

State of Florida Flag and State Seal



# Florida Retirement System Pension Plan and Other State Administered Systems

Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2023





State Reptile: American Alligator (*Alligator mississippiensis*)

# Florida Retirement System Pension Plan and Other State Administered Systems

## Annual Comprehensive Financial Report

### Fiscal Year Ended June 30, 2023

Division of Retirement  
P.O. Box 9000  
Tallahassee, FL 32315-  
9000

[frs.myflorida.com](https://frs.myflorida.com)

Toll Free: 844-377-1888  
Local: 850-907-6500  
TTY: 800-955-8771

Ron DeSantis, Governor  
Pedro Allende, Secretary

This report has been prepared by the Department of Management Services,  
Division of Retirement.

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State Bird: Mockingbird (*Mimus polyglottos*)

# Introductory Section



December 15, 2023

## Letter of Transmittal

To: Florida Legislature and Members of the Florida Retirement System:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the state retirement systems administered by the Department of Management Services, Division of Retirement (Division). This annual report covers the period from July 1, 2022, through June 30, 2023. It includes the operations and financial status of the state retirement systems administered by the Division, a summary description of the retirement plans, investment objectives and policy, actuarial reports, and historical and statistical information on active members, annuitants, and benefit payments. Division management is responsible for the accuracy and completeness of all data and disclosures in this report. To the best of our knowledge, the information presented is accurate and complete in all material respects and fairly depicts the financial activities and position of the state-administered retirement systems. This transmittal letter is designed to complement the Management Discussion and Analysis (MD&A) in the Financial Section of this report and should be read in conjunction with it.

## State-Administered Retirement Systems Profile

The state-administered retirement systems include three separate defined benefit pension plans: the Florida Retirement System (FRS) Pension Plan, the Retiree Health Insurance Subsidy (HIS) Program, and the Florida National Guard Supplemental Retirement Plan; two separate defined contribution retirement plans: one for state senior managers and one for specified staff of the State University System; general revenue funded pensions; and funding to certain local government plans. The FRS is the fourth largest state retirement system that provides retirement, disability or death benefits to 455,601 retirees or their designated beneficiaries and 27,767 Deferred Retirement Option Program (DROP) participants and offers a wide range of information services to 646,277 active non-retired members. The FRS offers members a choice between the Pension Plan (a defined benefit plan) and the Investment Plan (a defined contribution plan). FRS participation is required by all state, county, district school board, state college and state university employers with optional participation offered to cities, charter schools, metropolitan planning districts and special districts. As of June 30, 2023, the FRS had 991 participating employers enrolling new members and 44 participating employers closed to new FRS membership with grandfathered FRS members.

Participation in non-integrated defined contribution plan alternatives to the FRS are provided to specified State University System employees through the State University System Optional Retirement Program and state senior managers through the Senior Management Service Optional Annuity Program. General revenue funded pensions include a retirement benefit to retirees of the Florida National Guard. The Florida National Guard Supplemental Retirement Benefit Program is accounted for separately as a stand-alone pension plan. Oversight is provided to local government pension plans with premium tax collections distributed to eligible municipal police and firefighter plans.

## Economic Condition

All FRS assets are invested under the authority and direction of the State Board of Administration (SBA). The primary investment objectives for the FRS Pension Plan are to provide investment returns sufficient to ensure timely payment of promised benefits and keep plan costs at a reasonable level. The portfolio consists of a highly diversified asset mix of investments, which includes government and corporate bonds,

common stocks, income-producing real estate, alternative investments and short-term money market instruments.

As of June 30, 2023, the market value of assets for the FRS Pension Plan was approximately \$185.71 billion, net of related liabilities, as detailed in the Investment Section. This reflects a 7.50 percent annualized investment return. The fiduciary net position as of June 30, 2023, was \$186.4 billion, a 3.4 percent increase over the previous year. The FRS Pension Plan is 82.4 percent funded on a Governmental Accounting Standards Board Statement No. 67 reporting basis.

Since the benefit payments are not all immediately payable, the SBA can maintain a long-term investment strategy. This approach, along with a well-diversified investment portfolio, helps weather periods of volatility in the investment markets.

## **Internal Controls**

The Division maintains a system of internal controls to safeguard the assets, prevent fraud, abuse and waste, and to ensure the accuracy of financial information. Employee and contractor standards are in place to minimize risk of loss or theft. There are inherent limitations with internal controls. These limitations include: the internal control cost should not exceed the benefits derived from it; the objective is to provide reasonable, rather than absolute, assurance the financial statements are free from any material misstatements; and the risk of management override due to their levels of access. Additionally, internal controls are primarily designed to prevent one individual from being able to steal assets, commit fraud, waste or abuse, or to manipulate the financial records of an entity. If two or more employees collude together some internal controls could be circumvented.

## **Awards and Recognition**

The FRS was awarded the Public Pension Coordinating Council's Public Pensions Standards Award for Funding and Administration in 2023. This award recognizes plans that meet professional standards for plan funding and administration in categories such as benefits, audit, actuarial valuations, financial reporting and communications to members.

The Department of Management Services, Division of Retirement prepared this report. To the best of our knowledge, the enclosed data is accurate in all material respects and reported in a manner designed to fairly present the financial position and operations of the state-administered retirement systems. We created this report to provide complete and reliable information to members of these systems, the Governor, the Florida Legislature and the citizens of Florida. We continue to work to make the state-administered retirement systems cost effective and managed for the benefit of active and retired members.

Respectfully submitted,



Kathy Gould  
State Retirement Director

## Management Staff

The Division of Retirement manages Florida's state-administered retirement systems. The Governor appoints the Secretary of the Department of Management Services who appoints the State Retirement Director. The following individuals are involved in managing the state-administered retirement systems:



**Pedro Allende**  
Secretary



**Katie Parrish**  
Deputy Secretary  
Workforce Operations



**Kathy Gould**  
State Retirement Director



**Shirley Beauford**  
Administrator  
Retirement Operations



**Valerie Reglat**  
Deputy Director  
Technology and Support Services



**Ben Hensarling**  
Deputy Director  
Member Services



**Kelly Recio**  
Chief  
Benefit Payments



**Joyce Morgan**  
Chief  
Enrollment and Contributions



**Keith Brinkman**  
Chief  
Local Retirement



**Lindy Still**  
Chief  
Retirement Calculations



**Becky Griffith**  
Chief  
Outreach and Audit



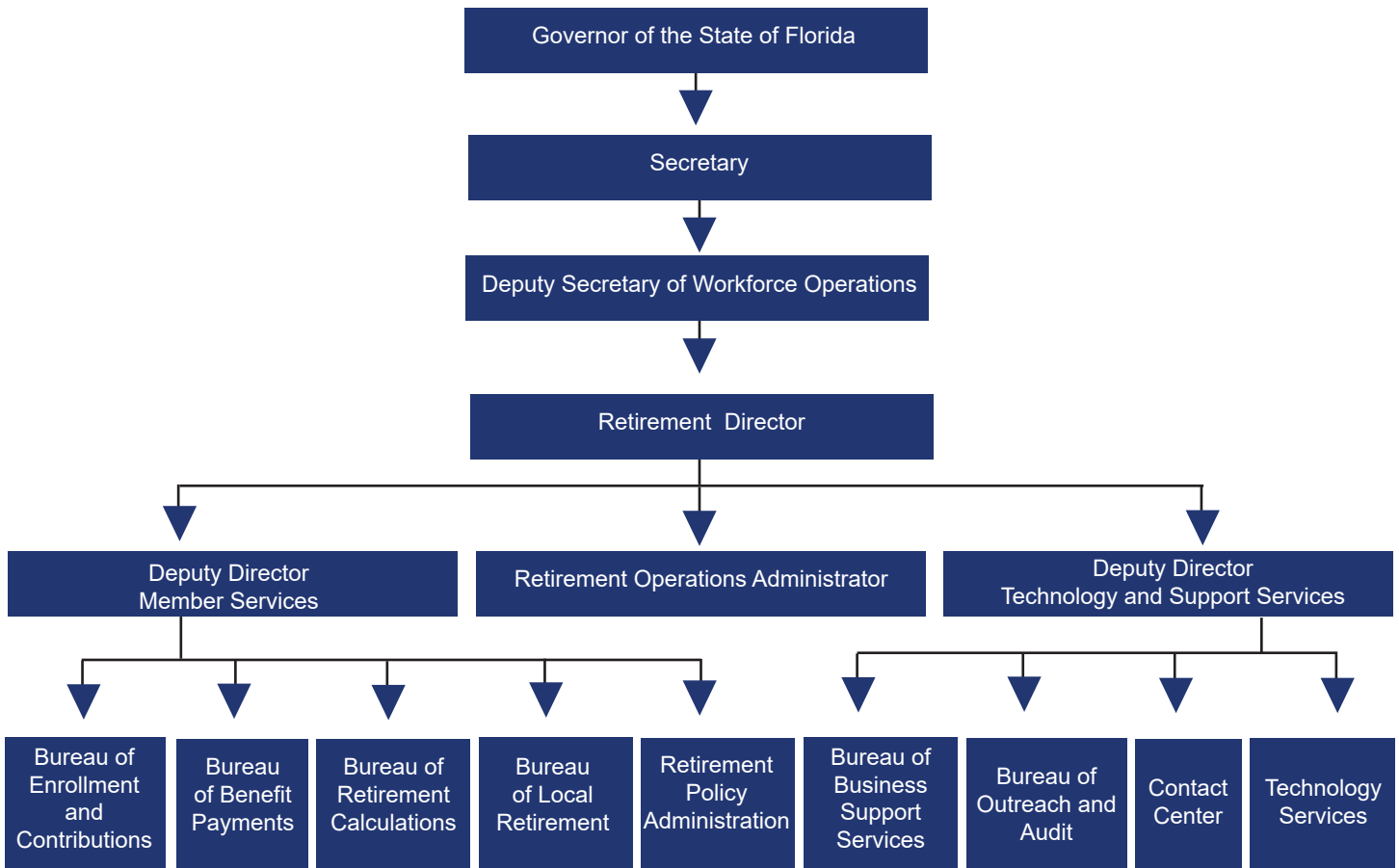
**Nicolle Bournival**  
Administrator  
Retirement Policy



