



To: Board of Trustees for Tampa Fire and Police Pension Fund

From: Robert Klausner, Fund Counsel

Re: 13<sup>th</sup> Check

Date: May 28, 2025

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*Section 112.61, Fla. Stat., provides that additional benefits, such as the 13<sup>th</sup> check, can only be paid from actuarial experience when the present value of such benefits does not exceed the net actuarial experience from all sources of gains and losses. This means that investment gains can only be used to fund an additional benefit when the plan is in a net positive actuarial state. The actuary has determined that the net actuarial experience is negative \$40M. That is an improvement from the prior year in which the plan was negative \$80M, but it is not “net positive.”*

*Payment of a 13<sup>th</sup> check in violation of the statute is not permitted and would jeopardize not only the receipt of the insurance premium taxes, it would also jeopardize the City’s state revenue sharing money. The payment would also be contrary to Section 27 of the compendium contract, which must be applied in compliance with Section 112.61, Fla. Stat.*

*The Board is not authorized to issue 13<sup>th</sup> check based on the current actuarial findings and the applicable law. As Joe noted, however, the unused gains will support the PRAA, which funds the annual COLA.*