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1 A bill to be entitled
 2 An act relating to the City of West Palm Beach, Palm
 3 Beach County; amending chapter 24981 (1947), Laws of
 4 Florida, as amended, relating to the West Palm Beach
 5 Police Pension Fund; revising definitions; revising
 6 provisions relating to retirement pension calculation,
 7 funding of share accounts, supplemental pension
 8 distribution, the deferred retirement option plan
 9 (DROP), duty disability pension, member contributions
 10 and refunds, rollovers from qualified plans, and
 11 actuarial assumptions; providing an effective date.

12
 13 Be It Enacted by the Legislature of the State of Florida:

14
 15 Section 1. Section 16 of chapter 24981 (1947), Laws of
 16 Florida, as amended by chapter 2010-245, Laws of Florida, is
 17 amended to read:

18 Section 16. West Palm Beach Police Pension Fund.—

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

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

29 (a) "Actuarial equivalent value," "actuarial equivalence,"
 30 or "single sum value" means the stated determination using an
 31 interest rate of 8.25 percent per year and the 1983 Group
 32 Annuity Mortality Table.

33 (b) "Beneficiary" means any person, except a retirant, who
 34 is entitled to receive a benefit from the West Palm Beach Police
 35 Pension Fund or the West Palm Beach Police Pension and Relief
 36 Fund, as applicable.

37 (c) "Board of Trustees" or "Board" means the Board of
 38 Trustees provided for in this act.

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

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

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

46 (g) "Final average salary" means the average of the
 47 monthly salary paid a member in the 3 best years of employment.
 48 In no event shall any one year, beginning January 1, 2005,
 49 include more than 400 hours of overtime. Prior to January 1,
 50 2005, individual years may include more than 400 hours of
 51 overtime. Effective prospectively from January 1, 2013, the
 52 overtime will be limited to 300 hours in any one year.

53 (h) "Fund" or "Pension Fund" means the West Palm Beach
 54 Police Pension Fund or the West Palm Beach Pension and Relief
 55 Fund, as applicable.

56 (i) "Member" or "participant" means any person who is

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57 included in the membership of the Fund in accordance with
58 subsection (6).

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

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

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

84 (m) "Qualified public depository" means any bank or

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85 savings association organized and existing under the laws of
86 Florida and any bank or savings association organized under the
87 laws of the United States that has its principal place of
88 business, or a branch office, in Florida which is authorized
89 under the laws of Florida or the United States to receive
90 deposits in Florida; that meets all of the requirements of
91 chapter 280, Florida Statutes; and that has been designated by
92 the Treasurer of the State of Florida as a qualified public
93 depository.

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

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

99 (p) "Salary" means the fixed monthly compensation paid to
100 a member; compensation shall include those items as have been
101 included as compensation in accordance with past practice.
102 However, the term shall not be construed to include lump sum
103 payments for accumulated leave. On and after January 1, 2003,
104 salary shall mean total cash remuneration paid by the City to a
105 police officer for services rendered excluding lump sum payments
106 for accumulated leave such as accrued vacation leave, accrued
107 sick leave, and accrued personal leave. Effective January 1,
108 2005, overtime hours earned and paid in excess of 400 hours in
109 any 26 consecutive pay periods shall be excluded from the
110 definition of salary. Effective prospectively from January 1,
111 2013, overtime hours earned and paid in excess of 300 hours in
112 any 26 consecutive pay periods shall be excluded from the

113 definition of salary. Prior to January 1, 2005, all overtime
 114 hours earned and paid shall be included in the definition of
 115 salary and shall not be limited by any cap. This definition of
 116 compensation shall not include off-duty employment performed for
 117 vendors other than the City of West Palm Beach per Article 30,
 118 Pension Plan and Section 5 of the collective bargaining
 119 agreement between the Palm Beach County Police Benevolent
 120 Association and the City of West Palm Beach. Beginning with
 121 salary paid after December 31, 2008, and pursuant to s.
 122 414(u) (7) of the Internal Revenue Code, "salary" includes
 123 amounts paid by the City as differential wages to members who
 124 are absent from employment while in qualified military service.

125 (q) "Service" or "service credit" means the total number
 126 of years, and fractional parts of years, of employment of any
 127 police officer, omitting intervening years, and fractional parts
 128 of years, when such police officer was not employed by the City.
 129 No member shall receive credit for years, or fractional parts of
 130 years, of service for which the member has withdrawn his or her
 131 contributions to the Fund. It is further provided that a member
 132 may voluntarily leave his or her contributions in the Fund for a
 133 period of 5 years after leaving the employ of the Department,
 134 pending the possibility of being rehired by the Department,
 135 without losing credit for the time he or she has participated
 136 actively as a police officer. Should he or she not be re-
 137 employed as a police officer with the Department within 5 years,
 138 his or her contributions shall be returned without interest. In
 139 determining the aggregate number of years of service of any
 140 member, years of service for prior police officer or military

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141 service, as well as intervening military service, may be added,
142 provided the member meets the requirements of subsection (35).

143 (r) The masculine gender includes the feminine and words
144 in the singular with respect to persons shall include the plural
145 and vice versa.

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

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

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

160 2. Two police officers, who shall be elected by a majority
161 of the police officers who are members of the Fund. Elections
162 shall be held under such reasonable rules and regulations as the
163 Board shall from time to time adopt. Each member-trustee shall
164 serve as trustee for a period of 2 years, unless he or she
165 sooner ceases to be a police officer in the employ of the
166 Department, whereupon the members shall choose his or her
167 successor in the same manner as the original appointment. Each
168 member-trustee of the Fund may succeed himself or herself as a

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169 trustee.

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

176 (b) Board vacancy; how filled.—In the event a trustee
177 provided for in subparagraph (a)2. ceases to be a police officer
178 in the employ of the Department, he or she shall be considered
179 to have resigned from the Board. In the event a trustee provided
180 for in subparagraph (a)2. shall resign, be removed, or become
181 ineligible to serve as a trustee, the Board shall, by
182 resolution, declare the office of trustee vacated as of the date
183 of adoption of said resolution. If such a vacancy occurs in the
184 office of trustee within 90 days of the next succeeding election
185 for trustee, the vacancy shall be filled at the regular election
186 for the next term; otherwise, the vacancy shall be filled for
187 the unexpired portion of the term, as provided in subparagraph
188 (a)2. In the event a trustee provided for in subparagraph (a)1.
189 or subparagraph (a)3. shall resign, be removed, or become
190 ineligible to serve as a trustee, the Board shall, by
191 resolution, declare the office of trustee vacated as of the date
192 of adoption of said resolution. The trustee's successor for the
193 unexpired portion of said trustee's term shall be chosen in the
194 same manner as an original appointment.

195 (c) Board meetings; quorum; procedures.—The Board shall
196 hold meetings regularly, at least one in each quarter year, and

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197 shall designate the time and place thereof. At any meeting of
198 the Board, three trustees shall constitute a quorum. Each
199 trustee shall be entitled to one vote on each question before
200 the Board and at least three concurring votes shall be required
201 for a decision by the Board at any of its meetings. The Board
202 shall adopt its own rules of procedure and shall keep a record
203 of its proceedings. All public records of the Board shall be
204 kept and maintained as required by law. All meetings of the
205 Board shall be open to the public and shall be held as required
206 by law.

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

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

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

215 (4) Professional and clerical services.—

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

219 (b) Custodian of funds.—All moneys and securities of the
220 Fund may be deposited with the cash management coordinator of
221 the City, acting in a ministerial capacity only, who shall be
222 bonded and shall be liable in the same manner and to the same
223 extent as he or she is liable for the safekeeping of funds for
224 the City. However, any funds and securities deposited with the

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225 cash management coordinator shall be kept in a separate fund by
226 the cash management coordinator or clearly identified as funds
227 and securities of the Fund. In lieu thereof, the Board shall
228 deposit the Funds and securities in a qualified public
229 depository designated by the Board.

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

237 2. The Board may issue drafts upon the Fund pursuant to
238 this act and rules and regulations prescribed by the Board,
239 provided that such drafts shall be issued in accordance with
240 generally accepted accounting procedures, American Institute of
241 Certified Public Accountants guidelines, and rules of the State
242 of Florida Auditor General. All such drafts shall be
243 consecutively numbered and signed by the chair and secretary, or
244 other fiduciary designee, and each draft shall, upon its face,
245 state the purpose for which it is drawn. For this purpose, the
246 chair and secretary shall be bonded. The cash management
247 coordinator or other depository shall retain such drafts when
248 paid, as permanent vouchers for disbursements made, and no money
249 shall be otherwise drawn from the Fund. Payments from the Fund
250 shall be made only upon a specific or general motion or
251 resolution previously adopted by the Board authorizing such
252 payment or payments.

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

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

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

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

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

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

277 (b) Experience tables; regular interest; adoption of
278 same.—The Board shall, from time to time, adopt such mortality
279 and other tables of experience, and a rate or rates of interest,
280 as required to operate the Fund on an actuarial basis, except as

281 provided in subsection (34).

282 (6) Membership.—All police officers in the employ of the
 283 Department shall be included in the membership of the Fund, and
 284 all persons who hereafter become police officers in the employ
 285 of the City shall thereupon become members of the Fund. Except
 286 as otherwise provided in this act, should any member cease to be
 287 a police officer in the employ of the Department, he or she
 288 shall thereupon cease to be a member and his or her credited
 289 service at that time shall be forfeited. In the event such
 290 person is re-employed in the Department as a police officer, he
 291 or she shall again become a member. His or her forfeited service
 292 shall be restored to the member's credit, provided that he or
 293 she returns to the Fund the amount he or she might have
 294 withdrawn, together with regular interest from the date of
 295 withdrawal to the date of repayment. Upon the member's
 296 retirement or death, he or she shall thereupon cease to be a
 297 member.

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

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

303 (a) Normal retirement.—Upon written application filed with
 304 the Board, any member may retire and receive the applicable
 305 pension provided for in paragraph (9) (a), provided that the
 306 member has attained age 50 and has at least 20 years of credited
 307 service, has attained age 55 and has at least 10 years of
 308 credited service, or has at least 25 years of continuous

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309 credited service, regardless of age.

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

320 (c) Early retirement.—Any member may retire from the
321 service of the Department as of the first day of any calendar
322 month which is prior to the member's normal retirement date but
323 subsequent to the date as of which he or she has both attained
324 the age of 50 and completed 10 years of credited service. In the
325 event of early retirement, the monthly amount of retirement
326 income payable shall be computed as described in paragraph
327 (9) (a), taking into account his or her credited service to his
328 or her date of actual retirement and his or her final average
329 salary as of such date. The amount of retirement income shall be
330 actuarially reduced to take into account the member's younger
331 age and earlier commencement of retirement income benefits. The
332 early retirement reduction shall be 3 percent for each year by
333 which the member's age at retirement preceded the member's
334 normal retirement age.

335 (9) Retirement pension calculation.—

336 (a) Upon retirement eligibility as provided in subsection

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337 (8), a member shall receive a monthly pension. The pension shall
338 be the following, as applicable:

339 1. For all years of service earned after October 1, 2011,
340 the benefit is calculated using 2.68 percent of final average
341 salary per year and fractional parts of the years of service up
342 to a total of 26 prospective years, plus 1 percent of the final
343 average salary multiplied by the number of years, and fraction
344 of a year, of credited service in excess of 26 years. This
345 change in the multiplier is due to the change in assumptions set
346 forth in subsection (34). This reduction is required by this
347 paragraph. For years of service earned before October 1, 2011,
348 the benefit will be calculated under the provisions of the
349 applicable subparagraphs 2.-5. For purposes of determining the
350 26-year limitation, the member's total number of years of
351 credited service are used. In no event shall the benefit be less
352 than 2 percent per year of credited service.