**Vacant**  
Chief  
Business Support Services

**Jason Beard**  
Chief  
Contact Center

## Administrative Organization As of December 15, 2023



Managed at Department Level



### CONSULTING SERVICES

Actuary  
**Milliman, Inc., Consultants and Actuaries**  
 Portland, Oregon

Information Technology  
**22<sup>nd</sup> Century Technologies, Inc.**  
 Tallahassee, Florida

Investment  
**State Board of Administration**  
 Tallahassee, Florida

## TERMS AND ABBREVIATIONS

This annual report contains the following terms and abbreviations:

**ABO** – Accumulated Benefit Obligation.

**Accumulated Contributions** – The total amount of contributions posted to the accounts of active members over their employment career, including interest on the contributions for members of the Teachers' Retirement System.

**Active Member** – Any employee on the May or June payroll who had not retired or had not been refunded accumulated contributions as of June 30.

**ADC** – Actuarially Determined Contribution.

**AFC** – Average Final Compensation.

**Annualized Benefits** – The monthly benefit paid on June 30 multiplied by 12.

**Annual Payroll** – The total salaries paid during the fiscal year to the members indicated.

**Annuitant** – Retired person or the survivor of a retired person who is receiving monthly benefits.

**AVA** – Actuarial Value of Assets.

**ACFR** – Annual Comprehensive Financial Report.

**COLA** – Cost-of-Living Adjustment.

**Combined Systems** – Teachers' Retirement System, State and County Officers and Employees' Retirement System, Highway Patrol Pension Trust Fund, Judicial Retirement System, and the Florida Retirement System since 1970.

**Division** – Division of Retirement, Department of Management Services.

**DMS** – Department of Management Services.

**DROP** – Deferred Retirement Option Program.

**FRS** – Florida Retirement System.

**REGULAR** – Regular Class.

**SPECIAL RISK** – Special Risk Class.

**SPECIAL RISK ADM. SUP.** – Special Risk Administrative Support Class.

**EOC** – Elected Officers' Class.

**SMSC** – Senior Management Service Class.

**FRS DB Plan** – Florida Retirement System Defined Benefit Plan, also known as the Florida Retirement System Pension Plan.

**FRS DC Plan** – Florida Retirement System Defined Contribution Plan, also known as the Florida Retirement System Investment Plan.

**GAAP** – Generally Accepted Accounting Principles.

**GASB** – Governmental Accounting Standards Board.

**HIS** – Health Insurance Subsidy.

**HWY PATROL** – Highway Patrol Pension Fund.

**IFAS** – Institute of Food and Agricultural Sciences.

**JRS** – Judicial Retirement System.

**MVA** – Market Value of Assets.

**National Guard** – Florida National Guard Supplemental Retirement Benefit Program.

**NPL** – Net Pension Liability – The difference between the total pension liability of the system and the net position.

## **TERMS AND ABBREVIATIONS (continued)**

**OPEB** – Other Postemployment Benefits.

**Retirees** – Retired members (includes joint annuitants or survivors).

**SBA** – State Board of Administration.

**SCCSORP** – State Community College System Optional Retirement Program.

**SCOERS** – State and County Officers and Employees' Retirement System.

**SMSOAP** – Senior Management Service Optional Annuity Program.

**SUSORP** – State University System Optional Retirement Program.

**TRS** – Teachers' Retirement System.

**TRS-SB** – Teachers' Retirement System Survivor Benefits.

**UAL** – Unfunded Actuarial Liability – The difference between the plan's actuarial value of assets and the actuarial value of liabilities as of the measurement date.



Public Pension Coordinating Council

Public Pension Standards Award  
For Funding and Administration 2023

Presented to

Florida Retirement System Pension Plan

In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink that reads "Alan H. Winkle".

Alan H. Winkle Program Administrator

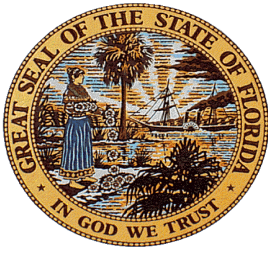




State Animal: Florida Panther (*Puma concolor coryi*)

# Financial Section

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Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722  
Fax: (850) 488-6975

The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, governmental fund, and fiduciary funds of the Florida Retirement System Pension Plan and Other State-Administered Systems (System) administered by the Florida Department of Management Services (Department), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, governmental fund, and fiduciary funds of the System, as of June 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Florida Retirement System Trust Fund maintained by the State Board of Administration to account for assets and investment income (loss) of the Florida Retirement System Defined Benefit Pension Plan, which represent 99.9 percent of the assets and 100 percent of the investment income (loss) of the Florida Retirement System Defined Benefit Pension Plan as of June 30, 2023, and the respective changes in financial position. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Florida Retirement System Trust Fund, is based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of the Department, the State Board of Administration, and the System and to meet our other ethical responsibilities, in accordance with the

relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Emphasis of Matters***

As discussed in Note 1, the financial statements present only the Florida Retirement System Pension Plan and Other State-Administered Systems and do not purport to, and do not, present fairly the financial position of the State of Florida as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Management's Discussion and Analysis, the ability of the current statutory contribution rate to pay full Retiree Health Insurance Subsidy Program benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements on the amount of payroll on which the statutory rate is charged. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is greater than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that **Management's Discussion and Analysis** on pages 21 through 25, the **Required Supplementary Schedules of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions, Schedule of Money-Weighted Rate of Return, Schedule of Proportionate Share of the State's Total OPEB Liability**, and related **Notes to Required Supplementary Information** on pages 92 through 107, and **required budgetary information** on pages 108 through 110, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The Schedule of Administrative Expenses on page 112 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The Schedule of Administrative Expenses has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Administrative Expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

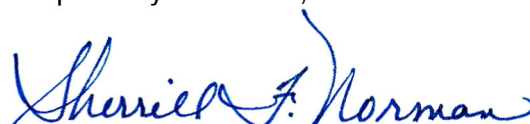
Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory Section on pages 7 through 14 and the Investment, Actuarial, Statistical, and System Summary Sections on pages 113 through 228, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information appears otherwise to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
December 15, 2023  
Audit Report No. 2024-093

## Management's Discussion and Analysis

Management's Discussion and Analysis provides an overview of the financial activities of the state-administered retirement systems and the fund for local government pension plans administered by the Florida Department of Management Services' Division of Retirement (Division) for the fiscal year ended June 30, 2023. This section should be read in conjunction with the financial statements and other information provided in this Annual Comprehensive Financial Report (ACFR).

The Florida Retirement System (FRS) Pension Plan is the primary retirement plan administered by the division. It is a section 401(a), Internal Revenue Code, qualified cost-sharing, multiple-employer defined benefit plan for participating public employers and their covered employees. In addition to the FRS Pension Plan, the division administers several smaller plans and other retirement activities, including the:

- Retiree Health Insurance Subsidy (HIS) Program, a supplemental benefit provided to eligible FRS retirees that is treated as a defined benefit plan for reporting purposes;
- State University System Optional Retirement Program (SUSORP), a section 403(b), Internal Revenue Code, qualified defined contribution plan for faculty, members of the State University System Executive Service, and administrative and professional staff positions that are exempt from career service;
- Senior Management Service Optional Annuity Program (SMSOAP), a section 401(a), Internal Revenue Code, qualified defined contribution plan for state senior managers;
- Police and Firefighters' Premium Tax Trust Fund, a supplemental funding of defined benefit plans for municipal police officers and firefighters who are not in the FRS;
- Florida National Guard Supplemental Retirement (National Guard) Plan; and
- Various General Revenue funded pension programs.

The division's responsibilities include making benefit payments to retirees, collecting contributions to the plans and transmitting contributions to the State Board of Administration (SBA) and other third-party providers for investment, and directing actuarial studies. The SBA is responsible for, among other duties, investing defined benefit retirement fund assets consistent with statutory authority. The Florida Legislature is responsible for establishing plan structure, benefit levels and contribution rates, and providing statutory authority for the administration of the state-administered retirement systems.

