

**PENSION BOARD POLICIES
FIREFIGHTERS & POLICE OFFICERS
PENSION FUND OF THE CITY OF TAMPA**

Policy Number: 903
Policy: Artificial Intelligence (AI) Governance
Eff. Date: 08/27/2025
Ref: Board Minutes

POLICY:

- I. **PURPOSE** – The purpose of this policy is to establish guiding principles and governance standards for the responsible evaluation, adoption, and oversight of Artificial Intelligence (AI) technologies within the operations of the City of Tampa Fire and Police Pension Fund (“the Board”). This ensures alignment with fiduciary duties, privacy requirements, member trust, and long-term fund sustainability.
- II. **SCOPE** – This policy applies to all AI-related tools, models, services, or systems utilized by the Board or its authorized vendors for purposes such as investment analysis, risk management, fraud detection, member services, or operational efficiency. This policy works in conjunction with the City of Tampa Technology & Innovation AI policies for vendors and internal employee use.
- III. **GUIDING PRINCIPLES** –
 - a. **Fiduciary Duty First:** AI shall only be implemented where its use demonstrably supports the Board's legal and ethical responsibility to act in the best interest of its plan participants and beneficiaries.
 - b. **Transparency & Explainability:** AI models used in decision-making must be explainable to Board members, staff, and auditors. Black-box decision-making is prohibited in fiduciary matters.
 - c. **Bias Mitigation:** AI systems shall be evaluated for algorithmic bias and fairness, especially in any application affecting member benefits, eligibility determinations, or hiring and procurement.
 - d. **Data Privacy & Security:** All AI implementations must comply with applicable data protection laws and internal cybersecurity policies. Sensitive member data must not be exposed to unauthorized third parties or unvetted AI platforms.
 - e. **Human Oversight:** AI is intended to support, not replace, human judgment. AI will not be used to render decisions or create final correspondence. All analyses and subsequent final decisions regarding benefits, policies, or investments must be reviewed and approved by the appropriate human stakeholders. For analytic and language tools, such as transcribers, grammar checkers, or other AI tools used to draft reports and communications, the Board is responsible for reviewing and approving the final content before distribution.
- IV. **PERMITTED USE CASES** – Examples of AI uses consistent with this policy include:
 - a. **Investment Support:** AI-generated forecasts or research to supplement portfolio management decisions.
 - b. **Operational Efficiency:** Document classification, data extraction, and predictive analytics related to plan administration.

- c. **Fraud Monitoring:** Pattern recognition models to detect unauthorized access or irregular benefit activity.
 - d. **Member Support Tools:** AI-based chatbots or digital assistants for answering frequently asked questions, provided no binding financial or benefit advice is given.
- V. **PROHIBITED USES** – AI shall not be used for:
 - a. Automated final decisions on member eligibility, retirement benefit adjustments, or claim rejections without human review.
 - b. Predictive surveillance or profiling of members, staff, or retirees.
 - c. Any use that violates applicable privacy laws or collective bargaining agreements.
- VI. **PROCUREMENT & VENDOR STANDARDS** – Any external vendor providing AI capabilities must:
 - a. Disclose the nature and function of their algorithms.
 - b. Provide assurance regarding security, data use limitations, and compliance with this policy.
 - c. Submit to Board audits or reviews as applicable under contract.
- VII. **REVIEW & ACCOUNTABILITY** – The Board shall review this policy annually, or sooner as technology, regulations, or risk tolerance evolve. Any AI use case must be documented, including risk assessments and approval by designated Board staff or legal counsel.
- VIII. **TRAINING** – All staff and board members involved in AI-related decisions shall receive periodic training on AI risks, governance, and fiduciary implications.