353 ~~2.1.~~ A member who has more than or equal to 12 years and 6
354 months of service at October 1, 1999, and who was actively
355 employed by the Department on or after October 1, 1999, shall
356 receive a benefit equal to the greater of the following:

357 a. Three percent of final average salary multiplied by the
358 number of years, and fraction of a year, of credited service
359 earned from April 1, 1987, to September 30, 2011, plus 2.5
360 percent of final average salary multiplied by the number of
361 years, and fraction of a year, of credited service earned prior
362 to April 1, 1987, up to a total of 26 years, plus 1 percent of
363 the final average salary multiplied by the number of years, and
364 fraction of a year, of credited service which is in excess of 26

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365 years;

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

372 c. The sum of the following:

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

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

379
 380 However, in no event shall the benefit be less than 2 percent
 381 per year of credited service. For all years of service after
 382 October 1, 2011, the benefit will be calculated in accordance
 383 with subparagraph 1.

384 ~~3.2.~~ A member who has more than 12 years and 6 months of
 385 service and who has entered the DROP on or before October 1,
 386 1999, and who was actively employed by the Department on October
 387 1, 1999, shall receive a benefit equal to the greater of the
 388 following:

389 a. Three percent of final average salary multiplied by the
 390 number of years, and fraction of a year, of credited service
 391 earned in the 12 years and 6 months prior to entering the DROP,
 392 plus 2.5 percent of final average salary multiplied by the

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393 number of years, and fraction of a year, of credited service
 394 earned prior to that date which is 12 years and 6 months prior
 395 to entering the DROP, up to a total of 26 years, plus 1 percent
 396 of the final average salary multiplied by the number of years,
 397 and fraction of a year, of credited service which is in excess
 398 of 26 years. The one-half percent enhancement to the accrual
 399 rate shall also be applied retroactively to the date of entering
 400 the DROP, or 2 years, whichever is less, provided that the
 401 retroactive application shall include principal only and not any
 402 earnings thereon. An example of the calculation described in
 403 this sub-subparagraph is set forth in the collective bargaining
 404 agreement between the City of West Palm Beach and the Police
 405 Benevolent Association, Certified Unit No. 825, October 1, 1998-
 406 September 30, 2001;

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

413 c. The sum of the following:

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

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

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

425 4.3. A member who has less than 12 years and 6 months of
 426 service on October 1, 1999, and who was actively employed by the
 427 Department on or after October 1, 1999, shall receive a benefit
 428 equal to the greater of the following:

429 a. Three percent of final average salary multiplied by the
 430 number of years, and fraction of a year, of credited service up
 431 to September 30, 2011 ~~a total of 26 years~~, plus 1 percent of the
 432 final average salary multiplied by the number of years, and
 433 fraction of a year, of credited service which is in excess of 26
 434 years;

435 b. Two and one-half percent of final average salary
 436 multiplied by the number of years, and fraction of a year, of
 437 credited service, not to exceed 26 years, plus 1 percent of the
 438 final average salary multiplied by the number of years, and
 439 fraction of a year, of credited service which is in excess of 26
 440 years; or

441 c. The sum of the following:

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

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

448

449 | However, in no event shall the benefit be less than 2 percent
 450 | per year of credited service. For all years of service after
 451 | October 1, 2011, the benefit will be calculated in accordance
 452 | with subparagraph 1.

453 | 5.4. A member who terminated employment, retired on a
 454 | vested deferred benefit, or retired on or before October 1,
 455 | 1999, shall receive a benefit equal to the greater of the
 456 | following:

457 | a. Two and one-half percent of final average salary
 458 | multiplied by the number of years, and fraction of a year, of
 459 | credited service not to exceed 26 years, plus 1 percent of the
 460 | final average salary multiplied by the number of years, and
 461 | fraction of a year, of credited service which is in excess of 26
 462 | years; or

463 | b. The sum of the following:

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

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

470 |
 471 | The 3-percent benefit accrual factor for active employees in
 472 | subparagraphs (a)~~1., 2., 3., and 4.~~ 2., 3., and 4. is contingent on and subject
 473 | to the adoption and maintenance of the assumptions set forth in
 474 | subsection (34). If such assumptions are modified by
 475 | legislative, judicial, or administrative agency action and the
 476 | modification results in increased City contributions to the

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477 Pension Fund, the 3-percent benefit accrual factor for active
478 employees in subparagraphs (a)~~1., 2., and 3.,~~ and 4. shall be
479 automatically decreased prospectively from the date of the
480 action, to completely offset the increase in City contributions.
481 However, in no event shall the benefit accrual factor in
482 subparagraphs (a)1., 2., 3., and 4., and 5. be adjusted below
483 2.5 percent.

484
485 To the extent that the benefit accrual factor is less than 3
486 percent for active members with less than 12 years and 6 months
487 of service on October 1, 1999, the supplemental pension
488 distribution calculation under subparagraph (12)(a)2. shall be
489 adjusted for employees who retire or enter the DROP after
490 October 1, 1999. The adjustment shall be to decrease the minimum
491 return of 8.25 percent needed to afford the supplemental pension
492 distribution, where the amount of the reduction is zero if an
493 employee has been credited with 12 years and 6 months of service
494 or more with the 3-percent benefit accrual factor or 1.25
495 percent if an employee has been credited with no more than a
496 2.5-percent benefit accrual factor. If an employee has been
497 credited with less than 12 years and 6 months of service at the
498 3-percent benefit accrual factor, then the accumulated amount
499 over 2.5 percent for each year of service divided by one-half
500 percent divided by 12.5 subtracted from 1 multiplied by 1.25
501 percent is the reduction from 8.25 percent. An example of the
502 calculation of the minimum return for the supplemental pension
503 distribution as herein described is set forth in the collective
504 bargaining agreement between the City of West Palm Beach and the

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505 Police Benevolent Association, Certified Unit No. 145 and
506 Certified Unit No. 825, October 1, 1998-September 30, 2001.

507

508 Effective October 1, 2011, the assumed investment rate of return
509 was lowered from 8.25 percent to 8 percent, which resulted in a
510 reduction in the benefit multiplier to 2.68 percent for all
511 prospective years of service, up to 26 years of service in
512 total, and 1 percent for each year of service after 26.

513 Additionally, for any supplemental pension distributions
514 subsequent to October 1, 2011, the revised factors in this
515 paragraph will be applied.

516 (b) Payment of benefits.—

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

522 2. Last payment.—The last payment shall be the payment due
523 next preceding the member's death, except that payments shall be
524 continued to the designated beneficiary (or beneficiaries) if a
525 10-year certain benefit, a joint and survivor option, or
526 beneficiary benefits, as applicable, are payable.

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

529 1. Married member.—The normal form of retirement benefit
530 for a married member or for a member with dependent children or
531 parents shall be a pension and death benefits. The pension
532 benefit shall provide monthly payments for the life of the

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533 member. Thereafter, death benefits shall be paid to the
534 beneficiary designated by the member as provided in subsection
535 (17).

536 2. Unmarried member.—The normal form of retirement benefit
537 for an unmarried member without dependent children or parents
538 shall be a 10- year certain benefit. This benefit shall pay
539 monthly benefits for the member's lifetime. In the event the
540 member dies after his or her retirement but before receiving
541 retirement benefits for a period of 10 years, the same monthly
542 benefit shall be paid to the beneficiary (or beneficiaries) as
543 designated by the member for the balance of such 10-year period
544 or, if no beneficiary is designated, to heirs at law, or estate
545 of the member, as provided in section 185.162, Florida Statutes.

546 (d) Optional forms of retirement income.—

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

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

557 (II) Joint and survivor option.—A retirement income of a
558 modified monthly amount, payable to the member during the joint
559 lifetime of the member and a dependent joint pensioner
560 designated by the member, and following the death of either of

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561 | them, 100 percent, 75 percent, 66- 2/3 percent, or 50 percent of
562 | such monthly amounts, payable to the survivor for the lifetime
563 | of the survivor.

564 | b. The member, upon electing any option of this paragraph,
565 | shall designate the joint pensioner or beneficiary (or
566 | beneficiaries) to receive the benefit, if any, payable in the
567 | event of his or her death, and shall have the power to change
568 | such designation from time to time; but any such change shall be
569 | deemed a new election and shall be subject to approval by the
570 | Board. Such designation shall name a joint pensioner or one or
571 | more primary beneficiaries where applicable. If a member has
572 | elected an option with a joint pensioner or beneficiary and his
573 | or her retirement income benefits have commenced, he or she may
574 | thereafter change the designated joint pensioner or beneficiary
575 | only twice. Any retired member who desires to change his or her
576 | joint pensioner or beneficiary shall file with the Board a
577 | notarized notice of such change. Upon receipt of a completed
578 | change of joint pensioner form or such other notice, the Board
579 | shall adjust the member's monthly benefit by the application of
580 | actuarial tables and calculations developed to ensure that the
581 | benefit paid is the actuarial equivalent of the present value of
582 | the member's current benefit and there is no impact to the Plan.

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

585 | d. For any other changes of beneficiaries, the Board may
586 | request such evidence of the good health of the joint pensioner
587 | who is being removed as it may require; and the amount of the
588 | retirement income payable to the member upon the designation of

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589 a new joint pensioner shall be actuarially redetermined, taking
590 into account the ages and sex of the former joint pensioner, the
591 new joint pensioner, and the member. Each such designation shall
592 be made in writing on a form prepared by the Board, and, on
593 completion, shall be filed with the Board. In the event that no
594 designated beneficiary survives the member, such benefits as are
595 payable in the event of the death of the member subsequent to
596 his or her retirement shall be paid as provided in subparagraph
597 (c)2.

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

601 a. If a member dies prior to his or her normal retirement
602 date or early retirement date, whichever first occurs,
603 retirement benefits shall be paid in accordance with subsection
604 (17).

605 b. If the designated beneficiary (or beneficiaries) or
606 joint pensioner dies before the member's retirement, the option
607 elected shall be canceled automatically and a retirement income
608 of the normal form and amount shall be payable to the member
609 upon his or her retirement as if the election had not been made,
610 unless a new election is made in accordance with the provisions
611 of this paragraph or a new beneficiary is designated by the
612 member prior to his or her retirement.

613 c. If a member continues in the employ of the Department
614 after meeting the age and service requirements set forth in
615 paragraph (8) (a) and dies prior to retirement and while an
616 option provided for in this paragraph is in effect, monthly

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617 retirement income payments shall be paid, under the option, to a
618 beneficiary (or beneficiaries) designated by the member in the
619 amount or amounts computed as if the member had retired under
620 the option on the date on which his or her death occurred.

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

624 (e) Designation of beneficiary.—

625 1. Each member may, on a form provided for that purpose,
626 signed and filed with the Board, designate a beneficiary (or
627 beneficiaries) to receive the benefit, if any, which may be
628 payable in the event of the member's death; and each designation
629 may be revoked by such member by signing and filing with the
630 Board a new designation of beneficiary form. However, after the
631 benefits have commenced, a retirant may change his or her
632 designation of a joint annuitant or beneficiary only twice. If
633 the retirant desires to change his or her joint annuitant or
634 beneficiary, he or she shall file with the Board a notarized
635 notice of such change either by registered letter or on a form
636 as provided by the Board. Upon receipt of a completed change of
637 joint annuitant form or such other notice, the Board shall
638 adjust the member's monthly benefit by the application of
639 actuarial tables and calculations developed to ensure that the
640 benefit paid is the actuarial equivalent of the present value of
641 the member's current benefit.

642 2. Absence or death of beneficiary.—If a deceased member
643 failed to name a beneficiary in the manner prescribed in
644 subparagraph 1., or if the beneficiary (or beneficiaries) named

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645 by a deceased member predeceases the member, death benefits, if
 646 any, which may be payable under this act on behalf of such
 647 deceased member may be paid, in the discretion of the Board, to:

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

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

652 c. The estate of the member.

653 (10) Cost-of-living adjustments.—

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

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

659 2. Consumer price index.—The consumer price index for
 660 urban wage earners and clerical workers as published by the
 661 United States Department of Labor, Bureau of Labor Statistics.
 662 Should the Bureau of Labor Statistics adopt a new base or modify
 663 the method of computation of the consumer price index so as to
 664 render it unsuitable, the Board shall make appropriate
 665 adjustments. The Board shall choose another index which it
 666 determines to be appropriate if the consumer price index is no
 667 longer published.