### Financial and Actuarial Highlights

#### *Florida Retirement System (FRS) Pension Plan*

The FRS Pension Plan represents 99.5 percent of the financial activity of the state-administered retirement systems. The following financial highlights relate specifically to the FRS Pension Plan:

- The overall financial position of the FRS Pension Plan increased during the year ended June 30, 2023; the fiduciary net position of the FRS Pension Plan increased to \$186.4 billion, an increase of \$6.1 billion, or 3.4 percent above fiscal year 2022. The increase in value was due primarily to investment returns. As detailed in the Investment Section, the market value of assets net of related liabilities for the FRS Trust Fund was \$185.71 billion. The FRS realized an overall investment gain of 7.50 percent for fiscal year 2023, compared with a negative return of 6.27 percent for fiscal year 2022.
- The FRS relies upon contributions from employees and employers, along with investment income, to meet the funding requirements of an actuarially-determined accrued liability. As of July 1, 2023, the date of the latest actuarial valuation, the FRS' funded ratio was 81.4 percent on the valuation funding basis, as compared to 81.9 (reflecting Senate Bill 7024) percent as of July 1, 2022. The funded ratio on the Governmental Accounting Standards Board (GASB) Statement No. 67 basis remained steady at 82.4 percent as of July 1, 2023.
- Administrative expense of the plan for fiscal year 2023 totaled \$27.0 million as compared to \$22.5 million for fiscal year 2022. Administrative expenses reported on the Statement of Changes in Fiduciary Net Position for fiscal year 2023 include items such as personnel and professional service cost, communication cost, and other operating costs which include administrative overhead assessment charges and facilities lease expenses. For additional information on administrative expenses refer to the Schedule of Administrative Expenses located immediately following the Required Supplementary Information Section.

- Contribution revenue recognized from employees and employers during fiscal year 2023 totaled \$5.6 billion, an increase of 11.18 percent over the prior year. The employers continue to be required to pay the full unfunded actuarial liability (UAL) rates recommended by the plan's consulting actuary. A higher payroll base, primarily in local government employers and higher employer contribution rates, account for the majority of the increase over the prior year.
- Pension benefits paid to retirees and beneficiaries during fiscal year 2023 increased 2.57 percent or \$0.3 billion more than fiscal year 2022 benefit payments, for a total of \$12.25 billion. These benefits include payouts to terminating participants of the Deferred Retirement Option Program before being added to the monthly payroll for benefit payments.
- Refunds of employee contributions increased by \$7.5 million in fiscal year 2023 to a total of \$35.8 million.
- The investment return assumption used in calculating the FRS Pension Plan's net pension liability for GASB 67 reporting purposes and the investment return assumption selected by the FRS Actuarial Assumption Conference and used for the funding policy was 6.70 percent. The system's consulting actuary determined the investment return assumption of 6.70 percent for GASB 67 reporting purposes to be reasonable and appropriate per Actuarial Standards of Practice. The consulting actuary prepared a depletion date projection and determined that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments. A description of the change in the investment return assumption for GASB 67 reporting purposes is provided in Note 4.A. of the financial statements. The depletion date projection is available in the 2023 GASB 67 Supplement to the FRS Actuarial Valuation on the division's website at [www.frs.myflorida.com](http://www.frs.myflorida.com).

#### *Actuarial Valuations*

- The FRS actuarial valuation was prepared as of July 1, 2023.
- The HIS actuarial valuation was prepared as of July 1, 2022, and update procedures were used to determine liabilities as of July 1, 2023.
- The National Guard actuarial valuation was prepared as of July 1, 2022, and update procedures were used to determine liabilities as of July 1, 2023.

Note 4, the Required Supplementary Information and the Actuarial Section of this report provide information on the net pension liability, key methods and assumptions used, and other required disclosures for each of the defined benefit plans.

#### *Retiree Health Insurance Subsidy (HIS) Program*

The HIS Program provides a health insurance subsidy payment to most retired employees and beneficiaries. The Florida Legislature sets the contribution rate for this program, which operates using a pay-as-you-go funding structure. Accumulated HIS assets as of the measurement date of July 1, 2023, constituted approximately ten months of projected benefit payments. The ability of the current statutory contribution rate to pay full HIS benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements and the amount of payroll on which the statutory rate is charged.

#### *Florida National Guard Supplemental Retirement Benefit (National Guard) Plan*

The National Guard Plan is a single-employer, non-qualified defined benefit pension plan established under Section 250.22, Florida Statutes. The monthly benefit is equal to the difference between fifty percent of the federal military pay table rate for the highest rank held while in the Florida National Guard and the reservist pension benefit received from the federal government for military service. The plan is funded by an annual appropriation from the General Revenue Fund.



## **Overview of the Financial Statements**

As required by generally accepted accounting principles, the state administered retirement systems' financial statements consist of the following components: basic financial statements, notes to the financial statements and required supplementary information.

### ***Basic Financial Statements***

The systems' basic financial statements include the following elements as of and for fiscal year ended June 30, 2023:

- Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position - The pension plans report operations and fiduciary net position on a full accrual basis of accounting and a focus on economic resources. The Statement of Fiduciary Net Position reports the assets, deferred outflows of resources, liabilities, deferred inflows of resources and resulting fiduciary net position, providing a measurement of the financial position of the funds as of the end of the fiscal year. The Statement of Changes in Fiduciary Net Position presents the results of operating activities in the fiduciary funds during the fiscal year and reflects the changes in resources available to provide future retirement benefits.
- Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - The Police and Firefighters' Premium Tax Trust Fund is a special revenue fund, reported as a governmental fund type using a modified accrual basis of accounting with a focus on current financial resources. The Balance Sheet reports the assets, liabilities and resulting fund balance as of the end of the fiscal year. The Statement of Revenues, Expenditures and Changes in Fund Balance presents the results of operating activities during the fiscal year and reflects the changes in resources available to provide the services administered by the division.
- Statement of Net Position and Statement of Activities – The Police and Firefighters' Premium Tax Trust Fund is converted to a government-wide perspective which reports on a full accrual basis of accounting and a focus on economic resources. The Statement of Net Position presents the assets, liabilities and resulting net position as of the end of the fiscal year. The Statement of Activities presents the results of operating activities during the fiscal year.
- Notes to the financial statements are an integral part of the financial statements. They are important to the reader's understanding of the statements and provide additional information on plan description, significant accounting policies, material account balances and activities, and related party transactions.

### ***Required Supplementary Information***

The following schedules and reconciliation are included to assist the reader by adding operational, economic, and historical context to the financial statements and notes to the financial statements.

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Employer Contributions
- Schedule of Money-Weighted Rate of Return
- Budgetary Comparison Schedule
- Budget to GAAP Reconciliation
- Schedule of Proportionate Share of Total OPEB Liability

### ***Other Supplementary Information***

The Schedule of Administrative Expenses provides additional information not included in the basic financial statements, notes, or Required Supplementary Information.

## Statements of Fiduciary Net Position / Net Position

These statements present the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the state-administered retirement funds as of the end of the fiscal year and are point-in-time financial statements. Table 1, below, presents the condensed Statements of Fiduciary Net Position / Net Position for the fiscal years ended June 30, summarizing the activities of the various retirement funds. The net position at the close of the fiscal year for all funds combined was \$187.36 billion, with the defined benefit plans comprising 99.8 percent of the total. Net position increased 3.5 percent from the previous year's total net position of \$181.0 billion.

**Table 1: Condensed Statements of Fiduciary Net Position / Net Position<sup>1</sup>**

As of June 30  
(In thousands)

	Defined Benefit Plans		Defined Contribution Plans		Governmental Activities		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash and investments	\$ 188,208,908	\$ 183,452,192	\$ 17,335	\$ 14,723	\$ 371,839	\$ 299,480	\$ 188,598,082	\$ 183,766,395
Other assets	2,220,573	1,990,422	1,880	7,175	39,139	19,888	2,261,592	2,017,485
Total assets	190,429,481	185,422,614	19,215	21,898	410,978	319,368	190,859,674	185,783,880
Total deferred outflows of resources	4,059	4,561	241	132	141	178	4,441	4,871
Total liabilities	3,385,471	4,657,914	5,108	4,640	98,985	74,099	3,489,564	4,736,653
Total deferred inflows of resources	8,888	27,488	193	10,363	497	410	9,578	38,261
<b>Fiduciary net position/ net position</b>	<b>\$ 187,039,181</b>	<b>\$ 180,761,773</b>	<b>\$ 14,154</b>	<b>\$ 7,027</b>	<b>\$ 311,637</b>	<b>\$ 245,037</b>	<b>\$ 187,364,972</b>	<b>\$ 181,013,837</b>

<sup>1</sup>Table may not foot due to rounding.

## Statements of Changes in Fiduciary Net Position / Activities

These statements detail the changes in fiduciary net position/net position that occurred during the fiscal year. Table 2 presents the Condensed Statements of Changes in Fiduciary Net Position / Activities for the fiscal years ended June 30. Over time, increases and decreases in the fiduciary net position/net position measure whether the financial position of the state-administered retirement funds is improving or deteriorating. The total net position for all funds increased by \$6.3 billion during the fiscal year.

