

# 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.*

<b>BILL #:</b> <a href="#">HB 4065</a> <b>TITLE:</b> West Palm Beach Firefighters Pension Fund, Palm Beach County <b>SPONSOR(S):</b> Tendrich	<b>COMPANION BILL:</b> None <b>LINKED BILLS:</b> None <b>RELATED BILLS:</b> None
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**FINAL HOUSE FLOOR ACTION:** 116 Y's      0 N's      **GOVERNOR'S ACTION:** Pending

## SUMMARY

### Effect of the Bill:

The bill revises provisions of the West Palm Beach Firefighters Pension Fund to reflect an agreement between the West Palm Beach Association of Fire Fighters and the City of West Palm Beach. Specifically, the bill:

- Increases the normal retirement benefit calculation;
- Revises procedures for reviewing denials of benefits;
- Provides powers to the Board of Trustees;
- Revises procedures for purchasing service credits to reflect changes in federal law; and
- Makes clarifying changes to certain procedures and duties of the Fund's board.

### Fiscal or Economic Impact:

The Economic Impact Statement submitted for the bill estimates the bill will cost the City of West Palm Beach \$1,585,294 in the first two years after the bill takes effect.

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## ANALYSIS

### EFFECT OF THE BILL:

The bill revises provisions of the [West Palm Beach Firefighters Pension Fund](#) (Fund) to reflect an agreement between the West Palm Beach Association of Fire Fighters and the City of West Palm Beach.<sup>1</sup> Specifically, the bill amends the Fund's [municipal firefighter pension plan](#) by:

- Increasing the normal retirement benefit calculation from 3 percent to 3.2 percent, effective on and after October 1, 2026, for all years of a member's service retroactive to May 13, 2012. Members who terminate or retire before October 1, 2026, are not eligible for this benefit change.
- Requiring any contribution over 11.1 of the 13.1 percent member contribution rate that took effect October 1, 2018, be used to purchase eligibility in the postretirement health insurance.
- Adding a section regarding service credit purchase limits to the existing Internal Revenue Code limits. These limits clarify the conditions that must be met if a member purchases permissive service credit.
- Removing the existing requirements for required distributions and adding a provision regarding the minimum distribution of benefits, including general rules, the time and manner of distribution requirements, and the determination of amount to be distributed each year.
- Providing that a member's duty disability pension benefit must be the greater of 65 percent of their final average salary or their accrued benefit.
- Providing that if a member becomes totally and permanently disabled due to a diagnosis or treatment of a cancer, there is an irrebuttable presumption that the disability was suffered in the line of duty.
- Changing the maximum annual benefit allowed from \$160,000 to \$280,000 in 2025, adjusted for cost of living. (Section [1](#))

The bill also provides powers to the Board of Trustees (Board). These duties and responsibilities include:

<sup>1</sup> Letter from Bonni S. Jensen, legal counsel for the Board, to Representative John Snyder, Chair, Palm Beach County Delegation, [Re: West Palm Beach Firefighters Pension Fund Letter of Intention](#) (Oct. 10, 2025) (last visited Feb. 6, 2026).

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- Construing the provisions of the plan and determining all questions relating to the plan, including eligibility and participation.
- Determining and certifying the amount of all retirement allowances or other benefits.
- Receiving and processing all applications for participation and benefits and conducting hearings thereon.
- Authorizing all payments whatsoever from the Fund.
- Making recommendations to the city commission and union regarding changes in the provisions of the plan.
- Reviewing reports of and having meetings with the custodian and investment agents or advisors; requiring written reports from the custodian on Fund assets and transactions on a monthly basis; requiring written and oral reports from the investment agents or advisors on at least an annual basis.
- Maintaining the minutes and records of the proceedings and meetings of the Board.
- Making uniform rules and regulations and taking action as may be necessary to carry out the provisions of the plan.
- Taking such other action as the board deems necessary for the efficient management of the plan. (Section [1](#))

Additional revisions include:

- Removing the requirement for a firefighter to be employed for at least three years when returning to service to receive credited service for the period worked after his or her return.
- Allowing the board to deposit funds in full secured banks, credit unions, or savings associations designated by the Board, in addition to qualified public depositories.
- Requiring the Board to retain an independent consultant professionally qualified to evaluate the performance of its professional money manager or investment counsel on a quarterly basis, rather than at least once every three years.
- Requiring the Board to divest from companies that boycott Israel, in addition to the existing requirement to divest from companies with specified business operations involving Sudan or Iran.
- Allowing the Board to make a final lump sum payment if both the retiree and beneficiaries die before the full payment of an optional form of retirement income has been made.
- Authorizing the Board to make a lump sum payment to a member or beneficiary if the total commuted value of the monthly income payments to be paid does not exceed \$7,000.
- Provides that members and retirants may make periodic partial lump sum withdrawals from annuities or the BackDROP balance.
- Providing that members may not make any change in their retirement option after the date of the first Deferred Retirement Option Program deposit, the deposit of the BackDROP calculated balance, in addition to the cashing or deposit of the first retirement check.
- Revising provisions to clarify that the duty-related presumptions related to whether a disability was suffered in the line of duty also apply to the determination of whether a member's death arises out of the performance of duty.
- Updating the review procedures to authorize hearing notices to be sent electronically.
- Updating the definitions and policies concerning actuarial tables to refer to the interest rate and mortality table in the most recently approved valuation. (Section [1](#))