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

672 4. Base month.—The more recent of the month of October

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673 | 1976, the month and year of the retirement benefit effective
 674 | date, or the month and year in which the retiree attains age 64
 675 | years.

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

- 682 | 1. January 1, 1976;
- 683 | 2. The retirement benefit effective date; or
- 684 | 3. The first day of the month after attainment of age 65
 685 | years

686 |
 687 | to January 1 of the year in which the adjustment is being made.

688 | (c) The accumulated adjustments to a retirement benefit
 689 | after January 1, 1977, expressed as a percentage of the
 690 | unadjusted amount of retirement allowance, shall not exceed the
 691 | percentage increase in the consumer price index for the period
 692 | between the base month and the month of October in the year
 693 | preceding adjustment.

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

697 | (11) Chapter 185 share accounts.—

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

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701 (b) Share account funding.—

702 1. Chapter 185 moneys.—Each individual member account
 703 shall be credited with the moneys received from chapter 185,
 704 Florida Statutes, tax revenues in June 1988 and thereafter. Of
 705 the Chapter 185 moneys received in calendar years 2011 and 2012,
 706 the full amount will be used to reduce the employee
 707 contributions to 11 percent as provided for in subparagraph
 708 (19) (a)1. This is for 2011 and 2012 only. Effective October 1,
 709 2013, the employee contribution will once again be 11 percent,
 710 and the Chapter 185 moneys received in calendar year 2013 and
 711 thereafter will once again be allocated to the share accounts.

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

716 (c) Quarterly allocation of accounts.—

717 1. Moneys shall be credited to each individual member
 718 account in an amount directly proportionate to the number of pay
 719 periods for which the member was paid compared to the total
 720 number of pay periods for which all members were paid, counting
 721 the pay periods in the calendar year preceding the date for
 722 which chapter 185, Florida Statutes, tax revenues were received.

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

727 3. Effective October 1, 2002, vested Participants have the
 728 option to select between two methods to credit investment

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729 earnings to their account. The method may be changed each year
730 effective October 1; however, the method must be elected prior
731 to October 1. The methods are:

732 a. The investment earnings (or losses) credited to the
733 individual member accounts shall be the same percentage as are
734 earned (or lost) by the total investment earnings (or losses) of
735 the Fund as a whole, unless the Board dedicates a separate
736 investment portfolio for chapter 185, Florida Statutes, share
737 accounts, in which case the investment earnings (or losses)
738 shall be measured by the investment earnings (or losses) of the
739 separate investment portfolio.

740 b. A fixed annual rate of 8.25 percent. Effective October
741 1, 2012, the rate is 8 percent for members who are vested and
742 are not at normal retirement age as of October 1, 2012. In any
743 fiscal year, if the amount paid in investment earnings under
744 this paragraph creates a deficiency as compared to the gross
745 earnings of the pension fund as a whole (using the rate
746 determined by the Fund's investment monitor), then the rate will
747 be reduced to 4 percent effective the following October 1 until
748 the deficiency is satisfied. When the deficiency is satisfied,
749 the rate will return to 8 percent, effective the following
750 October 1. Beginning October 1, 2012, the cumulative amounts
751 paid in earnings for the fixed rate will be maintained in the
752 actuarial valuation.

753 4. Costs, fees, and expenses of administration shall be
754 debited from the individual member accounts on a proportionate
755 basis, taking the costs, fees, and expenses of administration of
756 the Fund as a whole, multiplied by a fraction, the numerator of

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757 which is the total of the assets in all individual member
758 accounts and the denominator of which is the total of the assets
759 of the Fund as a whole. The proportionate share of the costs,
760 fees, and expenses shall be debited to each individual member
761 account on a pro rata basis in the same manner as chapter 185,
762 Florida Statutes, tax revenues are credited to each individual
763 member account (i.e., based on pay periods).

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

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

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

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

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

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

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

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

783 (e) Forfeitures.—Any member who has less than 10 years of
784 credited service and who is not eligible for payment of benefits

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785 after termination of employment with the City shall forfeit his
786 or her individual member account. The amounts credited to said
787 individual member account shall be redistributed to the
788 remaining individual member accounts in the same manner as
789 chapter 185, Florida Statutes, tax revenues are credited (i.e.,
790 based on pay periods).

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

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

802 (g) Death of member.—If a member dies and is eligible for
803 benefits from the individual member account, the entire balance
804 of the individual member account shall be converted to the name
805 of the beneficiary designated in accordance with paragraph
806 (9) (e). The entire balance shall be paid out in a lump sum to
807 the beneficiary, at the discretion of the beneficiary. If the
808 designated beneficiary is the surviving spouse, the account may
809 remain with the Fund until the latest period specified under
810 subsection (30). These individual accounts shall not be eligible
811 for any further shares of the Chapter 185 moneys but shall be
812 credited with interest. If a member fails to designate a

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813 beneficiary, or if the beneficiary predeceases the member, the
 814 entire balance shall be converted, in the following order, to
 815 the name or names of:

- 816 1. The member's surviving children on a pro rata basis;
- 817 2. If no children are alive, the member's spouse;
- 818 3. If no spouse is alive, the member's surviving parents
- 819 on a pro rata basis; or
- 820 4. If none are alive, the estate of the member.

821
 822 The accounts which are converted to the names of the
 823 beneficiaries shall have the right to name a successor
 824 beneficiary. Any designated beneficiary, other than the
 825 surviving spouse of the member, must take a distribution of the
 826 entire share account balance by the end of 5 years following the
 827 death of the member. Installment distributions which begin in
 828 the calendar year of the member's death shall be treated as
 829 complying with this 5-year distribution requirement, even though
 830 the installments are not completed within 5 years after the
 831 member's death.

832 (12) Supplemental pension distribution.—

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

- 836 1. For employees who retired prior to October 1, 1999, the
- 837 amount of the distribution shall be equal to the actuarial
- 838 present value of future pension payments to those pensioners,
- 839 multiplied by the positive difference, if any, between the rate
- 840 of investment return (not to exceed 9 percent) and 7 percent,

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841 plus one-half of any investment earnings over 9 percent.

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

850 3. For those employees who have less than 12- 1/2 years of
851 service as of October 1, 1999, the amount of the distribution
852 shall be equal to the actuarial present value of future pension
853 payments to those pensioners multiplied by the positive
854 difference, if any, between the rate of investment return (not
855 to exceed 9 percent) and 8.25 percent, plus one-half of any
856 investment earnings over 9 percent. Effective October 1, 2011,
857 the 8.25-percent rate has been changed per the formula contained
858 in subsection (9) because the actuarial assumption rate was
859 changed to 8 percent and the members multiplier was reduced
860 prospectively to 2.68 percent.

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

864 1. The actuary for the Pension Fund shall determine the
865 rate of investment return earned on the Pension Fund assets
866 during the 12-month period ending each September 30. The rate
867 determined shall be the rate reported in the most recent
868 actuarial report submitted pursuant to part VII of chapter 112,

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869 Florida Statutes.

870 2. The actuary for the Pension Fund shall, as of September
871 30, determine the actuarial present value of future pension
872 payments to current pensioners. The actuarial present values
873 shall be calculated using an interest rate of 7 percent per year
874 compounded annually, and a mortality table approved by the Board
875 of Trustees and as used in the most recent actuarial report
876 submitted pursuant to part VII of chapter 112, Florida Statutes.

877 3. The supplemental pension distribution amount shall not
878 exceed accumulated net actuarial experience from all pension
879 liabilities and assets. If the net actuarial experience is
880 favorable, cumulatively, commencing with the experience for the
881 year ending September 30, 1991, after offset for all prior
882 supplemental distributions, the supplemental distribution may be
883 made. If the net actuarial experience is unfavorable,
884 cumulatively, commencing with the experience for the year ended
885 September 30, 1991, after offset for all prior supplemental
886 distributions, no supplemental distribution may be made, and the
887 City must amortize the loss until it is offset by cumulative
888 favorable experience.

889
890 If an actuarial report submitted as provided in this paragraph
891 is not state accepted prior to distribution, and if a deficiency
892 to the Pension Fund results, the deficiency shall be made up
893 from the next available supplemental pension distribution,
894 unless sooner made up by agreement between the Board of Trustees
895 and the City. No such deficiency shall be permitted to continue
896 for a period greater than 3 years from the date of payment of

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897 the supplemental pension distribution which resulted from the
898 deficiency.

899 (c) If the actuary determines there may be a supplemental
900 distribution, the Board of Trustees shall authorize a
901 "supplemental pension distribution," unless the administrative
902 expenses of distribution exceed the amount available for the
903 distribution.

904 (d) Eligible persons are:

- 905 1. Pensioners.
- 906 2. Surviving spouses.
- 907 3. Surviving dependent children.
- 908 4. Pensioners' estates.

909 (e) The supplemental pension distribution shall be
910 allocated among eligible persons based upon years of service in
911 the proportion that the eligible person's years of service bear
912 to the aggregate amount of years of service of all eligible
913 persons. Allocations for surviving spouses and surviving
914 dependent children who are eligible to receive supplemental
915 pension distributions shall be $66\frac{2}{3}$ percent of the years of
916 service earned by the pensioner. Maximum service credits shall
917 be 25 years. Allocations for duty-disability pensioners shall be
918 based upon 25 years of service. Allocations for duty-death
919 beneficiaries (surviving spouse and surviving dependent
920 children) shall be based upon $66\frac{2}{3}$ percent of 25 years of
921 service.

922 (f) The supplemental pension distribution shall be made as
923 of April 1, 1992, and each April 1 thereafter. Each eligible
924 person shall be paid his or her allocated portion from the

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925 preceding September 30. Eligible persons retired for less than 1
926 year are entitled to a pro rata share of their supplemental
927 pension distribution based on the number of months retired. A
928 pensioner's estate is entitled to a pro rata share of the
929 deceased retirant's supplemental pension distribution based on
930 the number of months that the deceased retirant received a
931 pension during the year ending the September 30 prior to the
932 retirant's death.

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

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

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

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

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

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

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

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

951 4. Upon a member's election to participate in the DROP, he
952 or she shall cease to be a member and shall no longer accrue any

953 | benefits under the Pension Fund, except for the benefits
 954 | provided under subsection (11), Chapter 185 share accounts. For
 955 | all Fund purposes, the member becomes a retirant, except that a
 956 | DROP participant shall continue to receive shares of the chapter
 957 | moneys in accordance with subsection (11), Chapter 185 share
 958 | accounts. DROP members shall also be eligible to vote as members
 959 | for purposes of election of the member-trustee. The amount of
 960 | credited service shall freeze as of the date of entry into the
 961 | DROP.

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

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

969 | 2. Effective October 1, 2002, DROP Participants have the
 970 | option to select between two methods to credit investment
 971 | earnings to their account. The method may be changed each year
 972 | effective October 1; however, the method must be elected prior
 973 | to October 1. The methods are:

974 | a. Earnings using the rate of investment return earned (or
 975 | lost) on Pension Fund assets as reported by the Fund's
 976 | investment monitor. DROP assets are commingled with the Pension
 977 | Fund assets for investment purposes.

978 | b. A fixed rate of 8.25 percent for members who reached
 979 | normal retirement age on or before October 1, 2012. Effective
 980 | October 1, 2012, the fixed rate is 8 percent for members who

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981 retire or enter the DROP on or after October 1, 2012. In any
982 fiscal year, if the amount paid in investment earnings under
983 this paragraph creates a deficiency as compared to the gross
984 earnings of the pension fund as a whole (using the rate
985 determined by the Fund's investment monitor), then the rate will
986 be reduced to 4 percent effective the next October 1 until the
987 deficiency is satisfied. When the deficiency is satisfied, the
988 rate will return to 8 percent, effective the next October 1.
989 Beginning October 1, 2012, the cumulative amounts paid in
990 earnings for the fixed rate will be maintained in the actuarial
991 valuation.

992
993 However, if a police officer does not terminate employment at
994 the end of participation in the DROP, interest credits shall
995 cease on the balance.

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

998 4. Upon termination of employment, participants in the
999 DROP shall receive the balance of the DROP account in accordance
1000 with the following rules:

1001 a. Members may elect to begin to receive payment upon
1002 termination of employment or defer payment of the DROP until the
1003 latest day as provided under sub-subparagraph c.

