

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6 retrueing withdrawn contributions upon rehire or reinstatement to employment;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

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Section 16 of chapter 24981 (1947), Laws of Florida, as amended by
20 chapter 2012-259, Laws of Florida, is amended to read:

21 Section 16. West Palm Beach Police Pension Fund.

22 (1) Creation of fund.—There is hereby created and established a special fund
23 for the police officers of the City of West Palm Beach to be known as the West Palm
24 Beach Police Pension Fund. All assets of every description held in the name of the West
25 Palm Beach Police Pension and Relief Fund and in the name of the West Palm Beach

26 Pension Fund have been and continue to be combined.

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

29 **(a) “Accrued benefit” means the amount of a member’s pension as of a**
30 **specified date determined in accordance with the terms of this pension plan,**
31 **whether or not the member is eligible to access it.**

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

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

43 ~~(c)~~**(d)** “Board of Trustees” or “Board” means the Board of Trustees provided for in
44 this act.

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

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

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

50 ~~(g)~~**(h)** “Final average salary” means the average of the monthly salary paid a

51 member in the 3 best years of employment. In no event shall any one year, beginning
52 January 1, 2005, include more than 400 hours of overtime. Prior to January 1, 2005,
53 individual years may include more than 400 hours of overtime. Effective prospectively from
54 January 1, 2013, the overtime will be limited to 300 hours in any one year.

55 **Effective [insert effective date] for purposes of determining final average**
56 **salary, any lump sum payment made to a member for retroactive pay shall not be**
57 **considered as a lump sum but will be treated as if paid during the retroactive pay**
58 **periods.**

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

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

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

65 ~~(k)~~**(l)** "Police officer" means any person who is elected, appointed, or employed full
66 time by the City, who is certified or required to be certified as a law enforcement officer in
67 compliance with section 943.14, Florida Statutes, who is vested with authority to bear arms
68 and make arrests, and whose primary responsibility is the prevention and detection of
69 crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. This
70 definition includes all certified supervisory and command personnel whose duties include,
71 in whole or in part, the supervision, training, guidance, and management responsibilities
72 of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law
73 enforcement officers, but does not include part-time law enforcement officers or auxiliary
74 law enforcement officers as the same are defined in subsections (6) and (8) of section
75 943.10, Florida Statutes.

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

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

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

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

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

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

99 Effective January 1, 2005, overtime hours earned and paid in excess of 400 hours
100 in any 26 consecutive pay periods shall be excluded from the definition of salary. Effective

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

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

112 ~~(q)~~(r) "Service" or "service credit" means the total number of years, and fractional
113 parts of years, of employment of any police officer, omitting intervening years, and
114 fractional parts of years, when such police officer was not employed by the City. No
115 member shall receive credit for years, or fractional parts of years, of service for which the
116 member has withdrawn his or her contributions to the Fund. It is further provided that a
117 member may voluntarily leave his or her contributions in the Fund for a period of 5 years
118 after leaving the employ of the Department, pending the possibility of being rehired by the
119 Department, without losing credit for the time he or she has participated actively as a police
120 officer. Should he or she not be re-employed as a police officer with the Department within
121 5 years, his or her contributions shall be returned without interest. In determining the
122 aggregate number of years of service of any member, years of service for prior police
123 officer or military service, as well as intervening military service, may be added, provided
124 the member meets the requirements of subsection (35).

125 ~~(+)~~(s) The masculine gender includes the feminine and words in the singular with

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

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

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

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

138 2. Two police officers, who shall be elected by a majority of the police officers
139 who are members of the Fund. Elections shall be held under such reasonable rules and
140 regulations as the Board shall from time to time adopt. Each member-trustee shall serve
141 as trustee for a period of 4 2- years, unless he or she sooner ceases to be a police officer
142 in the employ of the Department, whereupon the members shall choose his or her
143 successor in the same manner as the original appointment. Each member-trustee of the
144 Fund may succeed himself or herself as a trustee.

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

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

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

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

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

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

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

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

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

180 **1. To construe the provisions of the plan and determine all questions**
181 **arising thereunder.**

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

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

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

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

190 **6. To make recommendations to the city commission regarding changes**
191 **in the provisions of the plan.**

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

198 **8. To maintain a minute book containing the minutes and records of the**
199 **proceedings and meetings of the Board.**

200 **9. To make uniform rules and regulations and to take action as may be**

201 necessary to carry out the provisions of the plan and all decisions of the Board
202 made in good faith shall be final, binding, and conclusive on all parties.

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

205 (4) Professional and clerical services.—

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

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

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

221 2. The Board may issue drafts upon the Fund pursuant to this act and rules and
222 regulations prescribed by the Board, provided that such drafts shall be issued in
223 accordance with generally accepted accounting procedures, American Institute of Certified
224 Public Accountants guidelines, and rules of the State of Florida Auditor General. All such
225 drafts shall be consecutively numbered and signed by the chair and secretary, or other

226 fiduciary designee, and each draft shall, upon its face, state the purpose for which it is
227 drawn. For this purpose, the chair and secretary shall be bonded. The cash management
228 coordinator or other depository shall retain such drafts when paid, as permanent vouchers
229 for disbursements made, and no money shall be otherwise drawn from the Fund.
230 Payments from the Fund shall be made only upon a specific or general motion or
231 resolution previously adopted by the Board authorizing such payment or payments.

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

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

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

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

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

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

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

255 (6) Membership.—All police officers in the employ of the Department shall be
256 included in the membership of the Fund, and all persons who hereafter become police
257 officers in the employ of the City shall thereupon become members of the Fund. **New**
258 **members to the Fund are required to undergo a physical examination for purposes**
259 **of determining preexisting conditions. This physical examination shall be conducted**
260 **in conjunction with the City’s postoffer, preemployment physical examination. The**
261 **Board’s medical director shall review the results of this physical examination and**
262 **provide notice to the Board and the member of any abnormal findings of the**
263 **examination. This physical examination will be used for the purposes of establishing**
264 **a physical profile of the member for determining preexisting conditions and**
265 **presumptive illnesses as provided for in subsections (14) and (15). After review, if**
266 **further physical examination is required, such examination shall be conducted at**
267 **Board expense.**

268 Except as otherwise provided in this act, should any member cease to be a police
269 officer in the employ of the Department, he or she shall thereupon cease to be a member
270 and his or her credited service at that time shall be forfeited. In the event such person is
271 re-employed in the Department as a police officer, he or she shall again become a
272 member. His or her forfeited service shall be restored to the member’s credit, provided that
273 he or she returns to the Fund the amount he or she might have withdrawn, together with
274 regular interest from the date of withdrawal to the date of repayment. **Members must**
275 **begin the process of returning the withdrawn contributions within one (1) year after**

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

285 the member's retirement or death, he or she shall thereupon cease to be a member.

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

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

290 (a) Normal retirement.— Upon written application filed with the Board, any
291 member may retire and receive the applicable pension provided for in paragraph (9)(a),
292 provided that the member has attained age 50 and has at least 20 years of credited
293 service, has attained age 55 and has at least 10 years of credited service, or has at least
294 25 years of continuous credited service, regardless of age. In the case of a retirement
295 with twenty-five (25) years of service, Normal Retirement Age is whatever age a
296 member has attained when retired at twenty-five (25) years of service.

297 (b) Vested deferred retirement.— A member who leaves the employ of the
298 Department with 10 or more years of credited service and who is not eligible for any other
299 retirement benefit under this act shall be entitled to the pension provided for in this
300 subsection. Payments of this pension shall begin the first day of the calendar month

301 following the month in which his or her application is filed with and accepted by the Board
302 on or after attainment of age 50 years. If applicable, the amount of the pension shall be
303 determined in accordance with the early retirement provisions below.

304 (c) Early retirement.— Any member may retire from the service of the
305 Department as of the first day of any calendar month which is prior to the member's normal
306 retirement date but subsequent to the date as of which he or she has both attained the age
307 of 50 and completed 10 years of credited service. In the event of early retirement, the
308 monthly amount of retirement income payable shall be computed as described in
309 paragraph (9)(a), taking into account his or her credited service to his or her date of actual
310 retirement and his or her final average salary as of such date. The amount of retirement
311 income shall be actuarially reduced to take into account the member's younger age and
312 earlier commencement of retirement income benefits. The early retirement reduction shall
313 be 3 percent for each year by which the member's age at retirement preceded the
314 member's normal retirement age.

315 (9) Retirement pension calculation.—

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

318 1. For all years of service earned after October 1, 2011, the benefit is calculated
319 using 2.68 percent of final average salary per year and fractional parts of the years of
320 service up to a total of 26 prospective years, plus 1 percent of the final average salary
321 multiplied by the number of years, and fraction of a year, of credited service in excess of
322 26 years. This change in the multiplier is due to the change in assumptions set forth in
323 subsection (34). This reduction is required by this paragraph. For years of service earned
324 before October 1, 2011, the benefit will be calculated under the provisions of the applicable
325 subparagraphs 2.-~~4~~5. For purposes of determining the 26-year limitation, the member's

326 total number of years of credited service are used. In no event shall the benefit be less
327 than 2 percent per year of credited service.