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law. (Section [2](#))

**FISCAL OR ECONOMIC IMPACT:**

LOCAL GOVERNMENT:

According to the bill's Economic Impact Statement, the City of West Palm Beach's required contribution to the Fund in the first year would increase by \$776,724. In the second year, the required contribution increase is estimated to be \$808,570 due to wage inflation. The total estimated cost to the City of West Palm Beach for the first two years is \$1,585,294.

**RELEVANT INFORMATION****SUBJECT OVERVIEW:****Florida Protection of Public Employee Retirement Benefits Act**

A governmental entity responsible for a publicly funded retirement or pension system may not increase benefits without an actuarially sound funding scheme.<sup>2</sup> The Florida Protection of Public Employee Retirement Benefits Act (Benefits Act)<sup>3</sup> establishes minimum standards for the operation and funding of public employee retirement systems and plans and applies to all retirement or pension plans for public employees that are funded in whole or in part by public funds.<sup>4</sup> The Benefits Act requires that such retirement plans be managed, administered, operated, and funded to maximize the protection of public employee retirement benefits.<sup>5</sup> Special laws conflicting with the Benefits Act are prohibited.<sup>6</sup>

The Benefits Act requires the Department of Management Services (DMS) to gather and maintain data, receive and comment on actuarial review, and provide technical assistance to local government retirement systems.<sup>7</sup> DMS must submit an annual report on all retirement systems, including local government retirement systems, to the President of the Senate and the Speaker of the House of Representatives.<sup>8</sup>

Local governments cannot change a retirement or pension plan benefit without submitting a statement of the actuarial impact of the proposed change to DMS.<sup>9</sup> The statement must indicate that the proposed change complies with the law pertaining to the administration of funds and the amortization of unfunded liability.<sup>10</sup>

**Municipal Firefighter Pensions**

The “Marvin B. Clayton Firefighters Pension Trust Fund Act” (Clayton Act)<sup>11</sup> encourages uniformity among local firefighter retirement plans.<sup>12</sup> The Clayton Act provides municipalities and special fire control districts access to premium tax revenues for establishing firefighter retirement plans that conform to the Benefits Act.<sup>13</sup>

The Department of Revenue collects premium tax revenue<sup>14</sup> through an excise tax on insurance companies, corporations, or insurers holding property insurance policies within the boundaries of a participating municipality or district.<sup>15</sup> Each local government must set up a trust fund to receive the tax revenues,<sup>16</sup> but these trust funds are also funded by employee contributions, mandatory municipal payments to keep the plans solvent, and any other lawful revenue source.<sup>17</sup>

The Clayton Act requires retirement plans to comply with statutory minimum benefits and standards. Minimum requirements under the Clayton Act include the use of a benefit formula providing at least a 2.75 percent

<sup>2</sup> See [art. X, s. 14, Fla. Const.](#), and [s. 112.62, F.S.](#)

<sup>3</sup> Ch. 112, Part VII, F.S.

<sup>4</sup> [S. 112.62, F.S.](#)

<sup>5</sup> [S. 112.61, F.S.](#)

<sup>6</sup> See [s. 112.67, F.S.](#), and [art. III, s. 11\(a\)\(21\), Fla. Const.](#)

<sup>7</sup> [S. 112.665\(1\)\(a\)-\(c\), F.S.](#)

<sup>8</sup> [S. 112.665\(1\)\(d\), F.S.](#)

<sup>9</sup> [S. 112.63\(3\), F.S.](#)

<sup>10</sup> *Id.*

<sup>11</sup> Ch. 175, F.S.

<sup>12</sup> See [s. 175.021, F.S.](#)

<sup>13</sup> *Id.* Special fire control districts were included under the Clayton Act in 1993. See Department of Management Services, [Legislative History of Chapters 175 & 185](#) (last visited Feb. 6, 2026).