1004 b. Payments shall be made in either:

1005 (I) Lump sum.—The entire account balance shall be paid to
1006 the retirant upon approval of the Board of Trustees.

1007 (II) Installments.—The account balance shall be paid out
1008 to the retirant in three equal payments paid over 3 years, the

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1009 first payment to be made upon approval of the Board of Trustees.

1010 (III) Annuity.—The account balance shall be paid out in
 1011 monthly installments over the lifetime of the member or until
 1012 the entire balance is exhausted. Monthly amount paid shall be
 1013 determined by the Fund's actuary in accordance with selections
 1014 made by the member on a form provided by the Board of Trustees.

1015 c. Any form of payment selected by a police officer must
 1016 comply with the minimum distribution requirements of s.
 1017 401(A)(9) of the Internal Revenue Code and is subject to the
 1018 requirements of subsection (30) of this act; e.g., payments must
 1019 commence by age 70- 1/2.

1020 d. The beneficiary of the DROP participant who dies before
 1021 payments from the DROP begin shall have the same right as the
 1022 participant in accordance with subsection (17).

1023 e. Costs, fees, and expenses of administration shall be
 1024 debited from the individual member accounts on a proportionate
 1025 basis, taking the cost, fees, and expenses of administration of
 1026 the Fund as a whole, multiplied by a fraction, the numerator of
 1027 which is the total assets in all individual member accounts and
 1028 the denominator of which is the total assets of the Fund as a
 1029 whole.

1030 (c) Loans from the DROP.—

1031 1. Availability of loans.—

1032 a. Loans are available to members only after termination
 1033 of employment, provided the member had participated in the DROP
 1034 for a period of 12 months.

1035 b. Loans may only be made from a member's own account.

1036 c. There may be no more than one loan at a time.

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- 1037 2. Amount of loan.—
- 1038 a. Loans may be made up to a maximum of 50 percent of
- 1039 account balance.
- 1040 b. The maximum dollar amount of a loan is \$50,000, reduced
- 1041 by the highest outstanding loan balance during the last 12
- 1042 months.
- 1043 c. The minimum amount of a loan is \$5,000.
- 1044 3. Limitations on loans.—Loans shall be made from the
- 1045 amounts paid into the DROP and the earnings thereon.
- 1046 4. Term of loan.—
- 1047 a. The loan must be for at least 1 year.
- 1048 b. The loan shall be no longer than 5 years.
- 1049 5. Loan interest rate.—
- 1050 a. The interest rate shall be fixed at the time the loan
- 1051 is originated for the entire term of the loan.
- 1052 b. The interest rate shall be equal to the prime rate
- 1053 published by an established local bank on the last day of each
- 1054 calendar quarter preceding the date of loan application.
- 1055 6. Defaults on loans.—
- 1056 a. Loans shall be in default if 2 consecutive months'
- 1057 repayments are missed or if a total of 4 months' repayments are
- 1058 missed.
- 1059 b. Upon default, the entire balance becomes due and
- 1060 payable immediately.
- 1061 c. If a loan in default is not repaid in full immediately,
- 1062 the loan may be canceled and the outstanding balance treated as
- 1063 a distribution, which may be taxable.
- 1064 d. Upon default of a loan, a member shall not be eligible

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1065 | for additional loans.

1066 | 7. Miscellaneous provisions.—

1067 | a. All loans must be evidenced by a written loan agreement

1068 | signed by the member and the Board of Trustees. The agreement

1069 | shall contain a promissory note.

1070 | b. A member's spouse must consent in writing to the loan.

1071 | The consent shall acknowledge the effect of the loan on the

1072 | member's account balance.

1073 | c. Loans shall be considered a general asset of the Fund.

1074 | d. Loans shall be subject to administrative fees to be set

1075 | by the Board of Trustees.

1076 | (14) Nonduty disability pension.—

1077 | (a) Retirement.—Any member who entered the employ of the

1078 | Department as a police officer after September 30, 1961, and who

1079 | has 5 or more years of credited service, who becomes physically

1080 | or mentally, totally and permanently disabled to perform the

1081 | duties of a police officer, shall be retired with a pension

1082 | provided for in this subsection upon his or her application, or

1083 | upon the application of the Police Chief on his or her behalf,

1084 | filed with the Board, provided that after a medical examination

1085 | of the member made by or under the direction of the medical

1086 | committee, the medical committee reports to the Board in writing

1087 | whether:

1088 | 1. The member is wholly prevented from rendering useful

1089 | and efficient service as a police officer; and

1090 | 2. The member is likely to remain so disabled continuously

1091 | and permanently.

1092 |

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1093 The Board may admit and consider any other evidence that will
 1094 assist it in understanding the medical committee's report. The
 1095 final decision as to whether a member meets the requirements for
 1096 a nonduty disability pension rests with the Board and shall be
 1097 based on substantial competent evidence on the record as a
 1098 whole.

1099 (b) Nonduty disability pension benefits; disability occurs
 1100 after age and service eligibility.—A member whose retirement on
 1101 account of disability, as provided in paragraph (a), occurs on
 1102 or after the date he or she became eligible to retire under
 1103 subsection (8) shall receive the applicable pension provided for
 1104 in subsection (9).

1105 (c) Nonduty disability pension benefits; disability occurs
 1106 before age and service eligibility.—A member whose retirement on
 1107 account of disability, as provided in paragraph (a), occurs
 1108 prior to the date he or she would have become eligible to retire
 1109 under paragraph (8) (a) shall receive a disability pension equal
 1110 to the applicable pension payable in subsection (9), provided
 1111 that:

1112 1. If the member has less than 10 years of credited
 1113 service, the disability pension shall not be less than 20
 1114 percent of his or her final average salary as of his or her
 1115 disability retirement date;

1116 2. If the member has at least 10 years of credited
 1117 service, the disability pension shall not be less than 25
 1118 percent of his or her final average salary as of his or her
 1119 disability retirement date; and

1120 3. The disability pension shall be subject to the

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1121 provisions of subsection (18).

1122 (15) Duty disability pension.—

1123 (a) Retirement.—Any member who becomes physically or
 1124 mentally, totally and permanently disabled to perform the duties
 1125 of a police officer by reason of a personal injury or disease
 1126 arising out of and in the course of the performance of his or
 1127 her duties as a police officer in the employ of the City shall
 1128 be retired with a pension provided for in this subsection,
 1129 provided that, after a medical examination of the member made by
 1130 or under the direction of the medical committee, the medical
 1131 committee reports to the Board in writing whether:

1132 1. The member is wholly prevented from rendering useful
 1133 and efficient service as a police officer; and

1134 2. The member is likely to remain so disabled continuously
 1135 and permanently.

1136
 1137 The Board may admit and consider any other evidence that will
 1138 assist it in understanding the medical committee's report. Any
 1139 condition or impairment of health of a member caused by
 1140 tuberculosis, hypertension, heart disease or hardening of the
 1141 arteries, hepatitis, or meningococcal meningitis resulting in
 1142 total or partial disability or death shall be presumed to be
 1143 accidental and suffered in line of duty unless the contrary be
 1144 shown by competent evidence. Any condition or impairment of
 1145 health caused directly or proximately by exposure, which
 1146 exposure occurred in the active performance of duty at some
 1147 definite time or place without willful negligence on the part of
 1148 the member, resulting in total or partial disability shall be

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1149 | presumed to be accidental and suffered in the line of duty,
1150 | provided that such member shall have successfully passed a
1151 | physical examination upon entering such service, which physical
1152 | examination, including electrocardiogram, failed to reveal any
1153 | evidence of such condition. In order to be entitled to the
1154 | presumption in the case of hepatitis, meningococcal meningitis,
1155 | or tuberculosis, the member must meet the requirements of
1156 | section 112.181, Florida Statutes. The final decision as to
1157 | whether a member meets the requirements for duty disability
1158 | pension rests with the Board and shall be based on substantial
1159 | competent evidence on the record as a whole.

1160 | (b) Duty disability pension benefits; disability occurs
1161 | after age and service eligibility.—A member whose retirement on
1162 | account of disability, as provided in paragraph (a), occurs on
1163 | or after the date he or she becomes eligible to retire under
1164 | subsection (8) shall receive the applicable pension provided for
1165 | in subsection (9).

1166 | (c) Duty disability pension benefits; disability occurs
1167 | before age and service eligibility.—A member whose retirement on
1168 | account of disability, as provided in paragraph (a), occurs
1169 | prior to the date he or she would become eligible to retire
1170 | under subsection (8) shall receive a disability pension equal to
1171 | the appropriate pension payable in subsection (9). The
1172 | disability pension payable to age 55 shall not be less than two-
1173 | thirds of his or her final average salary. Beginning October 1,
1174 | 2011, any member, upon reaching age 55, at the member's option,
1175 | may ~~the member shall~~ begin receiving a pension computed in
1176 | accordance with the applicable provisions of subsection (9). In

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1177 calculating the new pension figure, the member shall be given
 1178 service credit for the period he or she was in receipt of the
 1179 disability pension provided for in this paragraph. Any pension
 1180 payable under this subsection shall be subject to the provisions
 1181 of subsection (18).

1182 (16) Conditions applicable to all disability retirants.—

1183 (a) Medical committee.—The medical committee provided for
 1184 in subsections (14) and (15) shall consist of no less than two
 1185 qualified health professionals, one of whom shall be designated
 1186 by the Board, and one by the member. If deemed necessary by the
 1187 Board, a third qualified health professional, selected by the
 1188 two committee members previously designated, may be named to the
 1189 medical committee. The member shall be responsible for the
 1190 expenses of the qualified health professional he or she
 1191 designates to serve on the medical committee. Expenses for any
 1192 other medical examination required under this act shall be paid
 1193 by the Fund. The medical committee shall report to the Board the
 1194 existence and degree of permanent physical impairment of the
 1195 member, if any, based upon the most recent edition of the
 1196 American Medical Association's Guide to the Evaluation of
 1197 Permanent Impairment, if applicable.

1198 (b) Exclusions from disability pensions.—No disability
 1199 pension shall be payable, either as a duty disability or as a
 1200 nonduty disability, if the disability is the result of:

1201 1. Excessive and habitual use by the member of drugs,
 1202 intoxicants, or narcotics;

1203 2. Injury or disease sustained by the member while
 1204 willfully and illegally participating in fights, riots, or civil

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1205 | insurrections or while committing a crime;

1206 | 3. Injury or disease sustained by the member while serving
 1207 | in any armed forces. This exclusion does not affect members who
 1208 | have become disabled as a result of intervening military service
 1209 | under the federal Heroes Earnings Assistance and Relief Tax Act
 1210 | of 2008 (H.R. 6081; P.L. 110-245);

1211 | 4. Injury or disease sustained by the member after his or
 1212 | her employment has terminated;

1213 | 5. Injury or disease sustained by the member while working
 1214 | for anyone other than the City and arising out of such
 1215 | employment; or

1216 | 6. Injury or disease sustained by the member before
 1217 | employment with the City begins. This exclusion applies only in
 1218 | the event of an application for a duty disability benefit.

1219 | (c) Payment of disability pensions.—Monthly disability
 1220 | retirement benefits shall be payable as of the date the Board
 1221 | determines that the member was entitled to a disability pension;
 1222 | however, the first payment shall actually be paid on the first
 1223 | day of the first month after the Board determines such
 1224 | entitlement. Any portion due for a partial month shall be paid
 1225 | together with the first payment. The last payment shall be, if
 1226 | the member recovers from the disability prior to his or her
 1227 | normal retirement date, the payment due next preceding the date
 1228 | of recovery or, if the member dies without recovering from his
 1229 | or her disability, then the following shall apply:

1230 | 1. Member with 10 or more years of service.—Death benefits
 1231 | as set forth in subsection (17) shall be paid.

1232 | 2. Member with less than 10 years of service.—Payments

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1233 shall be made until the member's death.

