

FLORIDA HOUSE OF REPRESENTATIVES

FINAL BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: [CS/HB 4045](#)

TITLE: City Pension Fund for Firefighters and Police Officers in the City of Tampa, Hillsborough County

SPONSOR(S): Alvarez, D.

COMPANION BILL: None

LINKED BILLS: None

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 115 Y's 0 N's

GOVERNOR'S ACTION: Approved

SUMMARY

Effect of the Bill:

The bill revises provisions of the City of Tampa Firefighters and Police Officers Pension Fund to reflect an agreement between the City and the unions representing firefighters and police officers. The bill provides that member contributions to the fund are a fixed percentage payable for the entire year, extends the time for accumulations in the fund's Deferred Retirement Option Program (DROP) from five years to eight years, increases the maximum years of service for participation in DROP from 30 years to 33 years, revises calculations for benefits for surviving children, and makes clarifying changes.

The bill authorizes the City of Tampa to enter into a supplemental contract with each active member of the pension fund.

Fiscal or Economic Impact:

None.

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ANALYSIS

EFFECT OF THE BILL:

The bill revises provisions of the [City of Tampa Firefighters and Police Officers Pension Fund \(Fund\)](#) to reflect an agreement between the Tampa Police Benevolent Association, the International Association of Firefighters Local 754, the Tampa Firefighters and Police Officers Pension Office, and the City of Tampa.¹ Specifically, the bill amends the current [municipal firefighter and police pension](#) plan reflected by the City of Tampa Firefighters and Police Officers Pension Contract by:

- Providing that the Fund may also be known as the Tampa Fire & Police Pension Fund.
- Requiring employees and the City of Tampa to contribute at a ratio of 1:1.33 (or 1:1.34, if contributions are made quarterly) the amount necessary to cover any required annual contribution minus any premium tax revenues received, as agreed by mutual consent of the collective bargaining parties.
- Providing that member contributions are a fixed percentage payable for the entire year.
- Clarifying that medical records generated by the medical examination that a firefighter or police officer must receive to become a member of the Fund must be used by the Board of Trustees of the Fund for establishing baseline medical conditions for reviewing any future claims for disability benefits.
- Providing that a surviving child of a member who dies from non-duty-related causes or after retirement receives benefits equal to 7.5 percent of the member's final year of earnings, subject to a 15 percent limit for all children (if the member's spouse is also deceased, a surviving child may receive 15 percent of the member's final year earnings, subject to a 30 percent limit for all children).
- Revises [Deferred Retirement Option Program \(DROP\)](#) eligibility for plan members to allow accumulations for the lesser of eight years or the difference between 33 years and the member's years of service at the

¹ Letter from John C. Miller, Vice President, Tampa Police Benevolent Association to Senator Jay Collins, Chair, Hillsborough County Delegation, *Re: Letter of Intent for Local Bill (Tampa)*, Dec. 19, 2024 (on file with the Intergovernmental Affairs Subcommittee).

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time of making a DROP election, compared to the lesser of five years or the difference between 30 years and the member's years of service at the time of making the DROP election.

- Making changes to remove archaic terminology and conform to state law. (Section [2](#))

The bill authorizes the City of Tampa to enter into a supplemental contract with each active member of the Fund as of the effective date of the bill, as well as any new employees hired after that date. (Section [1](#))

The bill was approved by the Governor on June 6, 2025, ch. 2025-239, L.O.F., and became effective on that date, except that changes to the pension fund in section 2 of the bill take effect October 1, 2025. (Section [3](#))

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Florida Protection of Public Employee Retirement Benefits Act

The Florida Protection of Public Employee Retirement Benefits Act (Benefits Act)² implements the provisions of art. X, s. 14 of the Florida Constitution.³ The Benefits Act applies to all retirement or pension plans for public employees that are funded in whole or in part by public funds, and requires that such retirement plans be managed, administered, operated, and funded in such a manner as to maximize the protection of public employee retirement benefits.⁴

The Florida Constitution prohibits any increase in retirement or pension benefits for a publicly-funded plan, unless the governmental unit providing the increase has made or concurrently makes provision for funding the increase on an actuarially sound basis.⁵ Local governments are prohibited from agreeing to a proposed change in retirement benefits if the plan administrator did not issue a statement of the actuarial impact of the proposed change on the local retirement system prior to both the adoption of the change by the governing body of the local government and the last public hearing about the proposed change.⁶ This statement must be furnished to the Department of Management Services (DMS) Division of Retirement before the local government may agree to the change. The statement must indicate whether the proposed change complies with art. X, s. 14 of the Florida Constitution and general law requirements concerning the amortization of any unfunded actuarial liability.⁷

[Municipal Firefighter and Police Pensions](#)

Chapters 175 and 185, F.S., provide the statutory authority for municipal and fire control district firefighter pensions and municipal police pensions. These laws were enacted to provide a “uniform retirement system” providing defined benefit plans for firefighters and police officers, and setting standards for operation and funding of these systems. Retirement systems or plans are to be managed, administered, operated, and funded in such a manner as to maximize the protection of the retirement trust funds.