**Table 2: Condensed Statements of Changes in Fiduciary Net Position / Activities<sup>1</sup>**

For the fiscal year ended June 30  
(In thousands)

	Defined Benefit Plans		Defined Contribution Plans		Governmental Activities		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Additions/Revenues</b>								
Employer contributions	\$ 5,468,461	\$ 4,872,266	\$ 112,961	\$ 108,307	\$ -	\$ -	\$ 5,581,422	\$ 4,980,573
Employee contributions	789,085	769,276	115,201	109,869	-	-	904,286	879,145
Premium taxes	-	-	-	-	311,186	229,424	311,186	229,424
Transfers and other additions	88,703	132,105	220	197	432	861	89,355	133,163
Net investment income/(loss)	13,387,616	(14,241,813)	566	(502)	7,690	673	13,395,872	(14,241,642)
Total additions/revenues	19,733,865	(8,468,166)	228,948	217,871	319,308	230,958	20,282,121	(8,019,337)
<b>Deductions/Expenses</b>								
Benefit payments	12,803,274	12,485,718	-	-	-	-	12,803,274	12,485,718
Refunds of contributions	35,824	28,344	-	-	-	-	35,824	28,344
Payments to annuity companies	-	-	221,437	218,169	-	-	221,437	218,169
Distributions to cities	-	-	-	-	190,029	119,015	190,029	119,015
Administrative expenses	27,308	22,692	383	280	982	913	28,673	23,885
Transfers and other deductions	590,051	768,107	-	-	61,697	30,480	651,748	798,587
Total deductions/expenses	13,456,457	13,304,861	221,820	218,449	252,708	150,408	13,930,985	13,673,718
Change in net position	6,277,408	(21,773,027)	7,128	(578)	66,600	80,550	6,351,136	(21,693,055)
Fiduciary net position/net position	180,761,773	202,534,800	7,027	7,605	245,037	164,487	181,013,837	202,706,892
<b>Fiduciary net position/ net position - ending</b>	<b>\$ 187,039,181</b>	<b>\$ 180,761,773</b>	<b>\$ 14,154</b>	<b>\$ 7,027</b>	<b>\$ 311,637</b>	<b>\$ 245,037</b>	<b>\$ 181,364,972</b>	<b>\$ 181,013,837</b>

<sup>1</sup>Table may not foot due to rounding.

## **Additions to Fiduciary Net Position / Net Position**

Net investment income (loss) of \$13.39 billion, employer contributions of \$5.58 billion, employee contributions of \$904 million, plus premium taxes, transfers and other additions totaling \$400 million, were classified as additions. Additions totaled \$20.28 billion for all state-administered retirement funds during the fiscal year.

## **Deductions from Fiduciary Net Position / Net Position**

Of the total deductions of \$13.9 billion for all state-administered retirement funds during the fiscal year, benefit payments account for the majority of deductions from fiduciary net position, comprising 91.91 percent or \$12.8 billion. Payments to annuity companies, distributions to cities, refunds, transfers and other deductions made up 7.89 percent of total deductions. Administrative expense represents only 0.2 percent of total deductions.

## **Summary**

The long-term financial health of all retirement plans is dependent upon several key items: future investment returns, contributions, and future benefit payments. In the defined contribution plans, the members bear the investment risk to ensure adequate resources are available for retirement. For the FRS Pension Plan, a defined-benefit plan, the investment risk is held at the plan level. Annual valuations and experience studies performed every five years are utilized to measure the Pension Plan's actual economic and demographic experience compared to the plan's assumptions to determine the contribution level required to meet the long-term benefit obligations. The division's funding objective is to accumulate sufficient assets over time to meet its long-term benefit obligations as they become due. Accordingly, collecting employer and employee contributions as well as earning the assumed long-term rate of return on its investments are essential components of the division's funding plan to accumulate the assets needed to finance future retirement benefits.

The FRS Pension Plan's Fiduciary Net Position held in trust for pension benefits increased by 3.47 percent as of June 30, 2023, as compared to June 30, 2022. This increase primarily resulted from higher than anticipated investment returns. The actual investment performance for the FRS Pension Plan for the fiscal year ended June 30, 2023, was an increase of 7.5 percent compared with investment loss of 6.27 percent for the fiscal year ended June 30, 2022. The long-term average annual investment return assumption for the 2023 FRS Pension Plan valuation for GASB 67 reporting purposes was 6.70 percent and 6.70 percent for the 2022 FRS Pension Plan valuation. The amount of assets available to meet future obligations will be based on actual future investment returns and actual contributions received rather than the assumed future investment returns and assumed contributions.

The division is required by state law to provide an actuarial valuation of the defined benefit pension plans to assist decision makers in assessing the funding strength and fiduciary net position of the defined benefit pension plans. The results of these actuarial valuation reports are included in Note 4, Net Pension Liability, and the Required Supplementary Information and Actuarial Section.

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plans pursuant to section 216.136(10), Florida Statutes. The division determines the investment return assumptions for GASB 67 reporting purposes. See Note 4 and the Actuarial Section for further information.

Assumptions were not changed for the 2023 FRS Pension Plan Valuation.

## **Contacting the Division**

This report is designed to provide an overview of the division's activities to citizens, taxpayers, retirement plan members, and other interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida, 32315-9000; phone 850-488-5706.

## STATEMENT OF FIDUCIARY NET POSITION

As of June 30, 2023

	Defined Benefit		
	Florida Retirement System	Retiree Health Insurance Subsidy	National Guard
<b>ASSETS</b>			
Cash and cash equivalents	\$ 109,634,268	\$ -	\$ -
State treasury investment pool	120,444,559	49,395	7,879
Total cash and cash equivalents	<u>230,078,827</u>	<u>49,395</u>	<u>7,879</u>
<u>Investments:</u>			
Certificates of deposit	700,085,998	-	-
U.S. government and federally guaranteed obligations	12,409,772,768	-	-
Federal agencies	7,459,318,923	-	-
Commercial paper	2,345,295,166	-	-
Repurchase agreements	1,400,000,000	-	-
International bonds and notes	2,871,904,690	-	-
Bonds and notes	8,986,547,464	-	-
Real estate contracts	16,137,411,842	-	-
Mutual Funds	-	-	-
Short term investment funds	27,250,141	610,051,374	-
Domestic equity / domestic equity commingled	54,961,305,181	-	-
Alternative investment	42,147,124,177	-	-
International equity	37,434,739,441	-	-
Other Investments	43,325,168	-	-
Total investments	<u>186,924,080,959</u>	<u>610,051,374</u>	<u>-</u>
<u>Receivables:</u>			
Accounts receivable	16,253,572	79,292	-
Contributions receivable	464,250,830	54,659,184	-
Interest receivable	197,191,962	-	-
Dividends receivable	296,182,720	-	-
Pending investment sales	814,912,044	-	-
Pending spot fx trades receivable	215,478,041	-	-
Forward contracts receivable	-	-	-
Futures trade equity	46,002,527	-	-
Due from other funds	78,955,936	7,786,496	-
Due from other funds within division	2,789,959	9,202,766	-
Total receivables	<u>2,132,017,591</u>	<u>71,727,738</u>	<u>-</u>
Security lending collateral	444,639,418	-	-
Prepaid items	902,966	-	-
Furniture and equipment	1,109,459	-	-
Right-of-use lease	17,205,111	-	-
Accumulated depreciation	(2,389,899)	-	-
Total assets	<u>189,747,644,432</u>	<u>681,828,507</u>	<u>7,879</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension liability	-	-	-
Deferred outflows related to other postemployment benefits liability	4,059,415	-	-
Total deferred outflows of resources	<u>4,059,415</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Accounts payable	211,322,405	671	-
Benefits payable	2,089,809	12,900	7,879
Accrued DROP liability	253,833,655	-	-
Due to other funds	26,634,915	-	-
Due to other funds within division	9,202,766	-	-
Due to other departments	9,964,137	-	-
Accrued interest payable	420,774	-	-
Obligations under security lending agreements	462,576,371	-	-
Pending investment purchases	1,942,475,105	-	-
Pending spot fx trades payable	215,524,896	-	-
Broker rebate fees	2,464,281	-	-
Short sell obligations - fixed income	147,559,494	-	-
Compensated absences liability	1,316,487	-	-
Net pension liability	-	-	-
Other postemployment benefits liability	10,492,334	-	-
Lease liability	15,669,781	-	-
Other liabilities	73,903,157	-	-
Total liabilities	<u>3,385,450,367</u>	<u>13,571</u>	<u>7,879</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension liability	-	-	-
Deferred inflows related to other pension amounts	-	-	-
Deferred inflows related to other post employment benefits liability	8,887,512	-	-
Total deferred inflows of resources	<u>8,887,512</u>	<u>-</u>	<u>-</u>
<b>FIDUCIARY NET POSITION</b>			
Restricted for pensions	<u>\$ 186,357,365,968</u>	<u>\$ 681,814,936</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Defined Contribution		
State University System Optional Retirement Program	Senior Management Service Optional Annuity Program	Total June 30, 2023
\$ -	\$ -	\$ 109,634,268
17,301,391	33,233	137,836,457
17,301,391	33,233	247,470,725
-	-	700,085,998
-	-	12,409,772,768
-	-	7,459,318,923
-	-	2,345,295,166
-	-	1,400,000,000
-	-	2,871,904,690
-	-	8,986,547,464
-	-	16,137,411,842
-	-	-
-	-	637,301,515
-	-	54,961,305,181
-	-	42,147,124,177
-	-	37,434,739,441
-	-	43,325,168
-	-	187,534,132,333
-	-	16,332,864
1,538,361	2,146	520,450,521
19,538	12	197,211,512
-	-	296,182,720
-	-	814,912,044
-	-	215,478,041
-	-	-
-	-	46,002,527
2,264	-	86,744,696
-	-	11,992,725
1,560,163	2,158	2,205,307,650
-	-	444,639,418
-	-	902,966
-	-	1,109,459
355,089	-	17,560,200
(36,788)	-	(2,426,687)
19,179,855	35,391	190,448,696,064
56,108	-	56,108
184,541	-	4,243,956
240,649	-	4,300,064
1,584,397	-	212,907,473
-	-	2,110,588
-	-	253,833,655
9,340	-	26,644,255
2,779,688	10,272	11,992,726
1,013	-	9,965,150
-	-	420,774
-	-	462,576,371
-	-	1,942,475,105
-	-	215,524,896
-	-	2,464,281
-	-	147,559,494
17,820	-	1,334,307
150,411	-	150,411
230,918	-	10,723,252
324,116	-	15,993,897
-	-	73,903,157
5,097,703	10,272	3,390,579,792
16,271	-	16,271
-	-	-
177,154	-	9,064,666
193,425	-	9,080,937
\$ 14,129,376	\$ 25,119	\$ 187,053,335,399