328 2. A member who has more than or equal to 12 years and 6 months of service
329 at October 1, 1999, and who was actively employed by the Department on or after October
330 1, 1999, shall receive a benefit equal to ~~the greater of the following:~~

331 ~~——a.——~~ Three percent of final average salary multiplied by the number of years, and
332 fraction of a year, of credited service earned from April 1, 1987, to September 30, 2011,
333 plus 2.5 percent of final average salary multiplied by the number of years, and fraction of
334 a year, of credited service earned prior to April 1, 1987, up to a total of 26 years, plus 1
335 percent of the final average salary multiplied by the number of years, and fraction of a year,
336 of credited service which is in excess of 26 years;

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

341 ~~——c.——~~ The sum of the following:

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

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

346

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

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

350 3. A member who has more than 12 years and 6 months of service and who has

351 entered the DROP on or before October 1, 1999, and who was actively employed by the
352 Department on October 1, 1999, shall receive a benefit equal to the greater of the
353 following:

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

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

371 ~~_____ c. _____ The sum of the following:~~

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

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

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

379 4. A member who has less than 12 years and 6 months of service on October
380 1, 1999, and who was actively employed by the Department on or after October 1, 1999,
381 shall receive a benefit equal to the greater of the following:

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

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

390 c. The sum of the following:

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

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

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

398 4.5. A member who terminated employment, retired on a vested deferred benefit,
399 or retired on or before October 1, 1999, shall receive a benefit equal to the greater of a and
400 b below the following:

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

405 b. The sum of the following:

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

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

410 c. A member who has more than 12 years and 6 months of service and
411 who has entered the DROP on or before October 1, 1999, and who was actively
412 employed by the Department on October 1, 1999, shall receive a benefit equal to the
413 greater of the benefits in a and b or three percent of final average salary multiplied
414 by the number of years, and fraction of a year, of credited service earned in the 12
415 years and 6 months prior to entering the DROP, plus 2.5 percent of final average
416 salary multiplied by the number of years, and fraction of a year, of credited service
417 earned prior to that date which is 12 years and 6 months prior to entering the DROP,
418 up to a total of 26 years, plus 1 percent of the final average salary multiplied by the
419 number of years, and fraction of a year, of credited service which is in excess of 26
420 years. The one-half percent enhancement to the accrual rate shall also be applied
421 retroactively to the date of entering the DROP, or 2 years, whichever is less,
422 provided that the retroactive application shall include principal only and not any
423 earnings thereon. An example of the calculation described in this sub-subparagraph
424 is set forth in the collective bargaining agreement between the City of West Palm
425 Beach and the Police Benevolent Association, Certified Unit No. 825, October 1,

426 1998- September 30, 2001.

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

437
438 To the extent that the benefit accrual factor is less than 3 percent for active members with
439 less than 12 years and 6 months of service on October 1, 1999, the supplemental pension
440 distribution calculation under subparagraph (12)(a)2. shall be adjusted for employees who
441 retire or enter the DROP after October 1, 1999. The adjustment shall be to decrease the
442 minimum return of 8.25 percent needed to afford the supplemental pension distribution,
443 where the amount of the reduction is zero if an employee has been credited with 12 years
444 and 6 months of service or more with the 3-percent benefit accrual factor or 1.25 percent
445 if an employee has been credited with no more than a 2.5-percent benefit accrual factor.
446 If an employee has been credited with less than 12 years and 6 months of service at the
447 3-percent benefit accrual factor, then the accumulated amount over 2.5 percent for each
448 year of service divided by one-half percent divided by 12.5 subtracted from 1 multiplied by
449 1.25 percent is the reduction from 8.25 percent. An example of the calculation of the
450 minimum return for the supplemental pension distribution as herein described is set forth

451 in the collective bargaining agreement between the City of West Palm Beach and the
452 Police Benevolent Association, Certified Unit No. 145 and Certified Unit No. 825, October
453 1, 1998-September 30, 2001.

454
455 Effective October 1, 2011, the assumed investment rate of return was lowered from 8.25
456 percent to 8 percent, which resulted in a reduction in the benefit multiplier to 2.68 percent
457 for all prospective years of service, up to 26 years of service in total, and 1 percent for each
458 year of service after 26. Additionally, for any supplemental pension distributions
459 subsequent to October 1, 2011, the revised factors in this paragraph will be applied.

460 (b) Payment of benefits.—

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

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

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

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

475 2. Unmarried member.— The normal form of retirement benefit for an unmarried

476 member without dependent children or parents shall be a 10- year certain benefit. This
477 benefit shall pay monthly benefits for the member's lifetime. In the event the member dies
478 after his or her retirement but before receiving retirement benefits for a period of 10 years,
479 the same monthly benefit shall be paid to the beneficiary (or beneficiaries) as designated
480 by the member for the balance of such 10-year period or, if no beneficiary is designated,
481 to heirs at law, or estate of the member, as provided in section 185.162, Florida Statutes.

482 (d) Optional forms of retirement income.—

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

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

490 (II) Joint and survivor option.— A retirement income of a modified monthly
491 amount, payable to the member during the joint lifetime of the member and a dependent
492 joint pensioner designated by the member, and following the death of either of them, 100
493 percent, 75 percent, $66\frac{2}{3}$ percent, or 50 percent of such monthly amounts, payable to the
494 survivor for the lifetime of the survivor.

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

501 b. The member, upon electing any option of this paragraph, shall designate the
502 joint pensioner or beneficiary (or beneficiaries) to receive the benefit, if any, payable in the
503 event of his or her death, and shall have the power to change such designation from time
504 to time; but any such change shall be deemed a new election and shall be subject to
505 approval by the Board. Such designation shall name a joint pensioner or one or more
506 primary beneficiaries where applicable. If a member has elected an option with a joint
507 pensioner or beneficiary and his or her retirement income benefits have commenced, he
508 or she may thereafter change the designated joint pensioner or beneficiary only twice. Any
509 retired member who desires to change his or her joint pensioner or beneficiary shall file
510 with the Board a notarized notice of such change. Upon receipt of a completed change of
511 joint pensioner form or such other notice, the Board shall adjust the member's monthly
512 benefit by the application of actuarial tables and calculations developed to ensure that the
513 benefit paid is the actuarial equivalent of the present value of the member's current benefit
514 and there is no impact to the Plan.

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

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

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

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

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

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

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

546 (e) Designation of beneficiary.—

547 1. Each member may, on a form provided for that purpose, signed and filed with
548 the Board, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which
549 may be payable in the event of the member's death; and each designation may be revoked
550 by such member by signing and filing with the Board a new designation of beneficiary form.

551 However, after the benefits have commenced, a retirant may change his or her designation
552 of a joint annuitant or beneficiary only twice. If the retirant desires to change his or her joint
553 annuitant or beneficiary, he or she shall file with the Board a notarized notice of such
554 change either by registered letter or on a form as provided by the Board. Upon receipt of
555 a completed change of joint annuitant form or such other notice, the Board shall adjust the
556 member's monthly benefit by the application of actuarial tables and calculations developed
557 to ensure that the benefit paid is the actuarial equivalent of the present value of the
558 member's current benefit.

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

- 564 a. The spouse or dependent child or children of the member;
- 565 b. The dependent living parent or parents of the member; or
- 566 c. The estate of the member.

567 (10) Cost-of-living adjustments.—

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

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

572 2. Consumer price index.—The consumer price index for urban wage earners
573 and clerical workers as published by the United States Department of Labor, Bureau of
574 Labor Statistics. Should the Bureau of Labor Statistics adopt a new base or modify the
575 method of computation of the consumer price index so as to render it unsuitable, the Board

576 shall make appropriate adjustments. The Board shall choose another index which it
577 determines to be appropriate if the consumer price index is no longer published.

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

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

584 (b) Subject to the limitations stated in this subsection, the unadjusted amount of
585 the retirement benefit for retirees 65 years of age or older shall be increased each January
586 1, beginning January 1, 1977. The retirement benefit shall increase by 3 percent multiplied
587 by the number of complete years from the later of:

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

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

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

598 (11) Chapter 185 share accounts.—

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

601 (b) Share account funding.—

602 1. Chapter 185 moneys.—Each individual member account shall be credited
603 with the moneys received from chapter 185, Florida Statutes, tax revenues in June 1988
604 and thereafter. Of the Chapter 185 moneys received in calendar years 2011, 2012, and
605 2014, the full amount will be used to reduce the employee contributions to 11 percent as
606 provided for in subparagraph (19)(a) 1. This is for calendar years 2011, 2012, and 2014
607 only. Effective for the fiscal year ending September 30, 2013 and beginning again October
608 1, 2014, the employee contribution will be 11 percent, and all of the Chapter 185 moneys
609 received in calendar year 2013 and 2015 and each calendar year thereafter will be
610 allocated to the share accounts.

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

614 (c) Quarterly allocation of accounts.—

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

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

623 3. Effective October 1, 2002, vested Participants have the option to select
624 between two methods to credit investment earnings to their account. The method may be
625 changed each year effective October 1; however, the method must be elected prior to

626 October 1. The methods are:

627 a. The investment earnings (or losses) credited to the individual member
628 accounts shall be the same percentage as are earned (or lost) by the total investment
629 earnings (or losses) of the Fund as a whole, unless the Board dedicates a separate
630 investment portfolio for chapter 185, Florida Statutes, share accounts, in which case the
631 investment earnings (or losses) shall be measured by the investment earnings (or losses)
632 of the separate investment portfolio.

