March 24, 2000, there shall be a minimum contribution reserve established
1456 by the Pension Fund for the City of West Palm Beach. The reserve shall be credited with
1457 any amounts contributed to the Pension Fund by the City of West Palm Beach during the
1458 October 1, 1999-September 30, 2000, fiscal year in excess of \$1,462,965. This amount
1459 has been determined by combining the contribution requirement from the September 30,
1460 1998, actuarial valuation report dated May 7, 1999, with the subsequent actuarial cost
1461 estimate dated March 24, 2000, both of which were prepared by the Fund's actuary.

1462 (35) Other police officer or military service.—

1463 (a) Prior police officer or military service.— Unless otherwise prohibited by law,
1464 the years, or fractional parts of years, that a member served as a police officer for any
1465 other municipal, county, state, or federal law enforcement office or any time served in the
1466 military service of the Armed Forces of the United States shall be added to the years of
1467 credited service, provided that the member contributes to the fund the sum that would have
1468 been contributed, based on the member's salary and the employee contribution rate in
1469 effect at the time that the credited service is requested, had the member been a member
1470 of this system for the years, or fractional parts of years, for which the credit is requested,
1471 plus the amount actuarially determined, such that the crediting of service does not result
1472 in any cost to the fund, plus payment of costs for all professional services rendered to the
1473 Board in connection with the purchase of years of credited service.

1474 1. Payment by the member of the required amount may be made within 6
1475 months after the request for credit and in one lump sum payment, or the member may buy

1476 back this time over a period equal to the length of time being purchased or 5 years,
1477 whichever is greater, at an interest rate which is equal to the Fund's actuarial assumption.

1478 A member may request to purchase some or all years of service.

1479 2. The credit purchased under this subsection shall count for all purposes,
1480 except vesting.

1481 3. In no event, however, may credited service be purchased pursuant to this
1482 section for prior service with any other municipal, county, state, or federal law enforcement
1483 office, if such prior service forms or will form the basis of a retirement benefit or pension
1484 from another retirement system or plan.

1485 4. In the event that a member who is in the process of purchasing service
1486 suffers a disability and is awarded a benefit from the plan, the member shall not be
1487 required to complete the buyback. However, contributions made prior to the date the
1488 disability payment begins will be retained by the Fund.

1489 5. If a member who has either completed the purchase of service or is in the
1490 process of purchasing service terminates before vesting, the member's contributions shall
1491 be refunded, including the buyback contributions.

1492 6. A request to purchase service may be made at any time during the course
1493 of employment; however, the buyback is a one-time opportunity.

1494 7. A member who previously served as a police officer with the City during a
1495 period of employment and for which accumulated contributions were withdrawn from the
1496 Fund may recontribute such withdrawn contributions plus interest from the date of
1497 withdrawal to the date of repayment in accordance with subsection (6).

1498 (b) Intervening military service.—In determining the creditable service of any
1499 police officer, credit for up to 5 years of the time spent in the military service of the Armed
1500 Forces of the United States shall be added to the years of actual service without employee

1501 contribution, if:

1502 1. The police officer is in the active employ of the municipality prior to such
1503 service and leaves a position, other than a temporary position, for the purpose of voluntary
1504 or involuntary service in the Armed Forces of the United States.

1505 2. The police officer is entitled to reemployment under the provisions of the
1506 federal Uniformed Services Employment and Reemployment Rights Act.

1507 3. The police officer returns to his or her employment as a police officer of the
1508 municipality within 1 year after the date of his or her release from such active service,
1509 except that, effective January 1, 2007, members who die or become disabled while on
1510 active duty military service shall be entitled to the rights of this section even though such
1511 member was not reemployed by the City. A member who dies or becomes disabled while
1512 on active duty military service shall be treated as though he or she were reemployed the
1513 day before he or she became disabled or died, were credited with the service he or she
1514 would have been entitled to under this section, and then either died a nonduty death while
1515 employed or became disabled from a nonduty disability.

1516 (36) Reemployment after retirement.—

1517 (a) Reemployment by public or private employer.—Any retiree who is retired
1518 under this Plan, except for disability retirement as previously provided for, may be
1519 reemployed by any public or private employer, except the City, and may receive
1520 compensation from that employment without limiting or restricting in any way the retirement
1521 benefits payable under this Plan. Reemployment by the City on or after August 1, 2008,
1522 shall be subject to the limitations set forth in this section.