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended June 30, 2023

	Defined Benefit		
	Florida Retirement System	Retiree Health Insurance Subsidy	National Guard
<b>ADDITIONS</b>			
<u>Contributions and other deposits</u>			
Pension contributions - employer	\$ 4,810,643,175	\$ 657,817,668	\$ -
Pension contributions - employee	784,484,131	221,875	-
Purchase of time by employees	4,378,688	-	-
General revenue	1,132,279	-	15,471,794
Other income	3,094,148	258,539	-
Forfeiture of employee benefit	-	-	-
Total contributions and other deposits	5,603,732,421	658,298,082	15,471,794
<u>Transfers</u>			
Other funds within division	-	-	-
Other funds - FRS investment plan	68,745,863	-	-
Other departments	-	-	-
Total transfers	68,745,863	-	-
Total contributions and transfers	5,672,478,284	658,298,082	15,471,794
<u>Investment income</u>			
Net appreciation (depreciation) in fair value	8,458,236,081	-	-
Interest income	1,068,640,460	22,907,822	-
Dividends	1,919,827,441	-	-
Real estate operating income, net	549,693,995	-	-
Other investment income	2,093,210,936	-	-
Total investment income (loss)	14,089,608,913	22,907,822	-
Investment activity expense	(743,346,239)	(372)	-
Net income (loss) from investing activity	13,346,262,674	22,907,450	-
<u>Security lending activity</u>			
Security lending income	42,840,515	-	-
Security lending expense	(24,394,269)	-	-
Net income from security lending	18,446,246	-	-
Total net investment income (loss)	13,364,708,920	22,907,450	-
Total additions	19,037,187,204	681,205,532	15,471,794
<b>DEDUCTIONS</b>			
Benefit payments	12,252,171,171	534,547,058	-
Benefit payments - general revenue funded	1,132,279	-	15,423,594
Refund of contributions	35,823,940	-	-
Transfers to FRS investment plan	590,051,076	-	-
Payments to annuity companies	-	-	-
Administrative expense	27,047,577	212,017	48,200
Total deductions	12,906,226,043	534,759,075	15,471,794
Change in fiduciary net position	6,130,961,161	146,446,457	-
Fiduciary net position - beginning	180,226,404,807	535,368,479	-
Fiduciary net position - ending	\$ 186,357,365,968	\$ 681,814,936	\$ -

The notes to the financial statements are an integral part of this statement.

Defined Contribution		
State University System Optional Retirement Program	Senior Management Service Optional Annuity Program	Total June 30, 2023
\$ 112,907,564	\$ 53,916	\$ 5,581,422,323
115,165,890	34,476	899,906,372
78	323	4,379,089
-	-	16,604,073
219,531	8	3,572,226
-	-	-
<u>228,293,063</u>	<u>88,723</u>	<u>6,505,884,083</u>
-	-	-
-	-	68,745,863
-	-	-
-	-	<u>68,745,863</u>
<u>228,293,063</u>	<u>88,723</u>	<u>6,574,629,946</u>
399,226	106	8,458,635,413
178,667	106	1,091,727,055
-	-	1,919,827,441
-	-	549,693,995
-	-	<u>2,093,210,936</u>
<u>577,893</u>	<u>212</u>	<u>14,113,094,840</u>
(11,517)	(7)	(743,358,135)
<u>566,376</u>	<u>205</u>	<u>13,369,736,705</u>
-	-	42,840,515
-	-	(24,394,269)
-	-	<u>18,446,246</u>
566,376	205	13,388,182,951
<u>228,859,439</u>	<u>88,928</u>	<u>19,962,812,897</u>
-	-	12,786,718,229
-	-	16,555,873
-	-	35,823,940
-	-	590,051,076
221,355,103	82,155	221,437,258
382,925	-	<u>27,690,719</u>
<u>221,738,028</u>	<u>82,155</u>	<u>13,678,277,095</u>
7,121,411	6,773	6,284,535,802
7,007,965	18,346	180,768,799,597
<u>\$ 14,129,376</u>	<u>\$ 25,119</u>	<u>\$ 187,053,335,399</u>

**GOVERNMENTAL FUND BALANCE SHEET /  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2023**

<b>Police and Firefighters' Premium Tax Trust Fund</b>			
	<b>Special Revenue Fund</b>	<b>Reconciliation Adjustments (Note 2)</b>	<b>Statement of Net Position</b>
<b>ASSETS</b>			
State treasury investment pool	\$ 84,503	\$ -	\$ 84,503
Investments	371,754,767	-	371,754,767
Interest receivable	-	-	-
Due from other funds within division	-	-	-
Due from other departments	38,502,956	-	38,502,956
Right-of-use leased asset	-	710,177	710,177
Amortization, right-of-use leased asset	-	(73,577)	(73,577)
Total assets	410,342,226	636,600	410,978,826
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to other postemployment benefits	-	141,213	141,213
Total deferred outflows of resources	-	141,213	141,213
<b>LIABILITIES AND FUND BALANCE</b>			
<u>Current liabilities</u>			
Accounts payable	33,658	-	33,658
Due to other funds	-	-	-
Due to other departments	31,432,168	-	31,432,168
Due to other governmental units	46,907,785	-	46,907,785
Due to general revenue	19,447,593	-	19,447,593
Compensated absences liability	32,644	-	32,644
Lease liability	5,440	27,520	32,960
Other postemployment benefits liability	8,706	-	8,706
Total current liabilities	97,867,994	27,520	97,895,514
<u>Noncurrent liabilities</u>			
Other postemployment benefits liability	-	337,671	337,671
Compensated absences liability	-	136,943	136,943
Lease liability	-	615,272	615,272
Total liabilities	97,867,994	1,117,406	98,985,400
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to other postemployment benefits	-	497,259	497,259
Total deferred inflows of resources	-	497,259	497,259
Fund balance - committed	312,474,232	(312,474,232)	-
Total liabilities and fund balance	\$ 410,342,226		
Net position - restricted		\$ 311,637,380	\$ 311,637,380

The notes to the financial statements are an integral part of this statement.



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUND / STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2023

	<b>Police and Firefighters' Premium Tax Trust Fund</b>		
	<b>Special Revenue Fund</b>	<b>Reconciliation Adjustments (Note 2)</b>	<b>Statement of Activities</b>
<b>REVENUES</b>			
Premium taxes	\$ 311,185,883	\$ -	\$ 311,185,883
Investment earnings	7,689,368	-	7,689,368
General revenue	2	-	2
Refunds	432,493	-	432,493
Total revenues	<u>319,307,746</u>	<u>-</u>	<u>319,307,746</u>
<b>EXPENDITURES / EXPENSES</b>			
Distribution to cities	190,029,232	-	190,029,232
Administrative expense	1,011,907	(30,022)	981,885
Total expenditures / expenses	<u>191,041,139</u>	<u>(30,022)</u>	<u>191,011,117</u>
Revenues over (under) expenditures	128,266,607		128,296,629
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in from other funds within division	-	-	-
Operating transfers out to other funds	<u>(61,697,127)</u>	-	<u>(61,697,127)</u>
Revenues and transfers in over expenditures and transfers out	66,569,480	(66,569,480)	-
Change in net position	-	66,599,502	66,599,502
Fund balance / net position - beginning	245,904,752	(866,874)	245,037,878
Fund balance / net position - ending	<u>\$ 312,474,232</u>	<u>\$ (836,852)</u>	<u>\$ 311,637,380</u>

The notes to the financial statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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## NOTE 1 – PLAN DESCRIPTION