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

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

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

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

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

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

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

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

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

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

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

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

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

674 1. Over 3 years in annual installments; or

675 2. In monthly installments over the lifetime of the member or until the entire

676 balance is exhausted. The monthly amount paid shall be determined by the Fund's actuary
677 in accordance with selections made by the member on a form provided by the Board of
678 Trustees.

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

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

693
694 The accounts which are converted to the names of the beneficiaries shall have the right
695 to name a successor beneficiary. Any designated beneficiary, other than the surviving
696 spouse of the member, must take a distribution of the entire share account balance by the
697 end of 5 years following the death of the member. Installment distributions which begin in
698 the calendar year of the member's death shall be treated as complying with this 5-year
699 distribution requirement, even though the installments are not completed within 5 years
700 after the member's death.

701 (12) Supplemental pension distribution.—

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

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

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

716 3. For those employees who have less than 12- $\frac{1}{2}$ years of service as of
717 October 1, 1999, the amount of the distribution shall be equal to the actuarial present value
718 of future pension payments to those pensioners multiplied by the positive difference, if any,
719 between the rate of investment return (not to exceed 9 percent) and 8.25 percent, plus
720 one-half of any investment earnings over 9 percent. Effective October 1, 2011, the
721 8.25-percent rate has been changed per the formula contained in subsection (9) because
722 the actuarial assumption rate was changed to 8 percent and the members multiplier was
723 reduced prospectively to 2.68 percent.

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

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

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

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

743
744 If an actuarial report submitted as provided in this paragraph is not state accepted prior to
745 distribution, and if a deficiency to the Pension Fund results, the deficiency shall be made
746 up from the next available supplemental pension distribution, unless sooner made up by
747 agreement between the Board of Trustees and the City. No such deficiency shall be
748 permitted to continue for a period greater than 3 years from the date of payment of the
749 supplemental pension distribution which resulted from the deficiency.

750 (c) If the actuary determines there may be a supplemental distribution, the Board

751 of Trustees shall authorize a “supplemental pension distribution,” unless the administrative
752 expenses of distribution exceed the amount available for the distribution.

753 (d) Eligible persons are:

- 754 1. Pensioners.
- 755 2. Surviving spouses.
- 756 3. Surviving dependent children.
- 757 4. Pensioners’ estates.

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

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

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

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

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

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

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

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

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

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

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

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

800 1. Monthly retirement benefits that would have been payable had the member

801 terminated employment with the Department and elected to receive monthly pension
802 payments shall be paid into the DROP and credited to the retirant. Payments into the
803 DROP shall be made monthly over the period the retirant participates in the DROP, up to
804 a maximum of 60 months.

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

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

812 b. A fixed rate of 8.25 percent for members who reached normal retirement age
813 on or before October 1, 2012. Effective October 1, 2012, the fixed rate is 8 percent for
814 members who retire or enter the DROP on or after October 1, 2012. In any fiscal year, if
815 the amount paid in investment earnings under this paragraph creates a deficiency as
816 compared to the gross earnings of the pension fund as a whole (using the rate determined
817 by the Fund's investment monitor), then the rate will be reduced to 4 percent effective the
818 next October 1 until the deficiency is satisfied. When the deficiency is satisfied, the rate will
819 return to 8 percent, effective the next October 1. Beginning October 1, 2012, the
820 cumulative amounts paid in earnings for the fixed rate will be maintained in the actuarial
821 valuation.

822

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

825 3. No payments shall be made from the DROP until the member terminates

826 employment with the Department.

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

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

832 b. Payments shall be made in either:

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

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

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

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

846 d. **Death of member.— If a member dies and is eligible for benefits from**
847 **the DROP account, the entire balance of the DROP account shall be converted to the**
848 **name of the beneficiary designated in accordance with paragraph (9)(e). The entire**
849 **balance shall be paid out in a lump sum to the beneficiary, at the discretion of the**
850 **beneficiary. If the designated beneficiary is the surviving spouse, the account may**

851 remain with the Fund until the latest period specified under subsection (30). These
852 DROP accounts shall not be eligible for any further DROP distributions but are
853 eligible for earnings. If a member fails to designate a beneficiary, or if the
854 beneficiary predeceases the member, the entire balance shall be converted, in the
855 following order, to the name or names of:

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

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

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

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

861
862 The accounts which are converted to the names of the beneficiaries shall have the
863 right to name a successor beneficiary. Any designated beneficiary, other than the
864 surviving spouse of the member, must take a distribution of the entire share account
865 balance by the end of 5 years following the death of the member. Installment
866 distributions which begin in the calendar year of the member's death shall be treated
867 as complying with this 5-year distribution requirement, even though the installments
868 are not completed within 5 years after the member's death. The beneficiary of the
869 ~~DROP participant who dies before payments from the DROP begin shall have the same~~
870 ~~right as the participant in accordance with subsection (17).~~

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

- 876 (c) Loans from the DROP.—
- 877 1. Availability of loans.—
- 878 a. Loans are available to members only after termination of employment,
879 provided the member had participated in the DROP for a period of 12 months.
- 880 b. Loans may only be made from a member's own account.
- 881 c. There may be no more than one loan at a time.
- 882 2. Amount of loan.—
- 883 a. Loans may be made up to a maximum of 50 percent of account balance.
- 884 b. The maximum dollar amount of a loan is \$50,000, reduced by the highest
885 outstanding loan balance during the last 12 months.
- 886 c. The minimum amount of a loan is \$5,000.
- 887 3. Limitations on loans.—Loans shall be made from the amounts paid into the
888 DROP and the earnings thereon.
- 889 4. Term of loan.—
- 890 a. The loan must be for at least 1 year.
- 891 b. The loan shall be no longer than 5 years.
- 892 5. Loan interest rate.—
- 893 a. The interest rate shall be fixed at the time the loan is originated for the entire
894 term of the loan.
- 895 b. The interest rate shall be equal to the prime rate published by an established
896 local bank on the last day of each calendar quarter preceding the date of loan application.
- 897 6. Defaults on loans.—
- 898 a. Loans shall be in default if 2 consecutive months' repayments are missed or
899 if a total of 4 months' repayments are missed.
- 900 b. Upon default, the entire balance becomes due and payable immediately.

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

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

904 7. Miscellaneous provisions.—

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

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

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

910 d. Loans shall be subject to administrative fees to be set by the Board of
911 Trustees.

912 (14) Nonduty disability pension.—

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

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

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

924

925 The Board may admit and consider any other evidence that will assist it in understanding

926 the medical committee's report. The final decision as to whether a member meets the
927 requirements for a nonduty disability pension rests with the Board and shall be based on
928 substantial competent evidence on the record as a whole.

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

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

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

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

944 3. The disability pension shall be subject to the provisions of subsection
945 (18).

946 (15) Duty disability pension.—

947 (a) Retirement.— Any member who becomes physically or mentally, totally and
948 permanently disabled to perform the duties of a police officer by reason of a personal injury
949 or disease arising out of and in the course of the performance of his or her duties as a
950 police officer in the employ of the City shall be retired with a pension provided for in this

951 subsection, provided that, after a medical examination of the member made by or under
952 the direction of the medical committee, the medical committee reports to the Board in
953 writing whether:

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

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

957

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

974 (b) Duty disability pension benefits; disability occurs after age and service
975 eligibility.— A member whose retirement on account of disability, as provided in paragraph

976 (a), occurs on or after the date he or she becomes eligible to retire under subsection (8)
977 shall receive the applicable pension provided for in subsection (9).

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

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

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

1001 (b) Exclusions from disability pensions.—No disability pension shall be payable,
1002 either as a duty disability or as a nonduty disability, if the disability is the result of:

- 1003 1. Excessive and habitual use by the member of drugs, intoxicants, or narcotics;
1004 2. Injury or disease sustained by the member while willfully and illegally
1005 participating in fights, riots, or civil insurrections or while committing a crime;
1006 3. Injury or disease sustained by the member while serving in any armed forces.

1007 This exclusion does not affect members who have become disabled as a result of
1008 intervening military service under the federal Heroes Earnings Assistance and Relief Tax
1009 Act of 2008 (H.R. 6081; P.L. 110-245);

1010 4. Injury or disease sustained by the member after his or her employment has
1011 terminated;

1012 5. Injury or disease sustained by the member while working for anyone other
1013 than the City and arising out of such employment; or

1014 6. Injury or disease sustained by the member before employment with the City
1015 begins. This exclusion applies only in the event of an application for a duty disability
1016 benefit.

1017 (c) Payment of disability pensions.—Monthly disability retirement benefits shall
1018 be payable as of the date the Board determines that the member was entitled to a disability
1019 pension; however, the first payment shall actually be paid on the first day of the first month
1020 after the Board determines such entitlement. Any portion due for a partial month shall be
1021 paid together with the first payment. The last payment shall be, if the member recovers
1022 from the disability prior to his or her normal retirement date, the payment due next
1023 preceding the date of recovery or, if the member dies without recovering from his or her
1024 disability, then the following shall apply:

- 1025 1. Member with 10 or more years of service.—Death benefits as set forth in

1026 subsection (17) shall be paid.