1234

1235 Any monthly disability retirement income payments due after the
 1236 death of a disabled member shall be paid to the member's
 1237 designated beneficiary (or beneficiaries) as provided in section
 1238 185.162, Florida Statutes, or paragraph (9)(e) or subsection
 1239 (17), as applicable.

1240 (d) Normal form of disability retirement income.—

1241 1. Duty or nonduty disability with 10 years of service.—

1242 a. Married member.—The standard form of disability
 1243 retirement benefit for a married member or for a member with
 1244 dependent children or parents shall be a disability pension and
 1245 death benefit. This form of benefit shall provide monthly
 1246 payments for the life of the member as set forth in subsection
 1247 (14) or subsection (15), as applicable, or the disability
 1248 retiree may select optional forms of benefits in accordance with
 1249 paragraph (9)(d). Thereafter, death benefits shall be paid as
 1250 provided in subsection (17).

1251 b. Unmarried member.—The standard form of disability
 1252 retirement benefit for a member who is not married or who does
 1253 not have dependent children or parents shall be a 10-year
 1254 certain benefit. This benefit shall pay monthly benefits for the
 1255 member's lifetime. In the event the member dies after his or her
 1256 retirement but before he or she has received disability
 1257 retirement benefits for a period of 10 years, the same monthly
 1258 benefit shall be paid to the beneficiary (or beneficiaries) as
 1259 designated by the member for the balance of such 10-year period.
 1260 In the absence of a designated beneficiary, then the benefits

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1261 shall be paid to the estate of the retiree.

1262 2. Duty or nonduty disability with less than 10 years of
1263 service.—The standard form of disability retirement benefit
1264 shall provide monthly payments for the life of a member as set
1265 forth in subsection (14) or subsection (15), as applicable.
1266 Thereafter, beneficiary benefits shall be paid as provided in
1267 subsection (17), as applicable.

1268 (e) Reexaminations of disability retirants.—At least once
1269 each year during the first 5 years following a member's
1270 retirement on account of disability, and at least once in each
1271 3-year period thereafter, the Board shall require any disability
1272 retirant who has not attained age 50 to undergo a medical
1273 examination by a physician designated by the Board. If the
1274 retirant refuses to submit to the medical examination, his or
1275 her disability pension may be suspended by the Board until his
1276 or her withdrawal of such refusal. If such refusal continues for
1277 1 year, all of his or her rights in and to a disability pension
1278 may be revoked by the Board. If, upon medical examination of
1279 such retirant, the physician reports to the Board that the
1280 retirant is physically able and capable of performing the duties
1281 of a police officer in the rank held by him or her at the time
1282 of his or her retirement, the retirant shall be returned to
1283 employment in the Department at a salary not less than the
1284 salary of the rank previously held by him or her. The disability
1285 pension shall then terminate.

1286 (f) Credited service for disability retirant.—In the event
1287 a disability retirant is returned to employment in the
1288 Department, as provided in paragraph (e), he or she shall again

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1289 become a member of the Fund and shall be restored the credited
 1290 service at the time of the member's retirement. If he or she
 1291 retired under a duty disability as provided in paragraph
 1292 (15) (a), he or she shall be given service credit for the period
 1293 he or she was in receipt of a disability pension. If the member
 1294 retired under a nonduty disability as provided in paragraph
 1295 (14) (a), then he or she shall not be given service credit for
 1296 the period he or she was in receipt of a disability pension.

1297 (17) Death benefits.—

1298 (a) Nonduty death while employed by the department; 5
 1299 years or more.—In the event a member who has 5 or more years of
 1300 credited service dies, and the Board finds his or her death to
 1301 have occurred as the result of causes arising outside the
 1302 performance of his or her duties as a member, the following
 1303 applicable pensions shall be paid:

1304 1. A pension equal to two-thirds of the pension to which
 1305 he or she would have been entitled under subsection (9) if he or
 1306 she had retired the day preceding the date of his or her death,
 1307 notwithstanding that he or she might not have satisfied a
 1308 retirement age and service requirement stipulated in subsection
 1309 (8), provided that the "widow's pension" shall not be less than
 1310 one-seventh of the member's final average salary. Upon the
 1311 surviving spouse's death, the pension shall terminate. Any
 1312 pension payable under this paragraph shall be subject to the
 1313 provisions of subsection (18).

1314 2. In the event the deceased member does not leave a
 1315 surviving spouse, or if the surviving spouse dies and the member
 1316 leaves an unmarried child or children under age 18, each such

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1317 child shall receive a pension of any equal share of the pension
1318 to which the said deceased member's surviving spouse was
1319 entitled or would have been entitled if he or she left a
1320 surviving spouse. Upon any such child's adoption, marriage,
1321 death, or attainment of age 18, the child's pension shall
1322 terminate and it shall be apportioned to the pensions payable to
1323 the said deceased member's remaining eligible children under the
1324 age of 18. In no case shall the pension payable to any such
1325 child exceed one-seventh of the deceased member's final average
1326 salary, nor shall it be less than \$15 per month. A pension
1327 payable under this paragraph shall be subject to the provisions
1328 of subsection (18).

1329 3. In the event the deceased member does not leave a
1330 surviving spouse or children eligible to receive a pension and
1331 the member leaves a parent or parents who the Board finds are
1332 dependent upon the member for at least 50 percent of his, her,
1333 or their financial support, each parent shall receive a pension
1334 of an equal share of the pension to which the member's surviving
1335 spouse would have been entitled if he or she had left a
1336 surviving spouse. Upon any such parent's remarriage or death,
1337 his or her pension shall terminate. Any pension payable under
1338 this paragraph shall be subject to the provisions of subsection
1339 (18).

1340 4. In the event the deceased member does not leave a
1341 surviving spouse, children, or parents to receive a pension,
1342 then the death benefit, if any, shall be paid to the estate of
1343 the deceased member. Any retirement income payments due after
1344 the death of a vested member may, in the discretion of the

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1345 Board, be paid to the member's designated beneficiary or
1346 beneficiaries.

1347
1348 In any of the above cases, the Board, in its discretion, may
1349 direct that the actuarial value of the monthly benefit be paid
1350 as a lump sum.

1351 (b) Duty death.—In the event a member dies and the Board
1352 finds his or her death to be the natural and proximate result of
1353 a personal injury or disease arising out of and in the course of
1354 his or her actual performance of the duties as a police officer
1355 in the employ of the City, the following applicable pensions
1356 shall be paid:

1357 1. Effective October 1, 2003, the surviving spouse shall
1358 receive a pension equal to two-thirds of the member's highest 12
1359 consecutive months' salary or the current top step police
1360 officer pay, whichever is greater. Upon the surviving spouse's
1361 death, the pension shall terminate. Any pension payable under
1362 this paragraph shall be subject to the provisions of subsection
1363 (18).

1364 2. If, in addition to a surviving spouse, the deceased
1365 member leaves an unmarried child or children under age 18, each
1366 child shall receive a pension of \$150 per month. Upon any
1367 child's adoption, marriage, death, or attainment of age 18, the
1368 child's pension shall terminate. Any pension payable under this
1369 paragraph shall be subject to the provisions of subsection (18).

1370 3. In the event the deceased member does not leave a
1371 surviving spouse, or if the surviving spouse dies, and the
1372 member leaves an unmarried child or children under age 18, each

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1373 such child shall receive a pension of an equal share of one-
1374 third of the deceased member's final average salary. Upon any
1375 such child's adoption, marriage, death, or attainment of age 18,
1376 the child's pension shall terminate and it shall be apportioned
1377 to the pensions payable to the deceased member's remaining
1378 eligible children under age 18. Any pension payable under this
1379 paragraph shall be subject to the provisions of subsection (18).

1380 4. Any pensions payable, under subparagraphs 2. and 3.
1381 above, to any child under age 18 shall be paid to his or her
1382 legal guardian.

1383 5. In the event the deceased member does not leave a
1384 surviving spouse or children under age 18 eligible to receive a
1385 pension provided for in subparagraph 1., subparagraph 2., or
1386 subparagraph 3., and the member leaves a parent or parents who
1387 the Board finds are dependent upon the member for at least 50
1388 percent of his, her, or their financial support, then each
1389 parent shall receive a pension of an equal share of one-third of
1390 the deceased member's final average salary. Upon any such
1391 parent's remarriage or death, his or her pension shall
1392 terminate. Any pension payable under this paragraph shall be
1393 subject to the provisions of subsection (18).

1394 6. In the event the deceased member does not leave a
1395 surviving spouse, children, or parents eligible to receive a
1396 pension, then the death benefit, if any, shall be paid to the
1397 estate of the deceased member. Any retirement income payments
1398 due after the death of a vested member may, in the discretion of
1399 the Board, be paid to the member's designated beneficiary or
1400 beneficiaries.

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1401
1402 In any of the above cases, the Board, in its discretion, may
1403 direct that the actuarial value of the monthly benefit be paid
1404 as a lump sum.

1405 (c) Death after retirement.—Upon the death of a retirant,
1406 the following applicable pensions shall be paid, subject to the
1407 provisions of subsection (18):

1408 1. The surviving spouse of the retirant shall receive a
1409 pension of two-thirds of the retirant's pension, provided that
1410 the retirant was receiving a pension under paragraph (9) (a).
1411 Upon the surviving spouse's death, the pension shall terminate.

1412 2. In the event the deceased retirant does not leave a
1413 surviving spouse eligible to receive a pension, or if the
1414 surviving spouse dies and he or she leaves an unmarried child or
1415 children under age 18, each child shall receive a pension of an
1416 equal share of two-thirds of the deceased retirant's pension.
1417 Upon any child's adoption, marriage, death, or attainment of age
1418 18, the child's pension shall terminate and it shall be
1419 apportioned to the pensions payable to the deceased retirant's
1420 remaining eligible children under age 18. In no case shall the
1421 pension payable to any such child exceed 20 percent of the
1422 deceased retirant's pension, or be less than \$15 per month.

1423 3. In the event the deceased retirant does not leave a
1424 surviving spouse or children eligible to a pension provided for
1425 in subparagraphs 1. and 2. above, and he or she leaves a parent
1426 or parents who the Board finds are dependent upon the retirant
1427 for at least 50 percent of his, her, or their financial support,
1428 each parent shall receive a pension of an equal share of two-

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1429 thirds of the deceased retirant's pension. Upon any parent's
 1430 remarriage or death, his or her pension shall terminate.

1431 4. In the event the deceased member does not leave a
 1432 surviving spouse, children, or parents eligible to receive a
 1433 pension, then the death benefit, if any, shall be paid to the
 1434 estate of the deceased member. Any retirement income payments
 1435 due after the death of a vested member may, in the discretion of
 1436 the Board, be paid to the member's designated beneficiary or
 1437 beneficiaries.

1438
 1439 In any of the above cases, the Board, in its discretion, may
 1440 direct that the actuarial value of the monthly benefit be paid
 1441 as a lump sum.

1442 (18) Workers' compensation offset.—The pension benefits
 1443 payable under this act shall not be offset by any workers'
 1444 compensation benefits payable as a result of the disability or
 1445 death of a member, except to the extent that the total of the
 1446 pension benefit and workers' compensation benefit exceeds the
 1447 member's average monthly wage.

1448 (19) Member's contributions; refunds.—

1449 (a) Member's contributions.—

1450 1. The member shall contribute 7 percent of his or her
 1451 salary to the Fund. Effective the first full payroll period
 1452 after January 1, 2005, the member shall contribute 9 percent of
 1453 his or her salary to the Fund, which shall be deducted each pay
 1454 period from the salary of each member in the Department.

1455 Effective the first full payroll period after January 1, 2006,
 1456 the member shall contribute 10 percent of his or her salary to

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1457 | the Fund, which shall be deducted each pay period from the
 1458 | salary of each member in the Department. Effective the first
 1459 | full payroll period after January 1, 2007, the member shall
 1460 | contribute 11 percent of his or her salary to the Fund, which
 1461 | shall be deducted each pay period from the salary of each member
 1462 | in the Department. All amounts of member contributions that are
 1463 | deducted shall be immediately paid over to the Pension Fund. Any
 1464 | contribution amount over 7 percent is to be used to purchase
 1465 | eligibility for participation in the postretirement health
 1466 | insurance benefits. Effective October 1, 2011, the employee
 1467 | contributions will be 18 percent. Of the Chapter 185 moneys
 1468 | received in calendar years 2011 and 2012, the full amount will
 1469 | be used to reduce the employee contributions to 11 percent.
 1470 | Effective October 1, 2013, the employee contributions will once
 1471 | again be 11 percent, and the Chapter 185 moneys received in
 1472 | calendar year 2013 will once again be allocated to the share
 1473 | accounts. Should the Chapter 185 moneys received be insufficient
 1474 | to reduce the member's contributions to 11 percent, then the
 1475 | City will make up the difference.

