

**HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS**

**BILL #:** CS/HB 1413 City Pension Fund for Firefighters and Police Officers in the City of Tampa, Hillsborough County  
**SPONSOR(S):** Government Efficiency & Accountability Council, Ambler and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 2938

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<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1) <u>Committee on Urban &amp; Local Affairs</u>	<u>8 Y, 0 N</u>	<u>Fudge</u>	<u>Kruse</u>
2) <u>Government Efficiency &amp; Accountability Council</u>	<u>13 Y, 0 N, As CS</u>	<u>Fudge</u>	<u>Cooper</u>
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

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**SUMMARY ANALYSIS**

The 13th check account within the Firefighters and Police Pension Fund for the City of Tampa (Fund) consisted of employee contributions. However, effective October 1, 2001, those contributions ceased and the Fund was funded through investment returns in excess of 10% (limited to 3%) on the base plan liabilities for persons eligible for the 13th check.

This bill revises the retirement benefits for the City of Tampa police officers and firefighters. It authorizes the city to supplement contracts with these employees to revise the 13th Check program funding.

This bill is effective upon becoming law.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the House principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Current Situation**

##### **State Constitution**

A retirement or pension system supported wholly or partially by public pension funds may not, after January 1, 1977, provide an increase in benefits to the members or beneficiaries without concurrent provisions for funding the increase in benefits on a sound actuarial basis.<sup>1</sup>

##### **Florida Protection of Public Employee Retirement Benefits Act<sup>2</sup>**

The Act establishes the minimum standards for operating and funding public employee retirement systems and plans. The Act is applicable to any and all units of state, county, special district, and municipal governments that participate in, operate, or administer a retirement system or plan for public employees which is funded in whole or in part by public funds.

A unit of local government may not agree to a proposed change in retirement benefits unless the administrator of the system, prior to adoption of the proposed change by the governing board, and prior to the last public hearing thereon, has issued a statement of the actuarial impact of the proposed change upon the local retirement system, consistent with the actuarial review, including Art. X, s. 14, Fla. Const. and s. 112.64, F.S., and has furnished a copy to the Division of Retirement, Department of Management Services.<sup>3</sup>

In accordance with Art. III, s. 11(a)(2)(21), s. 112.67, F.S., prohibits special laws in conflict with the requirements of the Act.

##### **City of Tampa Firefighters and Police Pension Fund**

The Firefighters and Police Pension Fund for the City of Tampa was enacted through special act in 1933<sup>4</sup> and amended through subsequent acts.

The 13th check account within the Fund consisted of employee contributions. However, effective October 1, 2001, those contributions ceased and the Fund was funded through investment returns in excess of 10% (limited to 3%) on the base plan liabilities for persons eligible for the 13th check.

##### **Effect of Proposed Changes**

Effective October 1, 2007, the 13th check account will be funded by investment returns in excess of 10 percent (limited to 1 percent) on the base plan plus the Post Retirement Adjustment Account market value of assets at each fiscal year ending September 30. Firefighters and Police Officers with existing

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<sup>1</sup> See art. X s. 14, Fla. Const., implemented by Part VII, ch. 112, F.S., entitled the "Florida Protection of Public Employee Retirement Benefits Act" (Act).

<sup>2</sup> See *id.*

<sup>3</sup> See s. 112.63(3), F.S.

<sup>4</sup> See ch. 16721, L.O.F.

supplemental contracts will continue to receive payment based on the October 1, 2001, calculation unless they execute a new supplemental contract by October 1, 2007. Current retirees, those who retire after this bill becomes law, but before October 1, 2007, and surviving spouses would receive benefits based on the new calculation.

The act is only enabling legislation and is contingent upon contractual agreement through the collective bargaining process between the City of Tampa and the respective certified bargaining agents for firefighters and police officers.

C. SECTION DIRECTORY:

Section 1: Authorizes the City of Tampa to enter into supplemental contracts with firefighters and police officers.

Section 2: Provides that the bill is only enabling legislation.

Section 3: Provides that the benefits provided for in this act for firefighters and police officers on or after this act becomes law shall be made available in a supplemental pension contract.

Section 4: Provides the same benefits of the 13th Check program for qualifying retirees and qualifying surviving spouses.

Section 5: Ratifies the City of Tampa Firefighters and Police Officers Pension Contract.

Section 6: Provides an effective date.

## II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes  No

IF YES, WHEN? February 3, 2007

WHERE? In the *Tampa Tribune*, a daily newspaper published in Hillsborough County.

B. REFERENDUM(S) REQUIRED? Yes  No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached  No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached  No

## III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No statement submitted.

**IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES**

On March 28, 2007, the Government Efficiency & Accountability Council adopted one amendment which clarified that the 13<sup>th</sup> Check Program is subject to Part VII of ch. 112, F.S. The Council recommended HB 1413 favorably with a council substitute.