1027 2. Member with less than 10 years of service.—Payments shall be made until
1028 the member's death.

1029

1030 Any monthly disability retirement income payments due after the death of a disabled
1031 member shall be paid to the member's designated beneficiary (or beneficiaries) as
1032 provided in section 185.162, Florida Statutes, or paragraph (9)(e) or subsection (17), as
1033 applicable.

1034 (d) Normal form of disability retirement income.—

1035 1. Duty or nonduty disability with 10 years of service.—

1036 a. Married member.— The standard form of disability retirement benefit for a
1037 married member or for a member with dependent children or parents shall be a disability
1038 pension and death benefit. This form of benefit shall provide monthly payments for the life
1039 of the member as set forth in subsection (14) or subsection (15), as applicable, or the
1040 disability retiree may select optional forms of benefits in accordance with paragraph (9)(d).
1041 Thereafter, death benefits shall be paid as provided in subsection (17).

1042 b. Unmarried member.— The standard form of disability retirement benefit for
1043 a member who is not married or who does not have dependent children or parents shall
1044 be a 10-year certain benefit. This benefit shall pay monthly benefits for the member's
1045 lifetime. In the event the member dies after his or her retirement but before he or she has
1046 received disability retirement benefits for a period of 10 years, the same monthly benefit
1047 shall be paid to the beneficiary (or beneficiaries) as designated by the member for the
1048 balance of such 10-year period. In the absence of a designated beneficiary, then the
1049 benefits shall be paid to the estate of the retiree.

1050 2. Duty or nonduty disability with less than 10 years of service.—The standard

1051 form of disability retirement benefit shall provide monthly payments for the life of a member
1052 as set forth in subsection (14) or subsection (15), as applicable. Thereafter, beneficiary
1053 benefits shall be paid as provided in subsection (17), as applicable.

1054 (e) Reexaminations of disability retirants.— At least once each year during the
1055 first 5 years following a member's retirement on account of disability, and at least once in
1056 each 3-year period thereafter, the Board shall require any disability retirant who has not
1057 attained age 50 to undergo a medical examination by a physician designated by the Board.
1058 If the retirant refuses to submit to the medical examination, his or her disability pension
1059 may be suspended by the Board until his or her withdrawal of such refusal. If such refusal
1060 continues for 1 year, all of his or her rights in and to a disability pension may be revoked
1061 by the Board. If, upon medical examination of such retirant, the physician reports to the
1062 Board that the retirant is physically able and capable of performing the duties of a police
1063 officer in the rank held by him or her at the time of his or her retirement, the retirant shall
1064 be returned to employment in the Department at a salary not less than the salary of the
1065 rank previously held by him or her. The disability pension shall then terminate.

1066 (f) Credited service for disability retirant.— In the event a disability retirant is
1067 returned to employment in the Department, as provided in paragraph (e), he or she shall
1068 again become a member of the Fund and shall be restored the credited service at the time
1069 of the member's retirement. If he or she retired under a duty disability as provided in
1070 paragraph (15)(a), he or she shall be given service credit for the period he or she was in
1071 receipt of a disability pension. If the member retired under a nonduty disability as provided
1072 in paragraph (14)(a), then he or she shall not be given service credit for the period he or
1073 she was in receipt of a disability pension.

1074 (17) Death benefits.—

1075 (a) Nonduty death while employed by the department; 5 years or more. In the

1076 event a member who has 5 or more years of credited service dies, and the Board finds his
1077 or her death to have occurred as the result of causes arising outside the performance of
1078 his or her duties as a member, the following applicable pensions shall be paid:

1079 1. A pension equal to two-thirds of the pension to which he or she would have
1080 been entitled under subsection (9) if he or she had retired the day preceding the date of
1081 his or her death, notwithstanding that he or she might not have satisfied a retirement age
1082 and service requirement stipulated in subsection (8), provided that the "widow's pension"
1083 shall not be less than one-seventh of the member's final average salary. Upon the
1084 surviving spouse's death, the pension shall terminate. Any pension payable under this
1085 paragraph shall be subject to the provisions of subsection (18).

1086 2. In the event the deceased member does not leave a surviving spouse, or if
1087 the surviving spouse dies and the member leaves an unmarried child or children under age
1088 18, each such child shall receive a pension of any equal share of the pension to which the
1089 said deceased member's surviving spouse was entitled or would have been entitled if he
1090 or she left a surviving spouse. Upon any such child's adoption, marriage, death, or
1091 attainment of age 18, the child's pension shall terminate and it shall be apportioned to the
1092 pensions payable to the said deceased member's remaining eligible children under the age
1093 of 18. In no case shall the pension payable to any such child exceed one-seventh of the
1094 deceased member's final average salary, nor shall it be less than \$15 per month. A
1095 pension payable under this paragraph shall be subject to the provisions of subsection (18).

1096 3. In the event the deceased member does not leave a surviving spouse or
1097 children eligible to receive a pension and the member leaves a parent or parents who the
1098 Board finds are dependent upon the member for at least 50 percent of his, her, or their
1099 financial support, each parent shall receive a pension of an equal share of the pension to
1100 which the member's surviving spouse would have been entitled if he or she had left a

1101 surviving spouse. Upon any such parent's remarriage or death, his or her pension shall
1102 terminate. Any pension payable under this paragraph shall be subject to the provisions of
1103 subsection (18).

1104 4. In the event the deceased member does not leave a surviving spouse,
1105 children, or parents to receive a pension, then the death benefit, if any, shall be paid to the
1106 estate of the deceased member. Any retirement income payments due after the death of
1107 a vested member may, in the discretion of the Board, be paid to the member's designated
1108 beneficiary or beneficiaries.

1109
1110 In any of the above cases, the Board, in its discretion, may direct that the actuarial value
1111 of the monthly benefit be paid as a lump sum.

1112 (b) Duty death.— In the event a member dies and the Board finds his or her
1113 death to be the natural and proximate result of a personal injury or disease arising out of
1114 and in the course of his or her actual performance of the duties as a police officer in the
1115 employ of the City, the following applicable pensions shall be paid:

1116 1. Effective October 1, 2003, the surviving spouse shall receive a pension equal
1117 to two-thirds of the member's highest 12 consecutive months' salary or the current top step
1118 police officer pay, whichever is greater. Upon the surviving spouse's death, the pension
1119 shall terminate. Any pension payable under this paragraph shall be subject to the
1120 provisions of subsection (18).

1121 2. If, in addition to a surviving spouse, the deceased member leaves an
1122 unmarried child or children under age 18, each child shall receive a pension of \$150 per
1123 month. Upon any child's adoption, marriage, death, or attainment of age 18, the child's
1124 pension shall terminate. Any pension payable under this paragraph shall be subject to the
1125 provisions of subsection (18).

1126 3. In the event the deceased member does not leave a surviving spouse, or if
1127 the surviving spouse dies, and the member leaves an unmarried child or children under
1128 age 18, each such child shall receive a pension of an equal share of one-third of the
1129 deceased member's final average salary. Upon any such child's adoption, marriage, death,
1130 or attainment of age 18, the child's pension shall terminate and it shall be apportioned to
1131 the pensions payable to the deceased member's remaining eligible children under age 18.
1132 Any pension payable under this paragraph shall be subject to the provisions of subsection
1133 (18).

1134 4. Any pensions payable, under subparagraphs 2. and 3. above, to any child
1135 under age 18 shall be paid to his or her legal guardian.

1136 5. In the event the deceased member does not leave a surviving spouse or
1137 children under age 18 eligible to receive a pension provided for in subparagraph 1.,
1138 subparagraph 2., or subparagraph 3., and the member leaves a parent or parents who the
1139 Board finds are dependent upon the member for at least 50 percent of his, her, or their
1140 financial support, then each parent shall receive a pension of an equal share of one-third
1141 of the deceased member's final average salary. Upon any such parent's remarriage or
1142 death, his or her pension shall terminate. Any pension payable under this paragraph shall
1143 be subject to the provisions of subsection (18).

1144 6. In the event the deceased member does not leave a surviving spouse,
1145 children, or parents eligible to receive a pension, then the death benefit, if any, shall be
1146 paid to the estate of the deceased member. Any retirement income payments due after the
1147 death of a vested member may, in the discretion of the Board, be paid to the member's
1148 designated beneficiary or beneficiaries.

1149
1150 In any of the above cases, the Board, in its discretion, may direct that the actuarial value

1151 of the monthly benefit be paid as a lump sum.

1152 (c) Death after retirement.— Upon the death of a retirant, the following applicable
1153 pensions shall be paid, subject to the provisions of subsection (18): This paragraph is
1154 not applicable if a retiree chose an optional form of benefit at the time of retirement
1155 or if the retiree was not married at the time of retirement.

1156 1. The surviving spouse of the retirant shall receive a pension of two-thirds of
1157 the retirant's pension, provided that the retirant was receiving a pension under paragraph
1158 (9)(a). Upon the surviving spouse's death, the pension shall terminate. Effective for years
1159 of service earned after [insert effective date], if the retiree leaves a surviving spouse
1160 that he/she was not married to on the date of retirement, then the survivor benefit
1161 may be actuarially reduced to take into account the age of the substituted survivor.