1476 | 2. The City shall cause the contributions provided for in
 1477 | subparagraph 1. to be deducted from the compensation of each
 1478 | member on each payroll, for each pay period, so long as he or
 1479 | she remains a member of the Fund. The member's contributions
 1480 | provided for herein shall be made, notwithstanding that the
 1481 | minimum compensation provided by law for any member is thereby
 1482 | changed. Each member shall be deemed to consent and agree to the
 1483 | deductions made and provided for herein. Payment of
 1484 | compensation, less said deductions, shall be a full and complete

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1485 discharge and acquittance of all claims and demands whatsoever
1486 for the services rendered by him or her during the period
1487 covered by such payment, except as to benefits provided by this
1488 act. When deducted, each of said contributions shall be paid
1489 into the Fund and credited to the individual member from whose
1490 compensation said deduction was made.

1491 3. In addition to the contribution deducted from the
1492 compensation of a member, as hereinbefore provided, a member
1493 shall deposit in the Fund, by a single contribution or by an
1494 increased rate of contribution, as approved by the Board of
1495 Trustees, the amount of previously withdrawn member
1496 contributions not repaid to the Fund, together with regular
1497 interest from the date of withdrawal to the date of repayment.
1498 In no case shall any member be given credit for service rendered
1499 prior to the date he withdrew his aggregate contributions until
1500 he or she repays to the member's deposit account all amounts due
1501 the account by such member.

1502 (b) Refund of member's contributions.—

1503 1. Should any member cease to be employed by the City as a
1504 police officer and not be entitled to a pension payable from the
1505 Fund, upon application to and approval by the Board, he or she
1506 shall be paid the aggregate contributions standing to his or her
1507 credit in the Fund, without interest, less any benefits paid to
1508 him or her. In accordance with paragraph (2) (q), a member who
1509 has ceased to be employed by the City as a police officer may
1510 elect to voluntarily leave his or her contributions in the
1511 member's deposit account for a period of up to 5 years, pending
1512 the possibility of being rehired by the Department. If the

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1513 member is not reemployed at the expiration of 5 years following
 1514 the date the member ceased to be employed by the City as a
 1515 police officer, all contributions remaining in the member's
 1516 deposit account shall be refunded without interest.

1517 2. Upon the death of a member, if no pension becomes
 1518 payable on account of his or her death, the aggregate
 1519 contributions standing to the member's credit in the Fund at the
 1520 time of death shall be paid to his or her designated
 1521 beneficiary. If there be no such designated person surviving the
 1522 member, his or her aggregate contributions shall be paid to his
 1523 or her estate in accordance with subsection (17).

1524 3. Repayments of refunds of a member's aggregate
 1525 contributions, in accordance with subsection (6) and as provided
 1526 in this paragraph, may be made in bimonthly installments
 1527 according to such rules and regulations as the Board of Trustees
 1528 shall from time to time adopt.

1529 (20) Sources of revenue.—

1530 (a) Contributions credited to Fund.—The contributions to
 1531 be credited to the Fund shall consist of, but shall not be
 1532 limited to, the following sources of revenue:

1533 1. Taxes of insurance companies.—The moneys returned to
 1534 the City as provided by chapter 185, Florida Statutes, shall be
 1535 used to fund the share account benefit described in subsection
 1536 (11). The City shall not opt out of participation in chapter
 1537 185, Florida Statutes, or any similar statutory enactment unless
 1538 exigent circumstances exist, such as the bankruptcy of the City
 1539 or changes or amendments to the statute regarding extra
 1540 benefits. If any statutory changes are made by the Legislature,

1541 the City and the Board shall renegotiate the impact of such
 1542 changes, if necessary.

1543 2. City contribution.—The City shall contribute to the
 1544 Fund annually an amount which, together with the contributions
 1545 from the members and the amount derived from the premium tax
 1546 provided in chapter 185, Florida Statutes, and other income
 1547 sources as authorized by law, shall be sufficient to meet the
 1548 normal cost of the Fund and to fund the actuarial deficiency
 1549 over a period of not more than 40 years, provided that the net
 1550 increase, if any, in unfunded liability of the Fund arising from
 1551 significant amendments or other changes shall be amortized
 1552 within 30 plan years.

1553 3. Member contributions.—As provided in subsection (19).

1554 4. Gifts, etc.—All gifts, bequests, and devises when
 1555 donated to the Fund.

1556 5. Interest from deposits.—All accretions to the Fund by
 1557 way of interest on bank deposits or otherwise.

1558 6. Other sources.—All other sources of income now or
 1559 hereafter authorized by law for the augmentation of the Fund.

1560 (b) Actuarial valuations.—The Fund shall be actuarially
 1561 evaluated at least once in each 3-year period.

1562 (21) Investments.—

1563 (a) The Board shall have the power and authority to invest
 1564 and reinvest the moneys of the Fund and to hold, purchase, sell,
 1565 assign, transfer, and dispose of any securities and investments
 1566 held in the Fund, including the power and authority to employ
 1567 counseling or investment management services. The aim of the
 1568 investment policies shall be to preserve the integrity and

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1569 security of Fund principal, to maintain a balanced investment
1570 portfolio, to maintain and enhance the value of the Fund
1571 principal, and to secure the maximum total return on investments
1572 that is consonant with safety of principal, provided that such
1573 investments and reinvestments shall be limited only by the
1574 investments permitted by the investment policy guidelines
1575 adopted by the Board in accordance with Florida law.
1576 Notwithstanding the foregoing, investments in foreign
1577 investments are limited in accordance with section
1578 185.06(1)(b)4., Florida Statutes.

1579 1. The Board members must discharge these duties with
1580 respect to the Plan solely in the interest of the participants
1581 and beneficiaries and:

1582 a. For the exclusive purpose of providing benefits to
1583 participants and their beneficiaries and defraying reasonable
1584 expenses of administering the Plan;

1585 b. With the care, skill, prudence, and diligence under the
1586 circumstances then prevailing that a prudent person acting in a
1587 like capacity and familiar with such matters would use in the
1588 conduct of an enterprise of a like character and with like aims;
1589 and

1590 c. By diversifying the investments of the Plan so as to
1591 minimize the risk of large losses, unless under the
1592 circumstances it is clearly prudent not to do so.

1593 2. Notwithstanding any other provision of this subsection
1594 and as provided in section 215.473, Florida Statutes, the Board
1595 must identify and publicly report any direct or indirect
1596 holdings it may have in any scrutinized company, as defined in

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1597 section 215.473, Florida Statutes. Beginning January 1, 2010,
1598 the Board must proceed to sell, redeem, divest, or withdraw all
1599 publicly traded securities it may have directly in any
1600 scrutinized company. The divestiture of any such security must
1601 be completed by September 10, 2010. The Board and its named
1602 officers or investment advisors may not be deemed to have
1603 breached their fiduciary duty in any action taken to dispose of
1604 any such security, and the Board shall have satisfactorily
1605 discharged the fiduciary duties of loyalty, prudence, and sole
1606 and exclusive benefit to the participants of the Pension Fund
1607 and their beneficiaries if the Board's actions are consistent
1608 with the duties imposed by section 215.473, Florida Statutes, as
1609 provided for in section 185.06(7), Florida Statutes, and the
1610 manner of the disposition, if any, is reasonable as to the means
1611 chosen. For purposes of determining which companies are
1612 scrutinized companies, the Board may utilize the list of
1613 scrutinized companies as developed by the State Board of
1614 Administration. No person may bring any civil, criminal, or
1615 administrative action against the Board of Trustees or any
1616 employee, officer, director, or advisor of such Pension Fund
1617 based upon the divestiture of any security pursuant to this
1618 subparagraph.

1619 (b) Professional counsel.—Board shall be required to
1620 engage the services of professional investment counsel to assist
1621 and advise the trustees in the performance of their duties.

1622 (c) Restricted use of assets.—The assets of the Police
1623 Pension Fund shall be used only for the payment of benefits and
1624 other disbursements authorized by this act and shall be used for

1625 no other purpose.

1626 (d) Performance evaluation and manager selection.—At least
 1627 once every 3 years, the Board of Trustees shall retain an
 1628 independent consultant professionally qualified to evaluate the
 1629 performance of its professional money manager or investment
 1630 counsel. The independent consultant shall make recommendations
 1631 to the Board of Trustees regarding the selection of money
 1632 managers for the next investment term. These recommendations
 1633 shall be considered by the Board of Trustees at its next
 1634 regularly scheduled meeting. The date, time, place, and subject
 1635 of this meeting shall be advertised in a newspaper of general
 1636 circulation in the municipality at least 10 days prior to the
 1637 date of the hearing.

1638 (e) Administrative expenses.—The administrative expenses
 1639 of the Fund shall be paid by the Fund.

1640 (22) Existing benefits continued.—This act, and any
 1641 amendments hereto, shall not be construed to increase or
 1642 decrease the benefits payable to, or on account of, any member
 1643 who retired or died prior to October 1, 1987.

1644 (23) Assignments prohibited; voluntary withholding.—

1645 (a) The pensions or other benefits accrued or accruing to
 1646 any person under the provisions of this act and the accumulated
 1647 contributions and the cash securities in the Fund created under
 1648 this act shall not be subject to execution or attachment or to
 1649 any legal process whatsoever and shall be unassignable. However,
 1650 pursuant to a court support order, the trustees may direct that
 1651 retirement benefits be paid for alimony or child support in
 1652 accordance with rules and regulations adopted by the Board of

1653 Trustees.

1654 (b) Upon written request by the retiree, the Board may
 1655 authorize the Plan administrator to withhold from the monthly
 1656 retirement payment funds necessary to:

- 1657 1. Pay for benefits being received through the City;
- 1658 2. Pay the certified bargaining agent; or
- 1659 3. Pay for premiums for accident, health, and long-term
 1660 care insurance for the retiree's spouse and dependents.

1661
 1662 A retirement plan does not incur liability for participation in
 1663 this permissive program if the Board's actions are taken in good
 1664 faith pursuant to section 185.05(6), Florida Statutes.

1665 (24) Subrogation rights; loss of pension rights.—

1666 (a) In the event a person becomes entitled to a pension or
 1667 other benefits payable from the Fund as a result of an accident
 1668 or injury caused by the act of a third party, the City shall be
 1669 subrogated to the rights of the said person against such third
 1670 person to the extent of the benefits which the City pays or
 1671 becomes liable to pay hereunder.

1672 (b) No person shall be entitled to a pension under this
 1673 act who is convicted of a specified offense as provided in
 1674 section 112.3173, Florida Statutes.

1675 (25) Ordinances applicable.—All ordinances of the City
 1676 applicable to chapter 185, Florida Statutes, are hereby made
 1677 applicable to this act with equal force and effect. No proposed
 1678 change or amendment to this act shall be adopted without the
 1679 approval required by section 185.35(2), Florida Statutes.

1680 (26) Review procedures.—

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1681 (a) The applicant for benefits under this act may, within
1682 20 days after being informed of the denial of his or her request
1683 for pension benefits, appeal said denial by filing a reply to
1684 the proposed order with the pension's coordinator. If no appeal
1685 is filed within the time period specified, then the proposed
1686 order shall be final.

1687 (b) The Board of Trustees shall hold a hearing within 45
1688 days after the receipt of the appeal. Written notice of said
1689 hearing shall be sent by certified mail to the applicant 10 days
1690 prior to the hearing, at the address listed on the application.