<sup>14</sup> [S. 175.121, F.S.](#)

<sup>15</sup> [S. 175.101, F.S.](#)

<sup>16</sup> [S. 175.041, F.S.](#)

<sup>17</sup> [S. 175.091\(1\)\(a\)-\(g\), F.S.](#)

retirement benefit for each year of service for full-time firefighters,<sup>18</sup> a 10-year vesting period for normal retirement eligibility,<sup>19</sup> and a five-member board of trustees (board) to govern the plan.<sup>20</sup>

The Clayton Act requires the board to exercise powers and duties by majority vote.<sup>21</sup> The board has the sole and exclusive responsibility to administer and operate the trust fund and carry out the provisions of the Clayton Act, but cannot modify retirement plan provisions without municipal or district approval.<sup>22</sup> Board actions on retirement claims are final if the board complies with its own rules and regulations.<sup>23</sup>

### [West Palm Beach Firefighters Pension Fund](#)

The Fund was originally created in 1947<sup>24</sup> and has been amended through subsequent acts, most recently in 2019.<sup>25</sup> The Fund is governed by a five-member Board of Trustees, which is comprised of two police officers, two city residents, and a fifth member elected by the other four members.<sup>26</sup>

The Fund provides retirement benefits for firefighters and fire department officers and is maintained through contributions from employee members, actuarially determined contributions from the City, and from investment earnings.<sup>27</sup> In addition, the State of Florida pays to the plan all property insurance premium surcharges collected from within the city limits pursuant to Ch. 175, F.S. The City's contribution for the 2024 Fiscal Year was \$7,807,443 and property insurance premium surcharges amounted to \$2,481,741.<sup>28</sup> The combined contributions to the pension plan amounted to \$10,289,184.

Normal retirement age for the Fund is 50 years of age for those with at least 15 years of service, 55 years of age with 10 years of service, or 26 years of service regardless of age.<sup>29</sup> As of September 30, 2025, the Fund had 284 active members and 218 retired members.<sup>30</sup> As of September 30, 2024, the Fund had \$317,685,009 in total assets and total liabilities of \$383,189,083, creating an assets-to-liabilities ratio of 82.9 percent.<sup>31</sup> The Fund currently assumes a 7.5 percent return on its assets.<sup>32</sup> During the 2023-24 Fiscal Year, the Fund saw an actual return of 25.51 percent on the basis of market value of its assets.<sup>33</sup>

Upon retirement eligibility, members receive a monthly pension from the Fund.<sup>34</sup> For all years of service earned after October 1, 2017, the benefit is calculated using 3 percent of final average salary per years of service up to a total of 26 years, plus 1 percent of the final average salary multiplied by the number of years of credited service in excess of 26 years. For all years of service earned after October 1, 2011, and before October 1, 2017, the benefit is calculated using 2.68 percent of final average salary per year.

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<sup>18</sup> [S. 175.162, F.S.](#)

<sup>19</sup> *Id.*

<sup>20</sup> [S. 175.061\(1\), F.S.](#)

<sup>21</sup> [S. 175.071, F.S.](#)

<sup>22</sup> *Id.*

<sup>23</sup> [S. 175.071\(3\), F.S.](#)

<sup>24</sup> [Ch. 24981, Laws of Fla \(1947\).](#)

<sup>25</sup> [Ch. 2019-174, Laws of Fla.](#)

<sup>26</sup> [Ch. 24981, Laws of Fla \(1947\)](#), as amended.

<sup>27</sup> City of West Palm Beach, [2024 Annual Comprehensive Financial Report](#), p. 70 (last visited Feb 6, 2026).

<sup>28</sup> *Id.*

<sup>29</sup> Department of Management Services, [Florida Local Government Retirement Systems 2025 Annual Report](#), p. 96, Appendix B (last visited Feb 6, 2026).

<sup>30</sup> Department of Management Services, [Florida Local Government Retirement Systems 2025 Annual Report](#), p. 323, Appendix F, (last visited Feb 6, 2026).

<sup>31</sup> Department of Management Services, [Florida Local Government Retirement Systems 2025 Annual Report](#), p. 277, Appendix D, (last visited Feb 6, 2026).

<sup>32</sup> Department of Management Services, [Florida Local Government Retirement Systems 2025 Annual Report](#), p. 304, Appendix E, (last visited Feb 6, 2026).

<sup>33</sup> *Id.*

<sup>34</sup> [Ch. 24981, s. 9 Laws of Fla. \(1947\)](#), as amended.

## 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.<sup>35</sup> A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website<sup>36</sup> at least 30 days prior to the introduction of the local bill in the House or Senate.<sup>37</sup> The bill was noticed in the [Palm Beach Post on November 18, 2025](#).

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement Form be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.<sup>38</sup> 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 Form](#)

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<sup>35</sup> [Art. III, s. 10, Fla. Const.](#)

<sup>36</sup> [S. 50.0311\(2\), F.S.](#)

<sup>37</sup> [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.

<sup>38</sup> Intergovernmental Affairs Subcommittee, [Local Bill Policies and Procedures Manual](#), p. 11 (last visited Feb 6, 2026).