1162 2. In the event the deceased retirant does not leave a surviving spouse eligible
1163 to receive a pension, or if the surviving spouse dies and he or she leaves an unmarried
1164 child or children under age 18, each child shall receive a pension of an equal share of
1165 two-thirds of the deceased retirant's pension. Upon any child's adoption, marriage, death,
1166 or attainment of age 18, the child's pension shall terminate and it shall be apportioned to
1167 the pensions payable to the deceased retirant's remaining eligible children under age 18.
1168 In no case shall the pension payable to any such child exceed 20 percent of the deceased
1169 retirant's pension, or be less than \$15 per month.

1170 3. In the event the deceased retirant does not leave a surviving spouse or
1171 children eligible to a pension provided for in subparagraphs 1. and 2. above, and he or she
1172 leaves a parent or parents who the Board finds are dependent upon the retirant for at least
1173 50 percent of his, her, or their financial support, each parent shall receive a pension of an
1174 equal share of two-thirds of the deceased retirant's pension. Upon any parent's remarriage
1175 or death, his or her pension shall terminate.

1176 4. In the event the deceased member does not leave a surviving spouse,
1177 children, or parents eligible to receive a pension, then the death benefit, if any, shall be
1178 paid to the estate of the deceased member. Any retirement income payments due after the
1179 death of a vested member may, in the discretion of the Board, be paid to the member's
1180 designated beneficiary or beneficiaries.

1181
1182 In any of the above cases, the Board, in its discretion, may direct that the actuarial value
1183 of the monthly benefit be paid as a lump sum.

1184 (18) Workers' compensation offset. —The pension benefits payable under this act
1185 shall not be offset by any workers' compensation benefits payable as a result of the
1186 disability or death of a member, except to the extent that the total of the pension benefit
1187 and workers' compensation benefit exceeds the member's average monthly wage.

1188 (19) Member's contributions; refunds.—

1189 (a) Member's contributions.—

1190 1. The member shall contribute 7 percent of his or her salary to the Fund.
1191 Effective the first full payroll period after January 1, 2005, the member shall contribute 9
1192 percent of his or her salary to the Fund, which shall be deducted each pay period from the
1193 salary of each member in the Department. Effective the first full payroll period after January
1194 1, 2006, the member shall contribute 10 percent of his or her salary to the Fund, which
1195 shall be deducted each pay period from the salary of each member in the Department.
1196 Effective the first full payroll period after January 1, 2007, the member shall contribute 11
1197 percent of his or her salary to the Fund, which shall be deducted each pay period from the
1198 salary of each member in the Department. All amounts of member contributions that are
1199 deducted shall be immediately paid over to the Pension Fund. Any contribution amount
1200 over 7 percent is to be used to purchase eligibility for participation in the postretirement

1201 health insurance benefits. Effective October 1, 2011, the employee contributions will be
1202 18 percent and effective October 1, 2013, the employee contribution will be 20 percent.
1203 Of the Chapter 185 moneys received in calendar years 2011, 2012, and 2014, the full
1204 amount will be used to reduce the employee contributions to 11 percent. Effective for the
1205 fiscal year ending September 30, 2013 and beginning again October 1, 2014 and each
1206 fiscal year thereafter, the employee contribution will be 11 percent, and the Chapter 185
1207 moneys received in calendar years 2013 and 2015 and each calendar year thereafter will
1208 be allocated to the share accounts. Should the Chapter 185 moneys received be
1209 insufficient to reduce the member's contributions to 11 percent, then the City will make up
1210 the difference. No amount of the Chapter 185 money is to be considered employee
1211 contributions for purposes of a refund of contributions as provided for in paragraph (19)(b).

1212 2. The City shall cause the contributions provided for in subparagraph 1. to be
1213 deducted from the compensation of each member on each payroll, for each pay period,
1214 so long as he or she remains a member of the Fund. The member's contributions provided
1215 for herein shall be made, notwithstanding that the minimum compensation provided by law
1216 for any member is thereby changed. Each member shall be deemed to consent and agree
1217 to the deductions made and provided for herein. Payment of compensation, less said
1218 deductions, shall be a full and complete discharge and acquittance of all claims and
1219 demands whatsoever for the services rendered by him or her during the period covered by
1220 such payment, except as to benefits provided by this act. When deducted, each of said
1221 contributions shall be paid into the Fund and credited to the individual member from whose
1222 compensation said deduction was made.

1223 3. In addition to the contribution deducted from the compensation of a member,
1224 as hereinbefore provided, a member shall deposit in the Fund, by a single contribution or
1225 by an increased rate of contribution, as approved by the Board of Trustees, the amount of

1226 previously withdrawn member contributions not repaid to the Fund, together with regular
1227 interest from the date of withdrawal to the date of repayment. In no case shall any member
1228 be given credit for service rendered prior to the date he withdrew his aggregate
1229 contributions until he or she repays to the member's deposit account all amounts due the
1230 account by such member.

1231 (b) Refund of member's contributions.—

1232 1. Should any member cease to be employed by the City as a police officer and
1233 not be entitled to a pension payable from the Fund, upon application to and approval by
1234 the Board, he or she shall be paid the aggregate contributions standing to his or her credit
1235 in the Fund, without interest, less any benefits paid to him or her. In accordance with
1236 paragraph (2)(q), a member who has ceased to be employed by the City as a police officer
1237 may elect to voluntarily leave his or her contributions in the member's deposit account for
1238 a period of up to 5 years, pending the possibility of being rehired by the Department. If the
1239 member is not reemployed at the expiration of 5 years following the date the member
1240 ceased to be employed by the City as a police officer, all contributions remaining in the
1241 member's deposit account shall be refunded without interest. No amount of the Chapter
1242 185 money is to be considered employee contributions for purposes of a refund of
1243 contributions.

1244 2. Upon the death of a member, if no pension becomes payable on account of
1245 his or her death, the aggregate contributions standing to the member's credit in the Fund
1246 at the time of death shall be paid to his or her designated beneficiary. If there be no such
1247 designated person surviving the member, his or her aggregate contributions shall be paid
1248 to his or her estate in accordance with subsection (17).

1249 3. Repayments of refunds of a member's aggregate contributions, in
1250 accordance with subsection (6) and as provided in this paragraph, may be made in

1251 bimonthly installments according to such rules and regulations as the Board of Trustees
1252 shall from time to time adopt.

1253 (20) Sources of revenue.—

1254 (a) Contributions credited to Fund.—The contributions to be credited to the Fund
1255 shall consist of, but shall not be limited to, the following sources of revenue:

1256 1. Taxes of insurance companies.—The moneys returned to the City as
1257 provided by chapter 185, Florida Statutes, shall be used to fund the share account benefit
1258 described in subsection (11). The City shall not opt out of participation in chapter 185,
1259 Florida Statutes, or any similar statutory enactment unless exigent circumstances exist,
1260 such as the bankruptcy of the City or changes or amendments to the statute regarding
1261 extra benefits. If any statutory changes are made by the Legislature, the City and the Board
1262 shall renegotiate the impact of such changes, if necessary.

1263 2. City contribution.—The City shall contribute to the Fund annually an amount
1264 which, together with the contributions from the members and the amount derived from the
1265 premium tax provided in chapter 185, Florida Statutes, and other income sources as
1266 authorized bylaw, shall be sufficient to meet the normal cost of the Fund and to fund the
1267 actuarial deficiency over a period of not more than 40 years, provided that the net increase,
1268 if any, in unfunded liability of the Fund arising from significant amendments or other
1269 changes shall be amortized within 30 plan years.

1270 3. Member contributions.—As provided in subsection (19).

1271 4. Gifts, etc.—All gifts, bequests, and devises when donated to the Fund.

1272 5. Interest from deposits.—All accretions to the Fund by way of interest on bank
1273 deposits or otherwise.

1274 6. Other sources.—All other sources of income now or hereafter authorized by
1275 law for the augmentation of the Fund.

1276 (b) Actuarial valuations.—The Fund shall be actuarially evaluated at least once
1277 in each 3-year period.

1278 (21) Investments.—

1279 (a) The Board shall have the power and authority to invest and reinvest the
1280 moneys of the Fund and to hold, purchase, sell, assign, transfer, and dispose of any
1281 securities and investments held in the Fund, including the power and authority to employ
1282 counseling or investment management services. The aim of the investment policies shall
1283 be to preserve the integrity and security of Fund principal, to maintain a balanced
1284 investment portfolio, to maintain and enhance the value of the Fund principal, and to
1285 secure the maximum total return on investments that is consonant with safety of principal,
1286 provided that such investments and reinvestments shall be limited only by the investments
1287 permitted by the investment policy guidelines adopted by the Board in accordance with
1288 Florida law. Notwithstanding the foregoing, investments in foreign investments are limited
1289 in accordance with section 185.06(1)(b)4., Florida Statutes.

1290 1. The Board members must discharge these duties with respect to the Plan
1291 solely in the interest of the participants and beneficiaries and:

1292 a. For the exclusive purpose of providing benefits to participants and their
1293 beneficiaries and defraying reasonable expenses of administering the Plan;

1294 b. With the care, skill, prudence, and diligence under the circumstances then
1295 prevailing that a prudent person acting in a like capacity and familiar with such matters
1296 would use in the conduct of an enterprise of a like character and with like aims; and

1297 c. By diversifying the investments of the Plan so as to minimize the risk of large
1298 losses, unless under the circumstances it is clearly prudent not to do so.

