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1  
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; extending the period in which  
5 funds received under chapter 175, F.S., shall be used  
6 to reduce employee contributions to the West Palm  
7 Beach Firefighters Pension Fund; clarifying that such  
8 funds are not refundable as employee contributions;  
9 authorizing vested members to request refund of  
10 contributions in lieu of a benefit; requiring payment  
11 of certain benefits to a designated beneficiary;  
12 clarifying requirement for certain members to take a  
13 lump sum distribution of their entire lump sum  
14 accumulated sick leave and vacation leave within a  
15 specified time after their termination of employment  
16 in certain circumstances; reducing actuarial assumed  
17 rate of return; providing an effective date.

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

20  
21 Section 1. Paragraphs (a) and (b) of subsection (3),  
22 paragraphs (i) and (j) of subsection (5), subsection (7),  
23 paragraph (b) of subsection (21), and paragraph (b) of  
24 subsection (22) of section 17 of chapter 24981 (1947), Laws of  
25 Florida, as amended, is amended to read:

26 Section 17. West Palm Beach Firefighters Pension Fund.—

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27 (3) Sources of revenue.—The financing of the Fund shall  
28 consist of the following sources of revenue:

29 (a) Taxes of insurance companies.—The moneys returned to  
30 the City as provided by chapter 175, Florida Statutes, shall be  
31 used to fund the share account benefit described in paragraph  
32 (5) (j). The chapter 175 funds received in calendar years 2012,  
33 ~~and 2013,~~ and 2014 shall be utilized to reduce the employee  
34 contributions to 13.1 percent. No amount of the chapter 175  
35 funds is to be considered employee contributions for purposes of  
36 a refund of contributions as provided for in paragraph (5) (i).  
37 Effective beginning calendar year 2015 ~~2014~~, the chapter 175  
38 funds shall again be used in full to fund the share account  
39 benefits provided for in paragraph (5) (j). The City shall not  
40 opt out of participation in chapter 175, Florida Statutes, or  
41 any similar statutory enactment unless exigent circumstances  
42 exist, such as the bankruptcy of the City or changes or  
43 amendments to the statute regarding extra benefits by the  
44 Legislature. If any statutory changes are made by the  
45 Legislature, the City and the Board may renegotiate the impact  
46 of such changes, if necessary.

47 (b) Member contributions.—Effective May 13, 2012, the  
48 member shall contribute 25 percent of his or her salary to the  
49 Fund. The full amount of the chapter 175 funds received in  
50 calendar years 2012, ~~and 2013,~~ and 2014 shall be used to reduce  
51 the employee contributions to 13.1 percent. No amount of the  
52 chapter 175 funds is to be considered employee contributions for

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53 purposes of a refund of contributions as provided for in  
54 paragraph (5)(i). Effective October 1, 2014 ~~2013~~, the employee  
55 contributions shall be 13.1 percent, which shall be deducted  
56 each pay period from the salary of each member in the  
57 Department, and the chapter 175 funds received in calendar year  
58 2015 ~~2014~~ and thereafter shall once again be allocated to the  
59 share accounts. If the chapter 175 funds are insufficient to  
60 reduce the member's contributions to 13.1 percent, the city  
61 shall make up the difference. All amounts of member  
62 contributions that are deducted shall be immediately paid over  
63 to the Pension Fund. For contributions made on or after May 13,  
64 2012, any contribution amount over 11.1 percent is to be used to  
65 purchase eligibility in the postretirement health insurance,  
66 excluding the amounts of chapter 175 funds used to offset the  
67 member contribution rate.

68 (5) Service pension.—

69 (i) Refund of contributions.—In the event a member leaves  
70 the employ of the Department or dies with less than 10 years of  
71 credited service, and no service pension, disability pension, or  
72 beneficiary benefit is payable, the contributions made by him or  
73 her to the Fund shall be refunded, without interest (less any  
74 disability payments paid to the member), to the member or, in  
75 the event of death, to the beneficiary or to the member's  
76 estate. In the event a member leaves the employ of the  
77 Department with more than 10 years of service, the member may  
78 request a refund of contributions without interest instead of

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79 receiving any future benefits, including the share account  
 80 benefit, that may be payable under the plan.