### A. Reporting Entity

The Florida Retirement System Pension Plan and Other State-Administered Systems (System) are administered by the Florida Department of Management Services, Division of Retirement (division), and are part of the primary government of the State of Florida. The division administers three defined benefit plans and two defined contribution plans which are fiduciary activities, as well as a supplemental funding of defined benefit plans for municipal police officers and firefighters which is a special revenue activity, and various general revenue funded pension programs. These state-administered retirement systems are included in the department's Annual Comprehensive Financial Report (ACFR) and in the State of Florida's ACFR as part of the primary government. The department's financial statements do not include the pension liabilities of the participating employers. The financial statements present only the Florida Retirement System Pension Plan and other State-Administered Systems and do not purport to, and do not, present fairly the financial position of the State of Florida as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### B. Defined Benefit Plans

#### 1. The Florida Retirement System Pension Plan

##### Organization

The Florida Retirement System (FRS) Pension Plan was created in Chapter 121, Florida Statutes, effective Dec. 1, 1970, by consolidating and closing these existing plans to new members: the Teachers' Retirement System (Chapter 238, Florida Statutes), the State and County Officers and Employees' Retirement System (Chapter 122, Florida Statutes), and the Highway Patrol Pension Trust Fund (Chapter 321, Florida Statutes). In 1972, the Judicial Retirement System (Chapter 123, Florida Statutes) was closed and consolidated into the FRS. The FRS is a qualified retirement plan under section 401(a), Internal Revenue Code, created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the FRS Investment Plan, which is administered by the State Board of Administration. Effective July 1, 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program, established under section 121.40, Florida Statutes, was consolidated under the Florida Retirement System Pension Plan as a closed retirement plan. Participation in the IFAS Supplemental Retirement Program does not constitute membership in the FRS.

Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the state, state elected officials who chose SMSC membership in lieu of Elected Officers' Class membership, and faculty and other specified positions in the State University System and Florida College System institutions. Provisions relating to the FRS are also contained in Chapter 112, Florida Statutes.

##### Covered Members and Classes

FRS membership is compulsory for employees filling a regularly established position in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under section 121.053 or section 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Retirees initially reemployed in regularly established positions on or after July 1, 2010, through June 30, 2017, may not participate in the FRS. Effective July 1, 2017, retirees of specified defined contribution plans<sup>1</sup> employed in a regularly established position are eligible to be enrolled as renewed members of the defined contribution plan<sup>2</sup> covering the position held except the Senior Management Service Optional Annuity Program that is closed to new members. FRS Pension Plan retirees remain ineligible for renewed membership. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program.

<sup>1</sup> Retirees of the following defined contribution plans are eligible to be enrolled as a renewed member if employed in a regularly established position on or after July 1, 2017: Senior Management Service Optional Annuity Program (SMSOAP), State University System Optional Retirement Program (SUSORP), the State Community College System Optional Retirement Program (SCCSORP), and the FRS Investment Plan.

<sup>2</sup> Defined contribution Plan retirees initially enrolled on or after July 1, 2017, may be enrolled in the SUSORP, SCCSORP, or the FRS Investment Plan depending upon the retirement plan covering the position held. The SMSOAP was closed to new members effective July 1, 2017. Participation in the Investment Plan includes membership in the Special Risk Class for these renewed members.

There are five classes of membership, as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions in state and local governments who fill compulsory and designated positions participate in the Senior Management Service Class (SMSC). Members of the EOC may also elect to participate in the SMSC in lieu of the EOC.
- *Special Risk Class* – Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001, through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers' Class (EOC)* – Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

### **Vesting**

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members working on or after July 1, 2001, and initially enrolled before July 1, 2011. Members not actively working in a position covered by the FRS on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age. Vested members are eligible for normal retirement when they have met the requirements listed below.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* – For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

### **Significant Plan Provisions**

The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Benefits are computed based on age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned:

## Florida Retirement System

% Value  
(per year of service)

### Regular Class members initially enrolled before July 1, 2011

Retirement up to age 62 or up to 30 years of service .....	1.60%
Retirement at age 63 or with 31 years of service .....	1.63%
Retirement at age 64 or with 32 years of service .....	1.65%
Retirement at age 65 or with 33 or more years of service.....	1.68%

### Regular Class members initially enrolled on or after July 1, 2011

Retirement up to age 65 or up to 33 years of service .....	1.60%
Retirement at age 66 or with 34 years of service .....	1.63%
Retirement at age 67 or with 35 years of service .....	1.65%
Retirement at age 68 or with 36 or more years of service.....	1.68%

### Special Risk Class

Service from Dec. 1, 1970 through Sept. 30, 1974 .....	2.00%
Service on and after Oct. 1, 1974 .....	3.00%

### Special Risk Administrative Support Class members initially enrolled before July 1, 2011

(With six or more years of special risk service, the service in this class counts towards special risk normal retirement; otherwise, Regular Class requirements apply.)

Retirement up to age 55; or up to 25 total years special risk service; or at age 52 with 25 years (if total service includes wartime military service) .....	1.60%
Retirement at age 56; or with 26 total years special risk service; or at age 53 with 26 years (if total service includes wartime military service) .....	1.63%
Retirement at age 57; or with 27 total years special risk service; or at age 54 with 27 years (if total service includes wartime military service) .....	1.65%
Retirement at age 58; or with 28 total years special risk service; or at age 55 with 28 years (if total service includes wartime military service) .....	1.68%

### Special Risk Administrative Support Class members initially enrolled on or after July 1, 2011

(With eight or more years of special risk service, the service in this class counts towards special risk normal retirement; otherwise, Regular Class requirements apply.)

Retirement up to age 60; or up to 30 total years special risk service .....	1.60%
Retirement at age 61; or with 31 total years special risk service .....	1.63%
Retirement at age 62; or with 32 total years special risk service .....	1.65%
Retirement at age 63; or with 33 total years special risk service .....	1.68%

### Elected Officers' Class

Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge .....	3.33%
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county officer, or elected official of a city or special district that chose EOC membership for its elected officials .....	3.00%

### Senior Management Service Class..... 2.00%

There are three steps in computing an annual retirement benefit:

- Step 1. Determine the member's retirement plan(s) and class(es) of membership, years of creditable service in each, and the total percentage value earned.
- Step 2. Calculate the average final compensation.
- Step 3. Multiply the figures obtained in Steps 1 and 2 to determine the annual normal retirement benefit. (If the member elects to retire early, the benefit is reduced by 5 percent for each year remaining before the member would reach normal retirement age. The benefit is reduced if the member elects to provide a continuing benefit to an eligible surviving beneficiary.)

Members must select one of the four benefit options at retirement:

Option 1 — Member receives a benefit for life with no continuing survivor benefit at death.

Option 2 — Member receives a reduced benefit for life. If member dies anytime within ten years after retiring, the beneficiary will receive the benefit for the remainder of the ten-year (120-month) period from the member's retirement date or DROP begin date. No survivor benefits are paid if the member dies ten or more years after the effective retirement date.

Option 3 — Member receives a reduced benefit for life. Upon the member's death, the joint annuitant, if living, will receive the same benefit for life. A joint annuitant who is under age 25 and is the member's child or other dependent for whom the member has guardianship will receive the member's Option 1 benefit, but only until age 25, or, if disabled, until no longer disabled.

Option 4 — Member receives a benefit for life based on the age of the member and the joint annuitant at retirement while both are living. Upon the death of either the member or the joint annuitant, the survivor will receive a lifetime benefit equal to two-thirds of the benefit the member was receiving when both were living. A joint annuitant who is under age 25 and is the member's child or other dependent for whom the member has guardianship will receive the member's Option 1 benefit, but only until age 25, or, if disabled, until no longer disabled.

Members must terminate all employment relationships with and cease providing services to all FRS employers for the first six calendar months after their DROP termination date or their non-DROP effective retirement dates to complete their retirement process, in addition to meeting all other requirements to receive monthly benefits payable under the FRS Pension Plan. FRS members employed by an agency that withdrew from the FRS effective January 1, 1996, for new employees, must remain unemployed by that agency and all other FRS employers to satisfy the termination requirement during the first six calendar months after the service retirement or DROP termination date.

## **DROP**

The DROP is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 calendar months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment (COLA) each July and earn monthly interest equivalent to an annual rate of 1.30 percent on the preceding month's DROP accumulation until DROP participation ends. As of June 30, 2023, the FRS Trust Fund held \$2,745,616,982 in accumulated benefits for 30,093<sup>3</sup> DROP participants. Of these 30,093 DROP participants, 28,480<sup>4</sup> were active in the DROP with balances totaling \$2,491,783,327. The remaining participants were no longer active in the DROP and had balances totaling \$253,833,655 to be processed after June 30, 2023.