1299 2. Notwithstanding any other provision of this subsection and as provided in
1300 section 215.473, Florida Statutes, the Board must identify and publicly report any direct or

1301 indirect holdings it may have in any scrutinized company, as defined in section 215.473,
1302 Florida Statutes. Beginning January 1, 2010, the Board must proceed to sell, redeem,
1303 divest, or withdraw all publicly traded securities it may have directly in any scrutinized
1304 company. The divestiture of any such security must be completed by September 10, 2010.
1305 The Board and its named officers or investment advisors may not be deemed to have
1306 breached their fiduciary duty in any action taken to dispose of any such security, and the
1307 Board shall have satisfactorily discharged the fiduciary duties of loyalty, prudence, and sole
1308 and exclusive benefit to the participants of the Pension Fund and their beneficiaries if the
1309 Board's actions are consistent with the duties imposed by section 215.473, Florida
1310 Statutes, as provided for in section 185.06(7), Florida Statutes, and the manner of the
1311 disposition, if any, is reasonable as to the means chosen. For purposes of determining
1312 which companies are scrutinized companies, the Board may utilize the list of scrutinized
1313 companies as developed by the State Board of Administration. No person may bring any
1314 civil, criminal, or administrative action against the Board of Trustees or any employee,
1315 officer, director, or advisor of such Pension Fund based upon the divestiture of any security
1316 pursuant to this subparagraph.

1317 (b) Professional counsel.— Board shall be required to engage the services of
1318 professional investment counsel to assist and advise the trustees in the performance of
1319 their duties.

1320 (c) Restricted use of assets.— The assets of the Police Pension Fund shall be
1321 used only for the payment of benefits and other disbursements authorized by this act and
1322 shall be used for no other purpose.

1323 (d) Performance evaluation and manager selection.— At least once every 3
1324 years, the Board of Trustees shall retain an independent consultant professionally qualified
1325 to evaluate the performance of its professional money manager or investment counsel. The

1326 independent consultant shall make recommendations to the Board of Trustees regarding
1327 the selection of money managers for the next investment term. These recommendations
1328 shall be considered by the Board of Trustees at its next regularly scheduled meeting. The
1329 date, time, place, and subject of this meeting shall be advertised in a newspaper of general
1330 circulation in the municipality at least 10 days prior to the date of the hearing.

1331 (e) Administrative expenses.—The administrative expenses of the Fund shall be
1332 paid by the Fund.

1333 (22) Existing benefits continued.—This act, and any amendments hereto, shall not
1334 be construed to increase or decrease the benefits payable to, or on account of, any
1335 member who retired or died prior to October 1, 1987.

1336 (23) Assignments prohibited; voluntary withholding.—

1337 (a) The pensions or other benefits accrued or accruing to any person under the
1338 provisions of this act and the accumulated contributions and the cash securities in the
1339 Fund created under this act shall not be subject to execution or attachment or to any legal
1340 process whatsoever and shall be unassignable. However, pursuant to a court support
1341 order, the trustees may direct that retirement benefits be paid for alimony or child support
1342 in accordance with rules and regulations adopted by the Board of Trustees.

1343 (b) Upon written request by the retiree, the Board may authorize the Plan
1344 administrator to withhold from the monthly retirement payment funds necessary to:

- 1345 1. Pay for benefits being received through the City;
1346 2. Pay the certified bargaining agent; or
1347 3. Pay for premiums for accident, health, and long-term care insurance for the
1348 retiree's spouse and dependents.

1349
1350 A retirement plan does not incur liability for participation in this permissive program if the

1351 Board's actions are taken in good faith pursuant to section 185.05(6), Florida Statutes.

1352 (24) Subrogation rights; loss of pension rights.—

1353 (a) In the event a person becomes entitled to a pension or other benefits payable
1354 from the Fund as a result of an accident or injury caused by the act of a third party, the City
1355 shall be subrogated to the rights of the said person against such third person to the extent
1356 of the benefits which the City pays or becomes liable to pay hereunder.

1357 (b) No person shall be entitled to a pension under this act who is convicted of a
1358 specified offense as provided in section 112.3173, Florida Statutes.

1359 (25) Ordinances applicable.— All ordinances of the City applicable to chapter 185,
1360 Florida Statutes, are hereby made applicable to this act with equal force and effect. No
1361 proposed change or amendment to this act shall be adopted without the approval required
1362 by section 185.35(2), Florida Statutes.

1363 (26) Review procedures.—

1364 (a) The applicant for benefits under this act may, within 20 days after being
1365 informed of the denial of his or her request for pension benefits, appeal said denial by filing
1366 a reply to the proposed order with the pension's coordinator. If no appeal is filed within the
1367 time period specified, then the proposed order shall be final.

1368 (b) The Board of Trustees shall hold a hearing within 45 days after the receipt
1369 of the appeal. Written notice of said hearing shall be sent by certified mail to the applicant
1370 10 days prior to the hearing, at the address listed on the application.

1371 (c) The procedures at the hearing shall be as follows:

1372 1. All parties shall have an opportunity to respond, to present physical and
1373 testimonial evidence and argument on all issues involved, to conduct cross-examination,
1374 to submit rebuttal evidence, and to be represented by counsel. Medical reports and
1375 depositions may be accepted in lieu of live testimony, at the Board's discretion.

- 1376 2. All witnesses shall be sworn.
- 1377 3. The applicant and the Board shall have an opportunity to question all
1378 witnesses.
- 1379 4. Formal rules of evidence and formal rules of civil procedure shall not apply.
1380 The proceedings shall comply with the essential requirements of due process and law.
- 1381 5. The record in a case governed by this subsection shall consist only of:
- 1382 a. A tape recording of the hearing, to be taped and maintained as part of the
1383 official files of the Board of Trustees by the pension's secretary.
- 1384 b. Evidence received or considered.
- 1385 c. All notices, pleadings, motions, and intermediate rulings.
- 1386 d. Any decisions, opinions, proposed or recommended orders, or reports by the
1387 Board of Trustees.
- 1388 (d) Within 5 days after the hearing, the Board shall take one of the following
1389 actions:
- 1390 1. Grant the pension benefits by overturning the proposed order by majority
1391 vote.
- 1392 2. Deny the benefits and approve the proposed order as a final order, after
1393 making any changes in the order that the Board feels is necessary.
- 1394 (e) Findings of fact by the Board shall be based on competent, substantial
1395 evidence on the record.
- 1396 (f) Within 20 calendar days after rendering its order, the Board of Trustees shall
1397 send by certified mail a copy of said order to the applicant.
- 1398 (g) The applicant may seek review of the order of the Board of Trustees by filing
1399 a petition for writ of certiorari with the circuit court within 30 days.
- 1400 (27) Lump sum payment of small retirement income. —Notwithstanding any

1401 provision of the Fund to the contrary, if the monthly retirement income payable to any
1402 person entitled to benefits hereunder is less than \$30 or if the single sum value of the
1403 accrued retirement income is less than \$1,000 as of the date of retirement or termination
1404 of service, whichever is applicable, the Board of Trustees, in the exercise of its discretion,
1405 may specify that the actuarial equivalent of such retirement income be paid in lump sum.

1406 (28) Pickup of member contributions.—Effective the first day of the first full payroll
1407 period of the first calendar quarter following receipt of a favorable determination letter from
1408 the Internal Revenue Service, the City shall pick up the member contribution required by
1409 this section. The contributions so picked up shall be treated as employer contributions in
1410 determining tax treatment under the United States Internal Revenue Code. The City shall
1411 pick up the member contributions from funds established and available for salaries, which
1412 funds would otherwise have been designated as member contributions and paid to the
1413 Fund. Member contributions picked up by the City pursuant to this subsection shall be
1414 treated for purposes of making a refund of members' contributions, and for all other
1415 purposes of this and other laws, in the same manner and to the same extent as member
1416 contributions made prior to the effective date of this section. The intent of this section is
1417 to comply with s. 414(H)(2) of the Internal Revenue Code.

1418 (29) Internal Revenue Code limits.—

1419 (a) In no event may a member's annual benefit exceed \$160,000 (adjusted for
1420 cost of living in accordance with s. 415(d) of the Internal Revenue Code).

1421 (b) If a member has less than 10 years of service with the City, the applicable
1422 limitation in paragraph (a) shall be reduced by multiplying such limitation by a fraction, not
1423 to exceed 1. The numerator of such fraction shall be the number of years, or part thereof,
1424 of service with the City; the denominator shall be 10 years.

1425 (c) For purposes of this subsection, "annual benefit" means a benefit payable

1426 annually in the form of a straight life annuity with no ancillary incidental benefits and with
1427 no member or rollover contributions. To the extent that ancillary benefits are provided, the
1428 limits set forth in paragraph (a) shall be reduced actuarially, using an interest rate
1429 assumption equal to the greater of 5 percent or the rate being used for actuarial
1430 equivalence, to reflect such ancillary benefits.