81 (j) Chapter 175, Florida Statutes, share accounts.—

82 1. Individual member accounts.—A separate account shall be  
 83 established and maintained in each member's name effective on or  
 84 after October 1, 1988.

85 2. Share account funding.—

86 a. Each individual member account shall be credited with a  
 87 pro rata share of all of the moneys received from chapter 175,  
 88 Florida Statutes, tax revenues in June 1988 and thereafter. For  
 89 the chapter 175 funds received in calendar years 2012, ~~and~~ 2013,  
 90 and 2014, the full amount of the chapter 175 funds shall be used  
 91 to reduce the employee contributions to 13.1 percent as provided  
 92 for in subsection (3)(a). Effective October 1, 2014 ~~2013~~, the  
 93 employee contributions shall be 13.1 percent and the chapter 175  
 94 money received in calendar year 2015 ~~2014~~ and thereafter shall  
 95 be allocated to the share accounts.

96 b. In addition, any forfeitures as provided in  
 97 subparagraph 5. shall be credited to the individual member  
 98 accounts in accordance with the formula set forth in  
 99 subparagraph 3.

100 3. Annual allocation of accounts.—

101 a. Moneys shall be credited to each individual member  
 102 account in an amount directly proportionate to the number of pay  
 103 periods for which the member was paid compared to the total  
 104 number of pay periods for which all members were paid, counting

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105 the pay periods in the calendar year preceding the date for  
106 which chapter 175, Florida Statutes, tax revenues were received.  
107 Share account allocations made on and after October 1, 2004,  
108 shall be made to each individual share account.

109 b. At the end of each fiscal quarter, each individual  
110 account shall be adjusted to reflect the earnings or losses  
111 resulting from investment, as well as reflecting costs, fees,  
112 and expenses of administration.

113 c. Vested participants have the option to select one of  
114 three methods to credit investment earnings to their account.  
115 The method may be changed each year effective October 1;  
116 however, the method must be elected prior to October 1. The  
117 methods are:

118 (I) The investment earnings or losses credited to the  
119 individual member accounts shall be in the same percentage as  
120 are earned or lost by the total investment earnings or losses of  
121 the Fund as a whole, unless the Board dedicates a separate  
122 investment portfolio for chapter 175, Florida Statutes, share  
123 accounts, in which case the investment earnings or losses shall  
124 be measured by the investment earnings or losses of the separate  
125 investment portfolio;

126 (II) A fixed annual rate of 8.25 percent for members who  
127 reached normal retirement age on or before May 13, 2012, or  
128 members that have a calculated BackDROP date of October 1, 2011,  
129 or earlier. Effective May 13, 2012, the fixed rate is 4 percent  
130 for members who retire on or after May 13, 2012; or

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

137 d. Costs, fees, and expenses of administration shall be  
138 debited from the individual member accounts on a proportionate  
139 basis, taking the cost, fees, and expenses of administration of  
140 the Fund as a whole, multiplied by a fraction, the numerator of  
141 which is the total assets in all individual member accounts and  
142 the denominator of which is the total assets of the Fund as a  
143 whole. The proportionate share of the costs, fees, and expenses  
144 shall be debited from each individual member account on a pro  
145 rata basis in the same manner as chapter 175, Florida Statutes,  
146 tax revenues are credited to each individual member account  
147 (i.e., based on pay periods).