1691 (c) The procedures at the hearing shall be as follows:

1692 1. All parties shall have an opportunity to respond, to
1693 present physical and testimonial evidence and argument on all
1694 issues involved, to conduct cross-examination, to submit
1695 rebuttal evidence, and to be represented by counsel. Medical
1696 reports and depositions may be accepted in lieu of live
1697 testimony, at the Board's discretion.

1698 2. All witnesses shall be sworn.

1699 3. The applicant and the Board shall have an opportunity
1700 to question all witnesses.

1701 4. Formal rules of evidence and formal rules of civil
1702 procedure shall not apply. The proceedings shall comply with the
1703 essential requirements of due process and law.

1704 5. The record in a case governed by this subsection shall
1705 consist only of:

1706 a. A tape recording of the hearing, to be taped and
1707 maintained as part of the official files of the Board of
1708 Trustees by the pension's secretary.

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1709 b. Evidence received or considered.
 1710 c. All notices, pleadings, motions, and intermediate
 1711 rulings.
 1712 d. Any decisions, opinions, proposed or recommended
 1713 orders, or reports by the Board of Trustees.
 1714 (d) Within 5 days after the hearing, the Board shall take
 1715 one of the following actions:
 1716 1. Grant the pension benefits by overturning the proposed
 1717 order by majority vote.
 1718 2. Deny the benefits and approve the proposed order as a
 1719 final order, after making any changes in the order that the
 1720 Board feels is necessary.
 1721 (e) Findings of fact by the Board shall be based on
 1722 competent, substantial evidence on the record.
 1723 (f) Within 20 calendar days after rendering its order, the
 1724 Board of Trustees shall send by certified mail a copy of said
 1725 order to the applicant.
 1726 (g) The applicant may seek review of the order of the
 1727 Board of Trustees by filing a petition for writ of certiorari
 1728 with the circuit court within 30 days.
 1729 (27) Lump sum payment of small retirement income.—
 1730 Notwithstanding any provision of the Fund to the contrary, if
 1731 the monthly retirement income payable to any person entitled to
 1732 benefits hereunder is less than \$30 or if the single sum value
 1733 of the accrued retirement income is less than \$1,000 as of the
 1734 date of retirement or termination of service, whichever is
 1735 applicable, the Board of Trustees, in the exercise of its
 1736 discretion, may specify that the actuarial equivalent of such

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1737 retirement income be paid in lump sum.

1738 (28) Pickup of member contributions.—Effective the first
 1739 day of the first full payroll period of the first calendar
 1740 quarter following receipt of a favorable determination letter
 1741 from the Internal Revenue Service, the City shall pick up the
 1742 member contribution required by this section. The contributions
 1743 so picked up shall be treated as employer contributions in
 1744 determining tax treatment under the United States Internal
 1745 Revenue Code. The City shall pick up the member contributions
 1746 from funds established and available for salaries, which funds
 1747 would otherwise have been designated as member contributions and
 1748 paid to the Fund. Member contributions picked up by the City
 1749 pursuant to this subsection shall be treated for purposes of
 1750 making a refund of members' contributions, and for all other
 1751 purposes of this and other laws, in the same manner and to the
 1752 same extent as member contributions made prior to the effective
 1753 date of this section. The intent of this section is to comply
 1754 with s. 414(H) (2) of the Internal Revenue Code.

1755 (29) Internal Revenue Code limits.—

1756 (a) In no event may a member's annual benefit exceed
 1757 \$160,000 (adjusted for cost of living in accordance with s.
 1758 415(d) of the Internal Revenue Code).

1759 (b) If a member has less than 10 years of service with the
 1760 City, the applicable limitation in paragraph (a) shall be
 1761 reduced by multiplying such limitation by a fraction, not to
 1762 exceed 1. The numerator of such fraction shall be the number of
 1763 years, or part thereof, of service with the City; the
 1764 denominator shall be 10 years.

1765 (c) For purposes of this subsection, "annual benefit"
 1766 means a benefit payable annually in the form of a straight life
 1767 annuity with no ancillary incidental benefits and with no member
 1768 or rollover contributions. To the extent that ancillary benefits
 1769 are provided, the limits set forth in paragraph (a) shall be
 1770 reduced actuarially, using an interest rate assumption equal to
 1771 the greater of 5 percent or the rate being used for actuarial
 1772 equivalence, to reflect such ancillary benefits.

1773 (d) If distribution of retirement benefits begins before
 1774 age 62, the dollar limitation as described in paragraph (a)
 1775 shall be reduced, using an interest rate assumption equal to the
 1776 greater of 5 percent or the interest rate used for actuarial
 1777 equivalence; however, retirement benefits shall not be reduced
 1778 below \$75,000 if payment of benefits begins at or after age 55
 1779 and not below the actuarial equivalent of \$75,000 if payment of
 1780 benefits begins before age 55. For a member with 15 or more
 1781 years of service with the City, the reductions described above
 1782 shall not reduce such member's benefit below \$50,000 (adjusted
 1783 for cost of living in accordance with s. 415(d) of the Internal
 1784 Revenue Code, but only for the year in which such adjustment is
 1785 effective). If retirement benefits begin after age 65, the
 1786 dollar limitation of paragraph (a) shall be increased
 1787 actuarially by using an interest assumption equal to the lesser
 1788 of 5 percent or the rate used for actuarial equivalence.

1789 (e) Compensation in excess of limitations set forth in s.
 1790 401(a)(17) of the Internal Revenue Code shall be disregarded.
 1791 The limitation on compensation for an eligible employee shall
 1792 not be less than the amount that was allowed to be taken into

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1793 account hereunder as in effect on July 1, 1993. "Eligible
 1794 employee" is an individual who was a member before the first
 1795 plan year beginning after December 31, 1995.

1796 (30) Required distributions.—

1797 (a) In accordance with s. 401(a)(9) of the Internal
 1798 Revenue Code, all benefits under this plan shall be distributed,
 1799 beginning not later than the required beginning date set forth
 1800 below, over a period not extending beyond the life expectancy of
 1801 the police officers or the life expectancy of the police officer
 1802 and a beneficiary designated in accordance with paragraph
 1803 (9)(e).

1804 (b) Any and all benefit payments shall begin by the later
 1805 of:

- 1806 1. April 1 of the calendar year following the calendar
- 1807 year of the member's retirement date; or
- 1808 2. April 1 of the calendar year following the calendar
- 1809 year in which the member attains age 70- 1/2.

1810 (c) If an employee dies before his or her entire vested
 1811 interest has been distributed to him or her, the remaining
 1812 portion of such interest shall be distributed at least as
 1813 rapidly as provided for under subsection (17).

1814 (31)(a) Rollovers from qualified plans.—A member may roll
 1815 over all or a part of his or her interest in another qualified
 1816 plan to the Fund, provided all of the following requirements are
 1817 met:

- 1818 1. Some or all of the amount distributed from the other
- 1819 plan is rolled over to this plan no later than the 60th day
- 1820 after distribution was made from the Plan or, if distributions

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1821 are made in installments, no later than the 60th day after the
 1822 last distribution was made.

1823 2. The amount rolled over to this Fund does not include
 1824 any amount contributed by the member to the Plan on a post tax
 1825 basis.

1826 3. The rollover is made in cash.

1827 4. The member certifies that the distribution is eligible
 1828 for a rollover.

1829 5. Any amount which the trustees accept as a rollover to
 1830 this Fund shall, along with any earnings allocated to them, be
 1831 fully vested at all times.

1832 6. Effective October 1, 2012, the assets that are rolled
 1833 over may not be invested in the fixed rate option. The assets
 1834 may only be invested in the option for the plan returns, and the
 1835 rolled over assets shall be subject to paying the pro rata
 1836 administrative and investment expenses of the Plan.

1837
 1838 A rollover may also be made to this Plan from an individual
 1839 retirement account qualified under s. 408 of the Internal
 1840 Revenue Code when the individual retirement account was merely
 1841 used as a conduit for funds from another qualified plan and the
 1842 rollover is made in accordance with the rules provided in
 1843 subparagraphs 1.-6. ~~4.-5.~~ Amounts rolled over may be segregated
 1844 from other Fund assets. The trustees shall separately account
 1845 for gains, losses, and administrative expenses of these
 1846 rollovers as provided for in subsections (11) and (13). In
 1847 addition, the Fund may accept the direct transfer of a member's
 1848 benefits from another qualified retirement plan or an Internal

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1849 Revenue Code section 457 plan. The Fund shall account for direct
1850 transfers in the same manner as a rollover and shall obtain
1851 certification from the member that the amounts are eligible for
1852 a rollover or direct transfer to this Fund.

1853 (b) Transfer of accumulated leave.—

1854 1. Members who are eligible to receive a lump-sum payment
1855 for accumulated leave payable upon separation and who have funds
1856 remaining after the contributions to the health savings account
1857 as required by the collective bargaining agreement shall have
1858 the remaining leave payment transferred to the Fund up to the
1859 amount permitted by law. Any additional amounts shall be paid
1860 directly to the member. Members on whose behalf leave has been
1861 transferred shall maintain the entire amount of the transferred
1862 leave balance in the DROP or Share Account.

1863 2. If a member on whose behalf the City makes a
1864 transferred leave balance to the Plan dies after retirement or
1865 other separation, then any person who would have received a
1866 death benefit had the member died in service immediately prior
1867 to the date of retirement or other separation shall be entitled
1868 to receive an amount equal to the transferred leave balance in a
1869 lump sum. In the case of a surviving spouse or former spouse, an
1870 election may be made to transfer the leave balance to an
1871 eligible retirement plan in lieu of the lump sum payment.
1872 Failure to make such an election by the surviving spouse or
1873 former spouse within 60 days after the member's death shall be
1874 deemed an election to receive the lump sum payment.

1875 3. The Board, by rule, shall prescribe the method for
1876 implementing the provisions of this paragraph.

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1877 4. Amounts transferred under this section shall remain
 1878 invested in the Fund for a period of not less than 1 year.

1879 (32) Rollover distributions.—

1880 (a) This subsection applies to distributions made on or
 1881 after January 1, 1993. Notwithstanding any provision of the Plan
 1882 to the contrary that would otherwise limit a distributee's
 1883 election under this subsection, a distributee may elect, at the
 1884 time and in the manner prescribed by the Board of Trustees, to
 1885 have any portion of an eligible rollover distribution paid
 1886 directly to an eligible retirement plan specified by the
 1887 distributee in a direct rollover.

1888 (b) Definitions.—

1889 1. "Eligible rollover distribution" is any distribution of
 1890 all or any portion of the balance to the credit of the
 1891 distributee, except that an eligible rollover does not include
 1892 any distribution that is one of a series of substantially equal
 1893 periodic payments (not less frequently than annually) made for
 1894 the life (or life expectancy) of the distributee or the joint
 1895 lives (or joint life expectancies) of the distributee and the
 1896 distributee's designated beneficiary, or for a specified period
 1897 of 10 years or more; any distribution to the extent such
 1898 distribution is required under s. 401(a)(9) of the Internal
 1899 Revenue Code; and the portion of any distribution that is not
 1900 includable in gross income.

1901 2. "Eligible retirement plan" is an individual retirement
 1902 account described in s. 408(a) of the Internal Revenue Code, an
 1903 individual retirement annuity described in s. 408(b) of the
 1904 Internal Revenue Code, an annuity plan described in s. 403(a) of

1905 the Internal Revenue Code, or a qualified trust described in s.
 1906 401(a) of the Internal Revenue Code that accepts the
 1907 distributee's eligible rollover distribution. However, in the
 1908 case of an eligible rollover distribution to the surviving
 1909 spouse, an "eligible retirement plan" is an individual
 1910 retirement account or individual retirement annuity.

1911 3. "Distributee" includes an employee or former employee.
 1912 In addition, the employee's or former employee's surviving
 1913 spouse and the employee's or former employee's spouse or former
 1914 spouse who is entitled to payment for alimony and child support
 1915 under a domestic relations order determined to be qualified by
 1916 this Fund are distributees with regard to the interest of the
 1917 spouse or former spouse.

1918 4. "Direct rollover" is a payment by the Plan to the
 1919 eligible retirement plan specified by the distributee.