1431 (d) If distribution of retirement benefits begins before age 62, the dollar limitation
1432 as described in paragraph (a) shall be reduced, using an interest rate assumption equal
1433 to the greater of 5 percent or the interest rate used for actuarial equivalence; however,
1434 retirement benefits shall not be reduced below \$75,000 if payment of benefits begins at or
1435 after age 55 and not below the actuarial equivalent of \$75,000 if payment of benefits
1436 begins before age 55. For a member with 15 or more years of service with the City, the
1437 reductions described above shall not reduce such member's benefit below \$50,000
1438 (adjusted for cost of living in accordance with s. 415(d) of the Internal Revenue Code, but
1439 only for the year in which such adjustment is effective). If retirement benefits begin after
1440 age 65, the dollar limitation of paragraph (a) shall be increased actuarially by using an
1441 interest assumption equal to the lesser of 5 percent or the rate used for actuarial
1442 equivalence.

1443 (e) Compensation in excess of limitations set forth in s. 401(a)(17) of the Internal
1444 Revenue Code shall be disregarded. The limitation on compensation for an eligible
1445 employee shall not be less than the amount that was allowed to be taken into account
1446 hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who was a
1447 member before the first plan year beginning after December 31, 1995.

1448 (30) Required distributions.—

1449 (a) In accordance with s. 401(a)(9) of the Internal Revenue Code, all benefits
1450 under this plan shall be distributed, beginning not later than the required beginning date

1451 set forth below, over a period not extending beyond the life expectancy of the police
1452 officers or the life expectancy of the police officer and a beneficiary designated in
1453 accordance with paragraph (9)(e).

1454 (b) Any and all benefit payments shall begin by the later of:

1455 1. April 1 of the calendar year following the calendar year of the member's
1456 retirement date; or

1457 2. April 1 of the calendar year following the calendar year in which the member
1458 attains age 70- 1/2.

1459 (c) If an employee dies before his or her entire vested interest has been
1460 distributed to him or her, the remaining portion of such interest shall be distributed at least
1461 as rapidly as provided for under subsection (17).

1462 (31)(a) Rollovers from qualified plans.— A member may roll over all or a part
1463 of his or her interest in another qualified plan to the Fund, provided all of the following
1464 requirements are met:

1465 1. Some or all of the amount distributed from the other plan is rolled over
1466 to this plan no later than the 60th day after distribution was made from the Plan or, if
1467 distributions are made in installments, no later than the 60th day after the last distribution
1468 was made.

1469 2. The amount rolled over to this Fund does not include any amount contributed
1470 by the member to the Plan on a post tax basis.

1471 3. The rollover is made in cash.

1472 4. The member certifies that the distribution is eligible for a rollover.

1473 5. Any amount which the trustees accept as a rollover to this Fund shall,
1474 along with any earnings allocated to them, be fully vested at all times.

1475 6. Effective October 1, 2012, the assets that are rolled over may not be invested

1476 in the fixed rate option. The assets may only be invested in the option for the plan returns,
1477 and the rolled over assets shall be subject to paying the pro rata administrative and
1478 investment expenses of the Plan.

1479
1480 A rollover may also be made to this Plan from an individual retirement account qualified
1481 under s. 408 of the Internal Revenue Code when the individual retirement account was
1482 merely used as a conduit for funds from another qualified plan and the rollover is made in
1483 accordance with the rules provided in subparagraphs 1.-6. Amounts rolled over may be
1484 segregated from other Fund assets. The trustees shall separately account for gains,
1485 losses, and administrative expenses of these rollovers as provided for in subsections (11)
1486 and (13). In addition, the Fund may accept the direct transfer of a member's benefits from
1487 another qualified retirement plan or an Internal Revenue Code section 457 plan. The Fund
1488 shall account for direct transfers in the same manner as a rollover and shall obtain
1489 certification from the member that the amounts are eligible for a rollover or direct transfer
1490 to this Fund.

1491 (b) Transfer of accumulated leave.—

1492 1. Members who are eligible to receive a lump-sum payment for accumulated
1493 leave payable upon separation and who have funds remaining after the contributions to the
1494 health savings account as required by the collective bargaining agreement shall have the
1495 remaining leave payment transferred to the Fund up to the amount permitted by law. Any
1496 additional amounts shall be paid directly to the member. Members on whose behalf leave
1497 has been transferred shall maintain the entire amount of the transferred leave balance in
1498 the DROP or Share Account.

1499 2. If a member on whose behalf the City makes a transferred leave balance to
1500 the Plan dies after retirement or other separation, then any person who would have

1501 received a death benefit had the member died in service immediately prior to the date of
1502 retirement or other separation shall be entitled to receive an amount equal to the
1503 transferred leave balance in a lump sum. In the case of a surviving spouse or former
1504 spouse, an election may be made to transfer the leave balance to an eligible retirement
1505 plan in lieu of the lump sum payment. Failure to make such an election by the surviving
1506 spouse or former spouse within 60 days after the member's death shall be deemed an
1507 election to receive the lump sum payment.

1508 3. The Board, by rule, shall prescribe the method for implementing the
1509 provisions of this paragraph.

1510 4. Amounts transferred under this section shall remain invested in the Fund for
1511 a period of not less than 1 year.

1512 (32) Rollover distributions.—

1513 (a) This subsection applies to distributions made on or after January 1, 1993.
1514 Notwithstanding any provision of the Plan to the contrary that would otherwise limit a
1515 distributee's election under this subsection, a distributee may elect, at the time and in the
1516 manner prescribed by the Board of Trustees, to have any portion of an eligible rollover
1517 distribution paid directly to an eligible retirement plan specified by the distributee in a direct
1518 rollover.

1519 (b) Definitions.—

1520 1. "Eligible rollover distribution" is any distribution of all or any portion of the
1521 balance to the credit of the distributee, except that an eligible rollover does not include any
1522 distribution that is one of a series of substantially equal periodic payments (not less
1523 frequently than annually) made for the life (or life expectancy) of the distributee or the joint
1524 lives (or joint life expectancies) of the distributee and the distributee's designated
1525 beneficiary, or for a specified period of 10 years or more; any distribution to the extent such

1526 distribution is required under s. 401(a)(9) of the Internal Revenue Code; and the portion
1527 of any distribution that is not includable in gross income.

1528 2. "Eligible retirement plan" is an individual retirement account described in s.
1529 408(a) of the Internal Revenue Code, an individual retirement annuity described in s.
1530 408(b) of the Internal Revenue Code, an annuity plan described in s. 403(a) of the Internal
1531 Revenue Code, or a qualified trust described in s. 401(a) of the Internal Revenue Code
1532 that accepts the distributee's eligible rollover distribution. However, in the case of an
1533 eligible rollover distribution to the surviving spouse, an "eligible retirement plan" is an
1534 individual retirement account or individual retirement annuity.

1535 3. Distributee" includes an employee or former employee. In addition, the
1536 employee's or former employee's surviving spouse and the employee's or former
1537 employee's spouse or former spouse who is entitled to payment for alimony and child
1538 support under a domestic relations order determined to be qualified by this Fund are
1539 distributees with regard to the interest of the spouse or former spouse.

1540 4. "Direct rollover" is a payment by the Plan to the eligible retirement plan
1541 specified by the distributee.

1542 (33) Miscellaneous requirements.—

1543 (a) No benefit of any kind shall be payable from the assets of the Pension Fund
1544 unless specifically provided for in this act; however, the Board of Trustees, with the
1545 approval of the City, may grant ad hoc benefits after a public hearing and acceptance by
1546 the state of an actuarial impact statement submitted pursuant to part VII of chapter 112,
1547 Florida Statutes.

1548 (b) The City may not offset any part of its required annual contribution by the
1549 Fund's assets except as determined in an actuarial valuation, the report for which is
1550 determined to be state accepted pursuant to part VII of chapter 112, Florida Statutes.

1551 (c) All provisions of this act and operations of the Pension Fund shall be carried
1552 out in compliance with part VII of chapter 112, Florida Statutes.

1553 (d)1. It is unlawful for a person to willfully and knowingly make, or cause to be
1554 made, or to assist, conspire with, or urge another to make, or cause to be made, any false,
1555 fraudulent, or misleading oral or written statement or to withhold or conceal material
1556 information to obtain any benefit under this Plan.

1557 2.a. A person who violates subparagraph 1. commits a misdemeanor of the first
1558 degree, punishable as provided in section 775.082 or section 775.083, Florida Statutes.

1559 b. In addition to any applicable criminal penalty, upon conviction for a violation
1560 described in subparagraph 1., a participant or beneficiary of this Plan may, in the discretion
1561 of the Board of Trustees, be required to forfeit the right to receive any or all benefits to
1562 which the person would otherwise be entitled under this Plan. For purposes of this
1563 sub-subparagraph, "conviction" means a determination of guilt that is the result of a plea
1564 or trial, regardless of whether adjudication is withheld.