148 4. Eligibility for benefits.—Any member who terminates  
149 employment with the City, upon the member's filing an  
150 application with the Board, shall be entitled to 100 percent of  
151 the value of his or her individual member account, provided the  
152 member meets any of the following criteria:

153 a. The member is eligible to receive, and is receiving, a  
154 service pension as provided in this subsection;

155 b. The member has 5 or more years of credited service and  
156 is eligible to receive, and is receiving, either:

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157 (I) A nonduty disability pension as provided in paragraph  
 158 (6) (a); or

159 (II) Beneficiary benefits for nonduty death as provided in  
 160 paragraph (7) (a); or

161 c. The member has any credited service and is eligible to  
 162 receive, and is receiving, either:

163 (I) A duty disability pension as provided in paragraph  
 164 (6) (c); or

165 (II) Beneficiary benefits for death in the line of duty as  
 166 provided in paragraph (7) (b).

167 5. Forfeitures.—Any member who has less than 10 years of  
 168 credited service and who is not eligible for payment of benefits  
 169 after termination of employment with the City shall forfeit his  
 170 or her individual member account. The amounts credited to said  
 171 individual member account shall be redistributed to the other  
 172 individual member accounts in the same manner as chapter 175,  
 173 Florida Statutes, tax revenues are credited (i.e., based on pay  
 174 periods). However, the assets shall first be used to ensure that  
 175 the former member's refund of contributions has not actuarially  
 176 adversely impacted the payment for the extra benefits. If there  
 177 has been an adverse impact, the shortfall shall be made up first  
 178 before the amounts are reallocated to active members.

179 6. Payment of benefits.—The normal form of benefit payment  
 180 shall be a lump sum payment of the entire balance of the  
 181 individual member account. Effective on or after May 13, 2012,  
 182 members must take a lump sum distribution of their entire share

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183 account balance within 6 months after their termination of  
184 employment. For members who reached normal retirement age on or  
185 before May 13, 2012, or who had a calculated BackDROP date of  
186 October 1, 2011, or earlier, the member may leave his or her  
187 money in the account until the latest day under subsection (18),  
188 choose a lump sum distribution; or, upon the written election of  
189 the member, upon a form prescribed by the Board, payment may be  
190 made either by:

191 a. Installments.—The account balance shall be paid out to  
192 the member in three equal payments paid over 3 years, the first  
193 payment to be made upon approval of the Board; or

194 b. Annuity.—The account balance shall be paid out in  
195 monthly installments over the lifetime of the member or until  
196 the entire balance is exhausted. The monthly amount paid shall  
197 be determined by the Fund's actuary in accordance with  
198 selections made by the member in a form provided by the Board.

199 7. Death of a member.—If a member dies and is eligible for  
200 benefits from the individual member account, the entire balance  
201 of the individual member account shall be paid in a lump sum to  
202 the beneficiaries designated in accordance with paragraph (h).  
203 If a member fails to designate a beneficiary or, if the  
204 beneficiary predeceases the member, the entire balance shall be  
205 paid in a lump sum in the following order:

206 a. To the spouse;

207 b. If there is no spouse or the spouse is not alive, to  
208 the member's surviving child or children on a pro rata basis;

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209 c. If there are no children or no child is alive, to the  
210 member's parent or parents; or

211 d. If no parent is alive, to the estate of the member.

212 (7) Beneficiary benefits.—

213 (a) Death while in service; 5 years or more (nonduty).—In  
214 the event a member with 5 or more years of service credit dies  
215 while in the employ of the Department, and the Board finds his  
216 or her death to have occurred as the result of causes arising  
217 outside the performance of his or her duties as a firefighter in  
218 the employ of the City, the following applicable pensions shall  
219 be paid:

220 1. Surviving spouse's benefits.—The surviving spouse shall  
221 receive a pension equal to two-thirds of the pension the member  
222 would otherwise have been entitled to receive under paragraph  
223 (5) (a), as if the member had retired the day preceding the date  
224 of his or her death, notwithstanding that the member might not  
225 have met the age and service requirements for retirement as  
226 specified in subsection (5). Upon the surviving spouse's death,  
227 the pension shall terminate.