1523 (b) Reemployment after normal retirement outside Police Department. Any
1524 retiree who is retired under normal retirement pursuant to this Plan and who is reemployed
1525 by the City after that retirement shall, upon being reemployed, continue receipt of benefits,

1526 provided the retiree is not hired into the Police Department. Upon reemployment, the
1527 retiree is eligible to participate in the plan offered to new employees of that department,
1528 and the retiree shall be deemed a new employee subject to any vesting and
1529 contribution requirements of that plan. The benefit paid under this Plan shall not be
1530 changed in any way.

1531 (c) Reemployment after normal retirement in Police Department.—Any retiree
1532 who is retired after normal retirement pursuant to this Plan shall not be reemployed by the
1533 Police Department as a police officer or in any position that supervises police officers. The
1534 pension of a retiree who is reemployed by the Police Department as a police officer or in
1535 any position that supervises police officers shall stop until the member terminates
1536 employment. However, a retiree who is reemployed by the Police Department neither as
1537 a police officer nor in any position that supervises police officers is eligible to participate
1538 in the plan offered to new employees of that employee classification, and the retiree shall
1539 be deemed a new employee subject to any vesting and contribution requirements of that
1540 plan. The benefit paid under this Plan shall not be changed in any way.

1541 (d) Reemployment of terminated vested persons.—Reemployed terminated
1542 vested persons shall not be subject to the provisions of this section until such time as they
1543 begin to actually receive benefits but shall be subject to paragraph (9)(c). Upon receipt of
1544 benefits, terminated vested persons shall be treated as normal retirees for purposes of
1545 applying the provisions of this section.

1546 (e) DROP participants.— Members or retirees who were in the deferred
1547 retirement option plan shall have the options provided for in this section for reemployment
1548 after termination of employment as if the retiree were a retiree under normal retirement.

1549 (37) Termination of the Plan.—Upon termination of the Plan by the City for any
1550 reason, or because of a transfer, merger, or consolidation of governmental units, services,

1551 or functions as provided in chapter 121, Florida Statutes, or upon written notice to the
1552 Board by the City that contributions under the Plan are being permanently discontinued,
1553 the rights of all employees to benefits accrued to the date of such termination or
1554 discontinuance and the amounts credited to the employees' accounts are nonforfeitable.

1555 The Fund shall be distributed in accordance with the following procedures:

1556 (a) The Board shall determine the date of distribution and the asset value
1557 required to fund all the nonforfeitable benefits after taking into account the expenses of
1558 such distribution. The Board shall inform the City if additional assets are required, in which
1559 event the City shall continue to financially support the Plan until all nonforfeitable benefits
1560 have been funded.

1561 (b) The Board shall determine the method of distribution of the asset value and
1562 whether distribution shall be by payment in cash, by the maintenance of another or
1563 substituted trust fund, by the purchase of insured annuities, or otherwise for each police
1564 officer entitled to benefits under the Plan, as specified in paragraph (c).

1565 (c) The Board shall distribute the asset value as of the date of termination in the
1566 manner set forth in this subsection on the basis that the amount required to provide any
1567 given retirement income is the actuarially computed single-sum value of such retirement
1568 income, except that if the method of distribution determined under paragraph (b) involves
1569 the purchase of an insured annuity, the amount required to provide the given retirement
1570 income is the single premium payable for such annuity. The actuarial single-sum value may
1571 not be less than the employee's accumulated contributions to the Plan, with interest if
1572 provided by the Plan, less the value of any Plan benefits previously paid to the employee.

1573 (d) If there is asset value remaining after the full distribution specified in
1574 paragraph (c), and after payment of any expenses incurred with such distribution, such
1575 excess shall be returned to the City, less the return to the state of the state's contributions,

1576 provided that if the excess is less than the total contributions made by the City and the
1577 state to date of termination of the Plan, such excess shall be divided proportionately to the
1578 total contributions made by the City and the state.

1579 (e) The Board shall distribute, in accordance with the manner of distribution
1580 determined under paragraph (b), the amounts determined under paragraph (c).

1581 Section 2. This act shall take effect upon becoming a law.