1565 (34) ~~Actuarial assumptions.—The following actuarial assumptions shall be used~~
1566 ~~for all purposes in connection with this Fund, effective October 1, 1999:~~

1567 ~~—(a)—The assumed investment rate of return shall be 8.25 percent. Effective~~
1568 ~~October 1, 2011, the Board of Trustees changed the assumed rate of return to 8 percent.~~

1569 ~~—(b)—The period for amortizing current, future, and past actuarial gains or losses~~
1570 ~~shall be 20 years, except that in order to smooth existing gains and losses which are~~
1571 ~~expected to create volatile swings in the unfunded actuarial liability contribution rate, the~~
1572 ~~trustees may combine amortization bases to re-amortize the unfunded actuarial liability~~
1573 ~~contribution rate. This re-amortization will not impact member benefits as provided by~~
1574 ~~subsection (9).~~

1575

1576 The consequences of the change in assumptions in paragraphs (a) and (b) shall first take
1577 effect during the ~~October 1, 1999-September 30, 2000, fiscal year of the City of West Palm~~
1578 ~~Beach. To the extent that effective dates or legislative delays might influence the direct~~
1579 ~~application to the October 1, 1999-September 30, 2000, fiscal year of the actuarial cost~~
1580 ~~estimate dated March 24, 2000, there shall be a minimum contribution reserve established~~
1581 ~~by the Pension Fund for the City of West Palm Beach. The reserve shall be credited with~~
1582 ~~any amounts contributed to the Pension Fund by the City of West Palm Beach during the~~
1583 ~~October 1, 1999-September 30, 2000, fiscal year in excess of \$1,462,965. This amount~~
1584 ~~has been determined by combining the contribution requirement from the September 30,~~
1585 ~~1998, actuarial valuation report dated May 7, 1999, with the subsequent actuarial cost~~
1586 ~~estimate dated March 24, 2000, both of which were prepared by the Fund's actuary.~~

1587 ~~——(35) Other police officer or military service.—~~

1588 (a) Prior police officer or military service.— Unless otherwise prohibited by law,
1589 the years, or fractional parts of years, that a member served as a police officer for any
1590 other municipal, county, state, or federal law enforcement office or any time served in the
1591 military service of the Armed Forces of the United States shall be added to the years of
1592 credited service, provided that the member contributes to the fund the sum that would have
1593 been contributed, based on the member's salary and the employee contribution rate in
1594 effect at the time that the credited service is requested, had the member been a member
1595 of this system for the years, or fractional parts of years, for which the credit is requested,
1596 plus the amount actuarially determined, such that the crediting of service does not result
1597 in any cost to the fund, plus payment of costs for all professional services rendered to the
1598 Board in connection with the purchase of years of credited service.

1599 1. Payment by the member of the required amount may be made within 6
1600 months after the request for credit and in one lump sum payment, or the member may buy

1601 back this time over a period equal to the length of time being purchased or 5 years,
1602 whichever is greater, at an interest rate which is equal to the Fund's actuarial assumption.
1603 A member may request to purchase some or all years of service.

1604 2. The credit purchased under this subsection shall count for all purposes,
1605 except vesting.

1606 3. In no event, however, may credited service be purchased pursuant to this
1607 section for prior service with any other municipal, county, state, or federal law enforcement
1608 office, if such prior service forms or will form the basis of a retirement benefit or pension
1609 from another retirement system or plan.

1610 4. In the event that a member who is in the process of purchasing service
1611 suffers a disability and is awarded a benefit from the plan, the member shall not be
1612 required to complete the buyback. However, contributions made prior to the date the
1613 disability payment begins will be retained by the Fund.

1614 5. If a member who has either completed the purchase of service or is in the
1615 process of purchasing service terminates before vesting, the member's contributions shall
1616 be refunded, including the buyback contributions.

1617 6. A request to purchase service may be made at any time during the course
1618 of employment; however, the buyback is a one-time opportunity.

1619 7. A member who previously served as a police officer with the City during a
1620 period of employment and for which accumulated contributions were withdrawn from the
1621 Fund may recontribute such withdrawn contributions plus interest from the date of
1622 withdrawal to the date of repayment in accordance with subsection (6).

1623 **8. A member may purchase up to 5 years of credited service total for prior**
1624 **police and/or military service.**

1625 (b) Intervening military service.—In determining the creditable service of any

1626 police officer, credit for up to 5 years of the time spent in the military service of the Armed
1627 Forces of the United States shall be added to the years of actual service without employee
1628 contribution, if:

1629 1. The police officer is in the active employ of the municipality prior to such
1630 service and leaves a position, other than a temporary position, for the purpose of voluntary
1631 or involuntary service in the Armed Forces of the United States.

1632 2. The police officer is entitled to reemployment under the provisions of the
1633 federal Uniformed Services Employment and Reemployment Rights Act.

1634 3. The police officer returns to his or her employment as a police officer of the
1635 municipality within 1 year after the date of his or her release from such active service,
1636 except that, effective January 1, 2007, members who die or become disabled while on
1637 active duty military service shall be entitled to the rights of this section even though such
1638 member was not reemployed by the City. A member who dies or becomes disabled while
1639 on active duty military service shall be treated as though he or she were reemployed the
1640 day before he or she became disabled or died, were credited with the service he or she
1641 would have been entitled to under this section, and then either died a nonduty death while
1642 employed or became disabled from a nonduty disability.

1643 (35)~~(36)~~ Reemployment after retirement.—

1644 (a) Reemployment by public or private employer.—Any retiree who is retired
1645 under this Plan, except for disability retirement as previously provided for, may be
1646 reemployed by any public or private employer, except the City, and may receive
1647 compensation from that employment without limiting or restricting in any way the retirement
1648 benefits payable under this Plan. Reemployment by the City on or after August 1, 2008,
1649 shall be subject to the limitations set forth in this section.

1650 (b) Reemployment after normal retirement outside Police Department. Any

1651 retiree who is retired under normal retirement pursuant to this Plan and who is reemployed
1652 by the City after that retirement shall, upon being reemployed, continue receipt of benefits,
1653 provided the retiree is not hired into the Police Department. Upon reemployment, the
1654 retiree is eligible to participate in the plan offered to new employees of that department,
1655 and the retiree shall be deemed a new employee subject to any vesting and
1656 contribution requirements of that plan. The benefit paid under this Plan shall not be
1657 changed in any way.

1658 (c) Reemployment after normal retirement in Police Department.—Any retiree
1659 who is retired after normal retirement pursuant to this Plan shall not be reemployed by the
1660 Police Department as a police officer or in any position that supervises police officers. The
1661 pension of a retiree who is reemployed by the Police Department as a police officer or in
1662 any position that supervises police officers shall stop until the member terminates
1663 employment. However, a retiree who is reemployed by the Police Department neither as
1664 a police officer nor in any position that supervises police officers is eligible to participate
1665 in the plan offered to new employees of that employee classification, and the retiree shall
1666 be deemed a new employee subject to any vesting and contribution requirements of that
1667 plan. The benefit paid under this Plan shall not be changed in any way.

1668 (d) Reemployment of terminated vested persons.—Reemployed terminated
1669 vested persons shall not be subject to the provisions of this section until such time as they
1670 begin to actually receive benefits but shall be subject to paragraph (9)(c). Upon receipt of
1671 benefits, terminated vested persons shall be treated as normal retirees for purposes of
1672 applying the provisions of this section.

1673 (e) DROP participants.— Members or retirees who were in the deferred
1674 retirement option plan shall have the options provided for in this section for reemployment
1675 after termination of employment as if the retiree were a retiree under normal retirement.

1676 (36)~~(37)~~ Termination of the Plan.—Upon termination of the Plan by the City for
1677 any reason, or because of a transfer, merger, or consolidation of governmental units,
1678 services, or functions as provided in chapter 121, Florida Statutes, or upon written notice
1679 to the Board by the City that contributions under the Plan are being permanently
1680 discontinued, the rights of all employees to benefits accrued to the date of such termination
1681 or discontinuance and the amounts credited to the employees' accounts are nonforfeitable.
1682 The Fund shall be distributed in accordance with the following procedures:
1683 (a) The Board shall determine the date of distribution and the asset value
1684 required to fund all the nonforfeitable benefits after taking into account the expenses of
1685 such distribution. The Board shall inform the City if additional assets are required, in which
1686 event the City shall continue to financially support the Plan until all nonforfeitable benefits
1687 have been funded.
1688 (b) The Board shall determine the method of distribution of the asset value and
1689 whether distribution shall be by payment in cash, by the maintenance of another or
1690 substituted trust fund, by the purchase of insured annuities, or otherwise for each police
1691 officer entitled to benefits under the Plan, as specified in paragraph (c).
1692 (c) The Board shall distribute the asset value as of the date of termination in the
1693 manner set forth in this subsection on the basis that the amount required to provide any
1694 given retirement income is the actuarially computed single-sum value of such retirement
1695 income, except that if the method of distribution determined under paragraph (b) involves
1696 the purchase of an insured annuity, the amount required to provide the given retirement
1697 income is the single premium payable for such annuity. The actuarial single-sum value may
1698 not be less than the employee's accumulated contributions to the Plan, with interest if
1699 provided by the Plan, less the value of any Plan benefits previously paid to the employee.
1700 (d) If there is asset value remaining after the full distribution specified in

1701 paragraph (c), and after payment of any expenses incurred with such distribution, such
1702 excess shall be returned to the City, less the return to the state of the state's contributions,
1703 provided that if the excess is less than the total contributions made by the City and the
1704 state to date of termination of the Plan, such excess shall be divided proportionately to the
1705 total contributions made by the City and the state.

1706 (e) The Board shall distribute, in accordance with the manner of distribution
1707 determined under paragraph (b), the amounts determined under paragraph (c).

1708 Section 2. This act shall take effect upon becoming a law.