228 2. Benefits for children, surviving spouse, etc.—In the  
229 event the deceased member does not leave a surviving spouse, or  
230 if the surviving spouse shall die, and the member leaves an  
231 unmarried child or children under age 18, each such child shall  
232 receive a pension of an equal share of the pension to which said  
233 member's surviving spouse was or would have been entitled. Upon  
234 any such child's adoption, marriage, death, or attainment of age

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235 18, the child's pension shall terminate and said child's pension  
236 shall be apportioned to the deceased member's remaining eligible  
237 children under age 18.

238 3. Benefits for dependent parents.—In the event a member  
239 dies and does not leave a surviving spouse or children eligible  
240 to receive a pension provided for in subparagraphs 1. and 2.,  
241 and the member leaves a parent or parents whom the Board finds  
242 to have been dependent upon the member for 50 percent or more of  
243 their financial support, each such parent shall receive a  
244 pension of an equal share of the pension to which the member's  
245 surviving spouse would have been entitled. Upon any such  
246 parent's remarriage or death, the parent's pension shall  
247 terminate.

248 4. Estate.—In the event a member dies and does not leave a  
249 surviving spouse, children, or parents eligible to receive a  
250 pension provided for in subparagraph 1., subparagraph 2., or  
251 subparagraph 3., then the benefits remaining, if any, shall be  
252 paid to the member's designated beneficiary. If there is no  
253 designated beneficiary, any remaining benefits shall be paid to  
254 the member's estate.

255 (b) Death in the line of duty.—In the event a member dies  
256 while in the employ of the Department, and the Board finds his  
257 or her death to be the natural and proximate result of causes  
258 arising out of and in the actual performance of duty as a  
259 firefighter in the employ of the City, the following applicable  
260 pensions shall be paid:

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261 1. Surviving spouse's benefits.—The surviving spouse shall  
262 receive a monthly pension equal to the greater of:

263 a. Sixty-six and two-thirds of the member's highest 12  
264 months' salary or top step firefighter pay, whichever is  
265 greater; or

266 b. The surviving spouse's share of the member's accrued  
267 benefit. Upon the surviving spouse's death, the pension shall  
268 terminate.

269 2. Benefits for children, surviving spouse, etc.—In the  
270 event the deceased member does not leave a surviving spouse, or  
271 if the surviving spouse shall die, and the member leaves an  
272 unmarried child or children under age 18, each such child shall  
273 receive a pension of an equal share of the pension to which the  
274 member's surviving spouse was or would have been entitled. Upon  
275 any such child's adoption, marriage, death, or attainment of age  
276 18, the child's pension shall terminate and said child's pension  
277 shall be apportioned to the deceased member's remaining eligible  
278 children under age 18.

279 3. Benefits for dependent parents.—In the event a member  
280 dies and does not leave a surviving spouse or children eligible  
281 to receive a pension provided for in subparagraphs 1. and 2.,  
282 and the member leaves a parent or parents whom the Board finds  
283 to have been dependent upon the member for 50 percent or more of  
284 their financial support, each such parent shall receive a  
285 pension of an equal share of the pension to which said member's  
286 surviving spouse would have been entitled. Upon any such

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287 parent's remarriage or death, the parent's pension shall  
288 terminate.

289 4. Estate.—In the event a member dies and does not leave a  
290 surviving spouse, children, or parents eligible to receive a  
291 pension provided for in subparagraph 1., subparagraph 2., or  
292 subparagraph 3., then the benefits remaining, if any, shall be  
293 paid to the member's designated beneficiary. If there is no  
294 designated beneficiary, any remaining benefits shall be paid to  
295 the member's estate.

296 (c) Death after retirement.—Upon the death of a retirant  
297 or a vested deferred retirant, the following applicable pensions  
298 shall be paid:

299 1. Surviving spouse's benefits.—The surviving spouse shall  
300 receive a pension equal to three-fourths of the retirant's  
301 pension at the time of his or her death. Upon the surviving  
302 spouse's death, the pension shall terminate.

