

A Challenging Session (Continued from page 5)

The Case of the Missing Bull

A big-city lawyer was representing the railroad in a lawsuit filed by an old rancher. The rancher's prize bull was missing from the section through which the railroad passed. The rancher only wanted to be paid the fair value of the bull.

The case was scheduled to be tried before the justice of the peace in the back room of the general store.

The attorney for the railroad immediately cornered the rancher and tried to get him to settle out of court. The lawyer did his best selling job, and finally the rancher agreed to take half of what he was asking.

After the rancher had signed the release and took the check, the young lawyer couldn't resist gloating a little over his success, telling the rancher, "You know, I hate to tell you this, old man, but I put one over on you in there. I couldn't have won the case. The engineer was asleep and the fireman was in the caboose when the train went through your ranch that morning. I didn't have one witness to put on the stand. I bluffed you!"

The old rancher replied, "Well, I'll tell you, young feller, I was a little worried about winning that case myself, because that durned bull came home this morning."

both a pension payment along with a salary. This removes from current law the suspension of pension benefits and salary payments for reemployed employees for a period of 11 months. However, a FRS retiree who is rehired will not be reenrolled in the Florida Retirement System.

Rumors that Need Clarifying:

- Nothing in this legislation will prevent a retiree from seeking elected office.
- Nothing in this legislation will prevent a retiree from seeking reemployment. It only extends the period you must stay out of FRS employment for five additional months.



PBA officials and Senator Mike Fasano prepare for testimony on legislation to stop double dipping.

Current law prohibits a retiree's reemployment for a period of 30 days, followed by a suspension of pension benefits for 11 additional months.

- The prohibition on reenrollment into the FRS does not prevent a reemployed retiree from increasing the years of service towards the Health Insurance Subsidy. Current law provides a retiree health insurance subsidy of \$5 per year of service for up to 30 years.
- A member of the defined contribution system will also not be penalized under this legislation if he or she leaves the money in the state system when transferring in or out of FRS employment. Example: A state law enforcement officer enrolled in the defined contribution plan may leave FRS employment for any period of time and then return to a FRS employer later in the officer's career without being considered officially retired from FRS as long as the officer does not roll the money out of the state system. However, the officer will be considered retired under the new law if he or she rolls the money out at anytime. If that occurs, the officer will not be permitted to reenroll in the FRS.

This legislation is long overdue. Sheriffs, State Attorneys and College Presidents have created a racket out of "gaming the system." These hi-jinks have placed your pension and DROP in jeopardy. The PBA has been an active supporter of reform to prevent a collapse of the FRS. These reasonable changes should stop the abuse and get the system out of the headlines.

Effective date: July 1, 2009.

SB 538 – Changes to Municipal Pensions for Police and Firefighters

SB 538 by Senator Carey Baker and Representative Ed Hooper provides some much needed reform to municipal pension plans. The reform effort was led by the Florida Professional



(L-R): Representative Ed Hooper goes over strategy with PBA Lobbyist Gary Bradford and Coastal Florida PBA's Mike Scudiero and Vince Champion.

Firefighters with assistance from the Division of Retirement, PBA and FOP. Here are the changes pertaining to municipal police:

- Revises definitions for purposes of determining prior service credit to include credit for past federal, state and other county service as long as the service is recognized by the Criminal Justice Standards & Training Commission.
- Authorizes terms of office for boards of trustees of pension & retirement trust funds to be revised under certain circumstances to extend from two to four year terms.
- Increases to 25 percent of trust fund assets that board of trustees may invest in foreign securities.
- Authorizes retirees to change designation of joint annuitant or beneficiary up to two times without approval of board or prior joint annuitant or beneficiary.
- Revises fund distribution procedures with respect to plan termination. This section will allow retirees to receive the assets from a terminated plan without having to sue the municipality.

Despite being a cleanup bill, the Florida League of Cities took it as an opportunity to rewrite how a city can use premium taxes to pay for local police and firefighter benefits.

The League found a friend for the cause in Senator

Mike Bennett. As chairman of the Senate Community Affairs Committee, Senator Bennett added amendments to the legislation that would have placed a two year moratorium on current premium tax law for local police and firefighter pensions. The change would allow underfunded cities to use increased premium tax money to offset local pension costs instead of funding extra benefits like the law instructs. Perhaps to the casual observer this seems like a fair trade, but history tells a different story.

For years cities made a habit of using the additional premium tax revenue like a slush fund by offsetting police and firefighter pension costs, then spending those allocated dollars on all sorts of special projects. Senator Bennett's amendments would have reinstated that practice. Senator Baker and Representative Hooper held firm and stripped the amendments off in a later committee.

Many of you will remember that legislation to correct how cities use premium tax monies was the first bill former Governor Jeb Bush signed into law (Chapter 99-1). The law ended years of misuse by the cities. The League has been trying its best to change course and go back to the days when this money was used as a slush fund instead for its intended purpose. In the end, they failed, but there's little doubt that the League will back next year pushing the issue.

Effective date: July 1, 2009.

EDITOR'S NOTE: Please see related commentary by Ron DeLord on page 4. 📌



Senator Carey Baker (left) discussing police and firefighter pensions with PBA pension experts Don Teems (center) and Ed Hoffman (right).

☞ Conflict is best seen as an opportunity to understand our differences, since that's when conflict usually arises; when we see something differently. ☞

~ Tony Dungy

PBA Extends Special Thanks To

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