1920 (33) Miscellaneous requirements.—

1921 (a) No benefit of any kind shall be payable from the
 1922 assets of the Pension Fund unless specifically provided for in
 1923 this act; however, the Board of Trustees, with the approval of
 1924 the City, may grant ad hoc benefits after a public hearing and
 1925 acceptance by the state of an actuarial impact statement
 1926 submitted pursuant to part VII of chapter 112, Florida Statutes.

1927 (b) The City may not offset any part of its required
 1928 annual contribution by the Fund's assets except as determined in
 1929 an actuarial valuation, the report for which is determined to be
 1930 state accepted pursuant to part VII of chapter 112, Florida
 1931 Statutes.

1932 (c) All provisions of this act and operations of the

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1933 Pension Fund shall be carried out in compliance with part VII of
 1934 chapter 112, Florida Statutes.

1935 (d)1. It is unlawful for a person to willfully and
 1936 knowingly make, or cause to be made, or to assist, conspire
 1937 with, or urge another to make, or cause to be made, any false,
 1938 fraudulent, or misleading oral or written statement or to
 1939 withhold or conceal material information to obtain any benefit
 1940 under this Plan.

1941 2.a. A person who violates subparagraph 1. commits a
 1942 misdemeanor of the first degree, punishable as provided in
 1943 section 775.082 or section 775.083, Florida Statutes.

1944 b. In addition to any applicable criminal penalty, upon
 1945 conviction for a violation described in subparagraph 1., a
 1946 participant or beneficiary of this Plan may, in the discretion
 1947 of the Board of Trustees, be required to forfeit the right to
 1948 receive any or all benefits to which the person would otherwise
 1949 be entitled under this Plan. For purposes of this sub-
 1950 subparagraph, "conviction" means a determination of guilt that
 1951 is the result of a plea or trial, regardless of whether
 1952 adjudication is withheld.

1953 (34) Actuarial assumptions.—The following actuarial
 1954 assumptions shall be used for all purposes in connection with
 1955 this Fund, effective October 1, 1999:

1956 (a) The assumed investment rate of return shall be 8.25
 1957 percent. Effective October 1, 2011, the Board of Trustees
 1958 changed the assumed rate of return to 8 percent.

1959 (b) The period for amortizing current, future, and past
 1960 actuarial gains or losses shall be 20 years, except that in

1961 order to smooth existing gains and losses which are expected to
 1962 create volatile swings in the unfunded actuarial liability
 1963 contribution rate, the trustees may combine amortization bases
 1964 to re-amortize the unfunded actuarial liability contribution
 1965 rate. This re-amortization will not impact member benefits as
 1966 provided by subsection (9).

1967
 1968 The consequences of the change in assumptions in paragraphs (a)
 1969 and (b) shall first take effect during the October 1, 1999-
 1970 September 30, 2000, fiscal year of the City of West Palm Beach.
 1971 To the extent that effective dates or legislative delays might
 1972 influence the direct application to the October 1, 1999-
 1973 September 30, 2000, fiscal year of the actuarial cost estimate
 1974 dated March 24, 2000, there shall be a minimum contribution
 1975 reserve established by the Pension Fund for the City of West
 1976 Palm Beach. The reserve shall be credited with any amounts
 1977 contributed to the Pension Fund by the City of West Palm Beach
 1978 during the October 1, 1999-September 30, 2000, fiscal year in
 1979 excess of \$1,462,965. This amount has been determined by
 1980 combining the contribution requirement from the September 30,
 1981 1998, actuarial valuation report dated May 7, 1999, with the
 1982 subsequent actuarial cost estimate dated March 24, 2000, both of
 1983 which were prepared by the Fund's actuary.

1984 (35) Other police officer or military service.-

1985 (a) Prior police officer or military service.-Unless
 1986 otherwise prohibited by law, the years, or fractional parts of
 1987 years, that a member served as a police officer for any other
 1988 municipal, county, state, or federal law enforcement office or

1989 | any time served in the military service of the Armed Forces of
 1990 | the United States shall be added to the years of credited
 1991 | service, provided that the member contributes to the fund the
 1992 | sum that would have been contributed, based on the member's
 1993 | salary and the employee contribution rate in effect at the time
 1994 | that the credited service is requested, had the member been a
 1995 | member of this system for the years, or fractional parts of
 1996 | years, for which the credit is requested, plus the amount
 1997 | actuarially determined, such that the crediting of service does
 1998 | not result in any cost to the fund, plus payment of costs for
 1999 | all professional services rendered to the Board in connection
 2000 | with the purchase of years of credited service.

2001 | 1. Payment by the member of the required amount may be
 2002 | made within 6 months after the request for credit and in one
 2003 | lump sum payment, or the member may buy back this time over a
 2004 | period equal to the length of time being purchased or 5 years,
 2005 | whichever is greater, at an interest rate which is equal to the
 2006 | Fund's actuarial assumption. A member may request to purchase
 2007 | some or all years of service.

2008 | 2. The credit purchased under this subsection shall count
 2009 | for all purposes, except vesting.

2010 | 3. In no event, however, may credited service be purchased
 2011 | pursuant to this section for prior service with any other
 2012 | municipal, county, state, or federal law enforcement office, if
 2013 | such prior service forms or will form the basis of a retirement
 2014 | benefit or pension from another retirement system or plan.

2015 | 4. In the event that a member who is in the process of
 2016 | purchasing service suffers a disability and is awarded a benefit

2017 | from the plan, the member shall not be required to complete the
 2018 | buyback. However, contributions made prior to the date the
 2019 | disability payment begins will be retained by the Fund.

2020 | 5. If a member who has either completed the purchase of
 2021 | service or is in the process of purchasing service terminates
 2022 | before vesting, the member's contributions shall be refunded,
 2023 | including the buyback contributions.

2024 | 6. A request to purchase service may be made at any time
 2025 | during the course of employment; however, the buyback is a one-
 2026 | time opportunity.

2027 | 7. A member who previously served as a police officer with
 2028 | the City during a period of employment and for which accumulated
 2029 | contributions were withdrawn from the Fund may recontribute such
 2030 | withdrawn contributions plus interest from the date of
 2031 | withdrawal to the date of repayment in accordance with
 2032 | subsection (6).

2033 | (b) Intervening military service.—In determining the
 2034 | creditable service of any police officer, credit for up to 5
 2035 | years of the time spent in the military service of the Armed
 2036 | Forces of the United States shall be added to the years of
 2037 | actual service without employee contribution, if:

2038 | 1. The police officer is in the active employ of the
 2039 | municipality prior to such service and leaves a position, other
 2040 | than a temporary position, for the purpose of voluntary or
 2041 | involuntary service in the Armed Forces of the United States.

2042 | 2. The police officer is entitled to reemployment under
 2043 | the provisions of the federal Uniformed Services Employment and
 2044 | Reemployment Rights Act.

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2045 3. The police officer returns to his or her employment as
2046 a police officer of the municipality within 1 year after the
2047 date of his or her release from such active service, except
2048 that, effective January 1, 2007, members who die or become
2049 disabled while on active duty military service shall be entitled
2050 to the rights of this section even though such member was not
2051 reemployed by the City. A member who dies or becomes disabled
2052 while on active duty military service shall be treated as though
2053 he or she were reemployed the day before he or she became
2054 disabled or died, were credited with the service he or she would
2055 have been entitled to under this section, and then either died a
2056 nonduty death while employed or became disabled from a nonduty
2057 disability.

2058 (36) Reemployment after retirement.—

2059 (a) Reemployment by public or private employer.—Any
2060 retiree who is retired under this Plan, except for disability
2061 retirement as previously provided for, may be reemployed by any
2062 public or private employer, except the City, and may receive
2063 compensation from that employment without limiting or
2064 restricting in any way the retirement benefits payable under
2065 this Plan. Reemployment by the City on or after August 1, 2008,
2066 shall be subject to the limitations set forth in this section.

2067 (b) Reemployment after normal retirement outside Police
2068 Department.—Any retiree who is retired under normal retirement
2069 pursuant to this Plan and who is reemployed by the City after
2070 that retirement shall, upon being reemployed, continue receipt
2071 of benefits, provided the retiree is not hired into the Police
2072 Department. Upon reemployment, the retiree is eligible to

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2073 participate in the plan offered to new employees of that
2074 department, and the retiree shall be deemed a new employee
2075 subject to any vesting and contribution requirements of that
2076 plan. The benefit paid under this Plan shall not be changed in
2077 any way.

2078 (c) Reemployment after normal retirement in Police
2079 Department.—Any retiree who is retired after normal retirement
2080 pursuant to this Plan shall not be reemployed by the Police
2081 Department as a police officer or in any position that
2082 supervises police officers. The pension of a retiree who is
2083 reemployed by the Police Department as a police officer or in
2084 any position that supervises police officers shall stop until
2085 the member terminates employment. However, a retiree who is
2086 reemployed by the Police Department neither as a police officer
2087 nor in any position that supervises police officers is eligible
2088 to participate in the plan offered to new employees of that
2089 employee classification, and the retiree shall be deemed a new
2090 employee subject to any vesting and contribution requirements of
2091 that plan. The benefit paid under this Plan shall not be changed
2092 in any way.

2093 (d) Reemployment of terminated vested persons.—Reemployed
2094 terminated vested persons shall not be subject to the provisions
2095 of this section until such time as they begin to actually
2096 receive benefits but shall be subject to paragraph (9)(c). Upon
2097 receipt of benefits, terminated vested persons shall be treated
2098 as normal retirees for purposes of applying the provisions of
2099 this section.

2100 (e) DROP participants.—Members or retirees who were in the

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2101 deferred retirement option plan shall have the options provided
2102 for in this section for reemployment after termination of
2103 employment as if the retiree were a retiree under normal
2104 retirement.

2105 (37) Termination of the Plan.—Upon termination of the Plan
2106 by the City for any reason, or because of a transfer, merger, or
2107 consolidation of governmental units, services, or functions as
2108 provided in chapter 121, Florida Statutes, or upon written
2109 notice to the Board by the City that contributions under the
2110 Plan are being permanently discontinued, the rights of all
2111 employees to benefits accrued to the date of such termination or
2112 discontinuance and the amounts credited to the employees'
2113 accounts are nonforfeitable. The Fund shall be distributed in
2114 accordance with the following procedures:

2115 (a) The Board shall determine the date of distribution and
2116 the asset value required to fund all the nonforfeitable benefits
2117 after taking into account the expenses of such distribution. The
2118 Board shall inform the City if additional assets are required,
2119 in which event the City shall continue to financially support
2120 the Plan until all nonforfeitable benefits have been funded.

2121 (b) The Board shall determine the method of distribution
2122 of the asset value and whether distribution shall be by payment
2123 in cash, by the maintenance of another or substituted trust
2124 fund, by the purchase of insured annuities, or otherwise for
2125 each police officer entitled to benefits under the Plan, as
2126 specified in paragraph (c).

2127 (c) The Board shall distribute the asset value as of the
2128 date of termination in the manner set forth in this subsection

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2129 on the basis that the amount required to provide any given
2130 retirement income is the actuarially computed single-sum value
2131 of such retirement income, except that if the method of
2132 distribution determined under paragraph (b) involves the
2133 purchase of an insured annuity, the amount required to provide
2134 the given retirement income is the single premium payable for
2135 such annuity. The actuarial single-sum value may not be less
2136 than the employee's accumulated contributions to the Plan, with
2137 interest if provided by the Plan, less the value of any Plan
2138 benefits previously paid to the employee.

2139 (d) If there is asset value remaining after the full
2140 distribution specified in paragraph (c), and after payment of
2141 any expenses incurred with such distribution, such excess shall
2142 be returned to the City, less the return to the state of the
2143 state's contributions, provided that if the excess is less than
2144 the total contributions made by the City and the state to date
2145 of termination of the Plan, such excess shall be divided
2146 proportionately to the total contributions made by the City and
2147 the state.

2148 (e) The Board shall distribute, in accordance with the
2149 manner of distribution determined under paragraph (b), the
2150 amounts determined under paragraph (c).

2151 Section 2. This act shall take effect upon becoming a law.