The election to participate in the DROP must have been made within 12 months of the member's normal retirement date, unless the member was eligible to defer the election. To participate for the maximum DROP period, the member must have entered the DROP upon first reaching eligibility for normal retirement (their individual eligibility window), or upon reaching an eligible deferral date as described below:

- A Special Risk Class member initially enrolled in the FRS before July 1, 2011, who reaches the normal retirement date based upon years of service before reaching age 52 may defer DROP entry up to age 52 and still participate for 60 calendar months. Also, a member of the Special Risk Administrative Support Class who has at least the number of years of Special Risk Class service required to be vested and reaches the normal retirement date based upon years of service before reaching age 52 may defer DROP entry up to age 52 and still participate for 60 calendar months.
- A Special Risk Class member initially enrolled in the FRS on or after July 1, 2011, who reaches the normal retirement date based upon years of service before reaching age 55 may defer DROP entry up to age 55 and still participate for 60 calendar months. Also, a member of the Special Risk Administrative Support Class who has at least the number of years of Special Risk Class service required to be vested and reaches the normal retirement date based upon years of service before reaching age 55 may defer DROP entry up to age 55 and still participate for 60 calendar months.
- A member of the Regular Class, EOC, or the SMSC initially enrolled in the FRS before July 1, 2011, who reaches the normal retirement date before reaching age 57 may defer DROP entry until age 57 and still participate for 60 calendar months. A member of the Special Risk Administrative Support Class who does not have the number of years of Special Risk Class service required for vesting is subject to these deferral requirements.
- A member of the Regular Class, EOC, or the SMSC initially enrolled in the FRS on or after July 1, 2011, who reaches the normal retirement date before reaching age 60 may defer DROP entry until age 60 and still participate for 60 calendar months. A member of the Special Risk Administrative Support Class who does not

<sup>3</sup> Includes retirees with a DROP payment pending.

<sup>4</sup> Includes elected officials with a deferred employment termination date that is after June 30, 2023.

have the number of years of Special Risk Class service required for vesting is subject to these deferral requirements.

- A member who reaches the normal retirement date during a term of office may defer the DROP election until the next succeeding term in that office and still participate for up to 60 calendar months or until the end of that succeeding term, whichever is less.
- A member who is employed as K-12 instructional personnel as defined in Section 1012.01(2), Florida Statutes, may elect to participate in the DROP at any time after reaching the normal retirement date and still participate for 60 calendar months.

Upon termination, the DROP account is paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Monthly benefits are paid to the member in the amount as calculated upon entry into the DROP, plus a COLA for intervening years.

In most cases, after a maximum of 60 calendar months in the DROP, participants must satisfy the termination requirement by terminating all employment relationships with, and cease providing services to all FRS employers during the first six calendar months after the DROP termination date and must comply with the applicable reemployment limitation during calendar months thereafter. However, certain exceptions apply:

- Effective July 1, 2002, a DROP participant who holds an elective office may end DROP participation and postpone compliance with the termination requirement and reemployment limitation until no longer holding the elective office (including consecutive held terms of office). For the period between the end of DROP participation and termination, no retirement credit is earned and the member's DROP accumulation accrues no additional monthly benefits. If DROP participation begins on or after July 1, 2010, the DROP accumulation does not earn interest during the period between the end of DROP participation and termination<sup>5</sup>.
- K-12 instructional personnel employed with a district school board, the Florida School for the Deaf and the Blind or a developmental research school of a state university may be allowed to extend their DROP participation for up to an additional 36 months beyond their initial 60-month DROP participation period. To qualify for the extension, the DROP participant must receive authorization from the employer and be approved by the division. If authorized to extend DROP participation, a participant must remain employed in an eligible position during the period of DROP extension. Effective July 1, 2018, instructional personnel whose DROP participation is extended must have a termination date that coincides with the end of the school year but cannot exceed 36 months of extended participation.
- Effective July 1, 2018, administrative personnel in grades K-12 as defined in section 1012.01(3), Florida Statutes, whose DROP participation ends during a school year may be granted extended DROP participation through the end of the school year.
- Effective July 1, 2022, a member of the Special Risk Class who is a law enforcement officer who meets the criteria in section 121.0515(3)(a), Florida Statutes, may participate in DROP for up to 36 calendar months beyond the 60-month period of if he or she enters DROP on or before June 30, 2028.

As of June 5, 2023, when Senate Bill 7024 was signed into law, all eligible members in a regularly established position can elect to participate in DROP for a period not to exceed a maximum of 96 calendar months, at anytime after a member reached his or her normal retirement date. This provision replaces the previous individual eligibility windows described in the subsection above. Certain personnel may extend their DROP participation as follows:

- K-12 instructional personnel employed with a district school board, the Florida School for the Deaf and the Blind or a developmental research school of a state university may be allowed to extend their DROP participation for up to an additional 24 months beyond their initial 96-month DROP participation period. To qualify for the extension, the DROP participant must receive authorization from the employer and be approved by the division. If authorized to extend DROP participation, a participant must remain employed in an eligible position during the period of DROP extension. Instructional personnel whose DROP participation is extended must have a termination date that coincides with the end of the school year but cannot exceed 24 months of extended participation. This DROP extension provision will expire June 30, 2029.

### **Disability and Survivor Benefits**

There are two types of disability retirement available under the FRS: In-line-of-duty disability retirement and regular disability retirement. To qualify for either type of disability retirement, members must be totally and permanently disabled to the extent that they are unable to work in any job for any employer. In-line-of-duty disability benefits are available to members from their first day of employment. The minimum Option 1 benefit for in-line-of-duty disability retirement is 42 percent of their average final compensation for all members except those in the Special Risk Class, who receive a minimum Option 1 in-line-of-duty disability benefit of 65 percent of their average final compensation. To be eligible for

<sup>5</sup> If DROP participation began before July 1, 2010, the member's DROP accumulation continues to earn interest after participation ends and before termination.

regular disability retirement, members must complete eight years of creditable service. The minimum Option 1 benefit under regular disability retirement is 25 percent of their average final compensation. If a disabled member's service benefit would be higher than the minimum disability benefit, the member may elect to receive the higher benefit.

If an active member in any class but the Special Risk Class dies in the line of duty, the spouse will receive a lifetime monthly benefit equal to one-half of the member's monthly salary at death. If the spouse dies, the benefit will continue to be paid on behalf of the member's dependent children until the youngest child reaches age 18 or is married, if earlier. If a member of the Special Risk Class dies in the line of duty, the spouse will receive a lifetime monthly benefit equal to 100 percent of the member's monthly salary at death. If the spouse dies, the benefit will be paid on behalf of the member's dependent children until the youngest reaches age 18 but payment may be extended until the youngest child reaches age 25 if unmarried and a full-time student.

If an active member dies before becoming vested and the death was not suffered in the line of duty, the designated beneficiary will receive a refund of any member-paid retirement contributions. However, if the active member dies within one year of vesting, the member's joint annuitant may use the deceased member's accumulated leave on an hour-by-hour basis, or the member's eligible in-state or out-of-state service, to purchase enough service credit to vest the deceased member and receive monthly benefits.

If the member was vested at death, the beneficiary may receive a refund of any contributions that may have been paid by the member or, if the beneficiary qualifies as a joint annuitant, a lifetime monthly benefit calculated as though the member had retired on the month following the date of death and had chosen Option 3. If the joint annuitant is the member's child or other dependent for whom the member has guardianship who is under age 25, the joint annuitant will receive the member's Option 1 benefit until age 25, or, if disabled, until no longer disabled. A deceased member's joint annuitant may buy any service credit that could have been claimed by the member at the time of death, if the member's termination of employment was due to death.

#### **COST OF LIVING ADJUSTMENT (COLA)**

The benefits received by retirees and beneficiaries are increased by a COLA each July based on their June benefit amount (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under the DROP, disability retirement benefits, and survivor benefits). The COLA for retirements or DROP participation effective before August 1, 2011, is 3 percent per year. The COLA formula for retirees with an effective retirement date or DROP begin date on or after August 1, 2011, will be the sum of the pre-July 2011 service credit divided by the total service credit at retirement multiplied by 3 percent. Each Pension Plan member with an effective retirement date of August 1, 2011, or after will have an individual COLA factor for retirement. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a COLA after retirement.

#### **TERMINATION REQUIREMENT AND REEMPLOYMENT LIMITATION**

Retired members must satisfy the termination requirement to be eligible for retirement benefits. Members must terminate all employment relationships with and cease providing services to all FRS employers, during the first six calendar months from the retirement effective date or following the DROP termination date, regardless of whether the employment is covered for retirement. An employment relationship with an FRS employer in any capacity during this six-calendar month period may void the retirement and the retired member and the FRS employer may be held jointly and severally liable for repayment of benefits, including a DROP payout, if termination is violated. Any retired FRS member who does not satisfy the termination requirement is not considered to have retired. His or her active membership will be reinstated and all benefits received must be repaid. If a member retires from an FRS employer that withdrew for new employees effective January 1, 1996, the member must remain unemployed by the withdrawn employer to meet the definition of termination in order to finalize the retirement.

Upon meeting the termination requirement, FRS retirees are also subject to reemployment limitation during the 7<sup>th</sup> through 12<sup>th</sup> calendar months from the retirement effective date or following the DROP termination date. FRS retirees may engage in an employment relationship with or provide services to FRS employers if, and only if, the retiree suspends the monthly retirement benefits. If the retiree is employed by or provides services to an FRS employer without suspending benefits, the retiree and the FRS employer will be held jointly and severally liable for repayment of all retirement benefits received during the months he or she was employed. An exception to reemployment limitation is provided for retired law enforcement officers reemployed as a school resource officers in accordance with section 121.091(9)(f), Florida Statutes. Retirees who provide services to an FRS employer in any capacity may be determined to have an employment relationship.