303 2. Benefits for children, surviving spouse, etc.—In the  
304 event a deceased retirant does not leave a surviving spouse, or  
305 if the surviving spouse shall die, and the retirant leaves an  
306 unmarried child or children under age 18, each such child shall  
307 receive a pension of an equal share of the pension to which the  
308 retirant's surviving spouse was or would have been entitled.  
309 Upon any such child's adoption, marriage, death, or attainment  
310 of age 18, the child's pension shall terminate and said child's  
311 pension shall be apportioned to the deceased retirant's  
312 remaining eligible children under age 18.

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313           3. Benefits for dependent parents.—In the event a retirant  
314 dies and does not leave a surviving spouse or children eligible  
315 to receive a pension provided for in subparagraphs 1. and 2.,  
316 and the retirant leaves a parent or parents whom the Board finds  
317 to have been dependent upon the retirant for 50 percent or more  
318 of their financial support, each such parent shall receive a  
319 pension of an equal share of the pension to which the retirant's  
320 surviving spouse would have been entitled. Upon any such  
321 parent's remarriage or death, the parent's pension shall  
322 terminate.

323           4. Estate.—In the event a retirant dies and does not leave  
324 a surviving spouse, children, or parents eligible to receive a  
325 pension provided for in subparagraph 1., subparagraph 2., or  
326 subparagraph 3., then the benefits remaining, if any, shall be  
327 paid to the member's designated beneficiary. If there is no  
328 designated beneficiary, any remaining benefits shall be paid to  
329 the retirant's estate.

330           (21) Rollovers from qualified plans.—

331           (b) Transfer of accumulated leave.—

332           1. Members eligible to receive accumulated sick leave,  
333 accumulated vacation leave, or any other accumulated leave  
334 payable upon separation shall have the leave transferred to the  
335 Fund up to the amount permitted by law. Any additional amounts  
336 shall be paid directly to the member. Members on whose behalf  
337 leave has been transferred shall maintain the entire amount of  
338 the transferred leave balance in the DROP or Share Account.

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339           2. If a member on whose behalf the City makes a  
 340 transferred leave balance to the Plan dies after retirement or  
 341 other separation, then any person who would have received a  
 342 death benefit had the member died in service immediately prior  
 343 to the date of retirement or other separation shall be entitled  
 344 to receive an amount equal to the transferred leave balance in a  
 345 lump sum. In the case of a surviving spouse or former spouse, an  
 346 election may be made to transfer the leave balance to an  
 347 eligible retirement plan in lieu of the lump sum payment.  
 348 Failure to make such an election by the surviving spouse or  
 349 former spouse within 60 days after the member's death shall be  
 350 deemed an election to receive the lump sum payment.

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

353           4. Effective on or after May 13, 2012, members must take a  
 354 lump sum distribution of the amounts transferred under this  
 355 section within 6 months after their termination of employment.  
 356 For members who reached normal retirement age on or before May  
 357 13, 2012, or who had a calculated BackDROP date of October 1,  
 358 2011, or earlier, the member's transferred leave must remain  
 359 invested in the Pension Fund for at least a period of not less  
 360 than 1 year.

361           (22) Actuarial assumptions.—The following actuarial  
 362 assumptions shall be used for all purposes in connection with  
 363 this Fund, effective October 1, 1998:

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364 (b) The assumed investment rate of return shall be 8.25  
365 percent. Effective October 1, 2014, the assumed investment rate  
366 of return shall be 8 percent. Due to the other assumption  
367 changes that were made at the same time as this reduction in the  
368 assumed rate of return, the City did not have an increase in  
369 City contributions as a result of the change of the assumed  
370 investment rate of return. Therefore, there was no change  
371 necessary to the 3-percent accrual factor in subparagraph  
372 (5) (a) 2.

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