Chapter 175, F.S., was originally enacted in 1939 to provide an incentive (access to premium tax revenues) to encourage the establishment of firefighter retirement plans by Florida cities.⁸ Fourteen years later, in 1953, the Legislature enacted ch. 185, F.S., which created a similar funding mechanism for municipal police officers. Special fire control districts became eligible to participate under ch. 175, F.S., in 1993.⁹

Funding for these pension plans comes from four sources:

- Net proceeds from an excise tax levied by a city upon property and casualty insurance companies (known as the “premium tax”);
- Employee contributions;
- Other revenue sources; and

² Ch. [112, Part VII, F.S.](#)

³ S. [112.61, F.S.](#)

⁴ Ss. [112.61](#) and [112.62, F.S.](#)

⁵ [Art. X, s. 14, Fla. Const.](#)

⁶ S. [112.63\(3\), F.S.](#)

⁷ S. [112.64, F.S.](#)

⁸ See DMS, [Legislative History of Chapters 175 & 185](#) (last visited March 13, 2025).

⁹ *Id.*

- Mandatory payments by the city of any extra amount needed to keep the plan solvent.¹⁰

Deferred Retirement Option Program

A deferred retirement option program (DROP) allows eligible members to defer receipt of retirement benefits while continuing employment with their employer.¹¹ The deferred monthly benefits accrue, plus interest, in the retirement plan on behalf of the member for the period the member participates in DROP. Upon termination of employment, the member receives the total DROP benefits and begins to receive the previously determined normal retirement benefits.¹²

City of Tampa Firefighters and Police Officers Pension Fund (Fund)

The Fund for the City of Tampa originally was created through a special act in 1933¹³ and amended through subsequent acts, most recently in 2018.¹⁴ The current agreement between the City and its bargaining units originates in an ordinance adopted by the Tampa City Council in 1969.¹⁵ The provisions of these laws are incorporated into a pension contract and appropriate supplemental pension contracts, which are signed by each individual plan member.

The special act creating the Fund provides for pension plan administration, funding, membership, and benefits. The general administration and responsibility for the proper operation of the pension system is vested in a board of trustees consisting of nine persons: three members of the city administration appointed by the mayor, three members of the fire department elected by active and retired firefighters, and three members of the police department elected by active and retired police officers.¹⁶

As of September 30, 2024, the Fund had 1,448 active members, 2,108 retired members, and 246 members in the DROP.¹⁷ As of October 1, 2023, the Fund had \$1,486,932,324 in total assets and \$235,727,667 in unfunded actuarial accrued liability.¹⁸ Normal retirement age is 46 years of age for those with at least 10 years of service and any age for those with at least 20 years of service.¹⁹

The Fund currently assumes 8.5 percent annual growth of its assets.²⁰ During the 2022-23 Fiscal Year, the Fund saw 8.79 percent growth in the actuarial value of its assets and 33.17 percent growth in the market value of its assets.

Local Bill Forms

The Florida Constitution prohibits the passage of any special act unless a notice of intention to seek enactment of the bill has been published as provided by general law or the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.²¹ A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website²² at least 30 days prior to the introduction of the local bill in the House or Senate.²³ The bill was noticed in the [Tampa Bay Times on January 15, 2025](#).

¹⁰ Ss. [175.091\(1\)\(a\)-\(g\)](#) and [185.07\(1\)\(a\)-\(g\)](#), F.S.

¹¹ See s. [121.091\(13\)](#), F.S. (establishing DROP program for Florida Retirement System employees).

¹² *Id.*

¹³ Ch. [16721](#), Laws of Fla. (1933).

¹⁴ Ch. [2018-180](#), Laws of Fla.

¹⁵ City of Tampa, Ordinance No. 4746-A (Sept. 30, 1969).

¹⁶ Ch. [2011-240](#), Laws of Fla.

¹⁷ DMS, [Florida Local Government Retirement Systems 2024 Annual Report](#), p. 16 of Appendix F, (last visited March 13, 2025) (herein DMS Local Government Reports).

¹⁸ DMS Local Government Reports, p. 21 of Appendix A.

¹⁹ DMS Local Government Reports, p. 56 of Appendix B1.

²⁰ DMS Local Government Reports, p. 20 of Appendix E.

²¹ [Art. III, s. 10, Fla. Const.](#)

²² S. [50.0311\(2\)](#), F.S.

²³ S. [11.02](#), F.S. If there is no newspaper circulated throughout or published in the county and no publicly accessible website has been designated, notice must be posted for at least 30 days in at least three public places in the county, one of which must be at the courthouse.

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.²⁴ Under the policy, a committee or subcommittee may not consider a local bill unless these forms have been filed. The following forms have been submitted for the bill:

- [Local Bill Certification Form](#)
- [Economic Impact Statement](#)

²⁴ Intergovernmental Affairs Subcommittee, [Local Bill Policies and Procedures Manual](#), p. 11 (last visited March 13, 2025).