After retirement or the DROP termination date, retired FRS members may be employed by any private employer or any public employer not participating in the FRS without affecting their FRS benefits provided the retiree is not providing services to an FRS employer. However, beginning with the 13<sup>th</sup> calendar month from the retirement effective date or following the DROP termination date, there are no restrictions on working for an FRS employer.



## **RENEWED MEMBERSHIP**

FRS retirees who are initially reemployed in regularly established positions no later than June 30, 2010, have renewed membership in the Regular Class, the SMSC, or the EOC and earn credit toward a second-career benefit based on requirements for their class of membership. Having a break in service or not being employed on July 1, 2010, does not change a renewed member's status. Once retirees have established renewed membership in the system, they will have the same opportunities to elect to participate in alternative defined contribution retirement programs instead of the FRS and choose between the FRS Pension Plan or the FRS Investment Plan as do similarly situated newly hired members of that membership class until they retire. Renewed members are subject to the same vesting requirements and other limitations as apply to other active members. However, these renewed members are not eligible to participate in the Special Risk Class, retire through DROP participation, or retire under disability retirement provisions.

Retirees of the FRS Investment Plan, the State University System Optional Retirement Program (SUSORP), the State Community College System Optional Retirement Program (SCCSORP), and the Senior Management Service Optional Retirement Program are not eligible for renewed membership from July 1, 2010, through June 30, 2017. Retirees of these defined contribution plans who are employed in a regularly established position on or after July 1, 2017, will be enrolled as renewed members of the FRS Investment Plan, the SUSORP or the SCCSORP depending upon the plan covering the position. Renewed members initially enrolled in the FRS Investment Plan on or after July 1, 2017, are able to be Special Risk Class members if employed in positions covered by this class. The SMSOAP was closed to new membership effective July 1, 2017.

FRS Pension Plan retirees who are initially reemployed on or after July 1, 2010, are not eligible for renewed membership.

## **APPEALS PROCEDURE AND FORFEITURE OF BENEFITS**

Whenever the division makes a decision that will reduce, suspend or terminate a member's retirement benefits, the member may petition the Department of Management Services (department) in writing for a formal or informal hearing. Rule 28-106.201, Florida Administrative Code, outlines the requirements for filing a petition for a formal hearing. If this request is granted, the matter will be referred to the Division of Administrative Hearings with a request that an administrative law judge be assigned to conduct the hearing. Rule 28-106.301, Florida Administrative Code, outlines the requirements for filing a petition for an informal hearing, and an impartial hearing officer will be appointed by the department to preside over the proceedings. If the outcome of the hearing is not in the member's favor, the member will be informed of the time period during which the member can appeal the decision to the District Court of Appeal.

If, before retirement, a member commits a felony specified by law and is found guilty of or enters a plea of no contest to such crime, or their employment was terminated due to admission of committing, aiding, or abetting a specified crime, the member's retirement rights and benefits are forfeited (except for a refund of personal retirement contributions, if any). The forfeiture of benefits provision applies in the case of any job-related felony offense as outlined below:

- Committing, aiding or abetting an embezzlement of public funds or any grand theft from the employer;
- Committing bribery in connection with employment;
- Committing any other felony specified in Chapter 838, Florida Statutes, (bribery and misuse of public office), except sections 838.15 and 838.16, Florida Statutes, (commercial bribes);
- Committing any felony with intent to defraud the public or the employer of the right to receive the faithful performance of duty, or receiving or attempting to receive profit or advantage for the member or another person through the use of the member's position; or
- Committing an impeachable offense (applies to elected officials only); or
- Committing of certain felony offenses against a minor through the use or attempted use of rights, privileges, duties, or position of public employment or office.

In addition to the aforementioned crimes, if a court of competent jurisdiction finds the member guilty of violating any state law against strikes by public employees, the member's benefits are forfeited.

If the member's designated beneficiary is found guilty of intentionally killing or procuring the death of the member, the beneficiary forfeits all rights to retirement benefits. Any benefits payable would then be paid as if the beneficiary died before the member.

The Clerk of the Court, the Secretary of the Senate or the employer, as appropriate, must notify the Commission on Ethics if the member is found guilty, impeached, or terminated prior to retirement due to any of the above offenses. The Commission on Ethics will notify the division. The member's benefits will be suspended subject to a hearing held by a hearing officer of the Division of Administrative Hearings. The hearing officer's decision may be appealed to the District Court of Appeal. (See section 112.3173, Florida Statutes, and Article II, section 8, of the Florida Constitution for more information.)

Retirement benefits and accumulated contributions accrued under the FRS Pension Plan are not subject to assignment, execution, attachment or any other legal process with the exception of qualified domestic relations orders, certain income deduction orders; (see section 61.1301, Florida Statutes), and federal income tax levies.

**Plan Administration:**

The FRS is a cost-sharing multiple-employer public-employee retirement system with two primary plans and approximately 1,000 participating employers. The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration invests the assets of the Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded through earnings on investments of the FRS Trust Fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in section 121.71, Florida Statutes. All FRS employers must comply with statutory contribution requirements. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. Section 112.64(4), Florida Statutes, requires that any unfunded actuarial liability (UAL) be amortized within 30 plan years. All bases are amortized for 20 plan years as first adopted by the 2021 FRS Assumption Conference as required by section 216.136(10), Florida Statutes. Pursuant to section 121.031(3)(f), Florida Statutes, any surplus actuarial assets available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. All pre-existing UAL bases were recalculated as of July 1, 2021 to be no more than a 20-year amortization as a level percent of projected future payroll. The balance of legally required reserves at June 30, 2023, was \$186,357,365,968. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

**FRS Retirement Contribution Rates:**

Effective July 1, 2011, both employees and employers of the FRS are required to contribute to establish service credit for work performed in a regularly established position. Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the Pension Plan and the Investment Plan. The uniform rates for Fiscal Year 2022-23 are as follows:

<b>Class</b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate<sup>1</sup></b>	<b>Total Contribution Rate</b>
Regular	3.00%	10.19%	13.19%
Special Risk	3.00%	26.11%	29.11%
Special Risk Administrative Support Elected Officers'	3.00%	36.93%	39.93%
Judges	3.00%	42.05%	45.05%
Governor, Lt. Governor, Cabinet, Legislators, State Elected County, City, and Special District Officials	3.00%	66.07%	69.07%
Senior Management Service	3.00%	55.28%	58.28%
Deferred Retirement Option Program	N/A	29.85%	32.85%
		16.94%	16.94%

<sup>1</sup> These rates include the normal cost and unfunded actuarial liability contributions but do not include the 1.66 percent contribution for the Retiree Health Insurance Subsidy and the assessment of 0.06 percent for administration of the FRS Investment Plan and retirement and financial planning for members of both plans.

Any member who terminates employment with an FRS employer may receive a refund of any retirement contributions personally made to the system (and lose the associated retirement credit for both their FRS and Health Insurance Subsidy benefits) or may leave these personal contributions in the system and keep all creditable service earned through the date of termination.

**FRS Membership:**

Member Types	Fiscal Year Ended June 30, 2023					
	Regular Class	SMSC	Special Risk	Special Risk Admin Supp.	EOC	Total
Active <sup>1</sup> :						
Non-vested	143,304	1,367	32,977	10	443	178,101
Vested	416,064	6,574	43,686	84	1,768	468,176
Current Retirees and Beneficiaries	402,055	6,162	44,522	164	2,698	455,601
DROP Participants	23,889	506	3,202	6	164	27,767
Vested Terminated <sup>2</sup>	109,338	1,868	6,163	14	426	117,809
<b>Total Members</b>	<b>1,094,650</b>	<b>16,477</b>	<b>130,550</b>	<b>278</b>	<b>5,499</b>	<b>1,247,454</b>

<sup>1</sup> Member counts include 204,461 active FRS Investment Plan members.  
<sup>2</sup> Member counts include 14,343 vested terminated FRS Investment Plan members.

The table below provides additional information for the FRS Pension Plan as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30		
	2023	2022	2021
Recipients	455,601	448,846	440,307
Contributions	\$ 5,599,506	\$ 5,036,410	\$ 4,566,098
Benefits paid <sup>1</sup>	\$ 12,287,995	\$ 11,973,325	\$ 11,456,874
Fiduciary net position <sup>2</sup>	\$ 186,357,365	\$ 180,226,405	\$ 202,082,183

<sup>1</sup>Includes refunds of member contributions.

<sup>2</sup>Fiduciary net position for 2022 reflects restatement of beginning net position at July 1, 2021, due to implementation of GASB Statement No. 87, Leases.

**2. Retiree Health Insurance Subsidy Program**

The Retiree Health Insurance Subsidy (HIS) Program is a non-qualified, cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist eligible retirees and surviving beneficiaries of state-administered retirement systems in paying their health insurance costs. The Department of Management Services, Division of Retirement, is part of the primary government of the State of Florida that administers the HIS program. For the fiscal year ended June 30, 2023, retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS employers as set by the Legislature. Employer contributions are a percentage of gross compensation for specified employees. For the fiscal year ended June 30, 2023, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislation may reduce or cancel HIS Payments.

Note 4 and the Actuarial Section of this report include actuarial and other information regarding the HIS Program. The table below provides additional information for the HIS as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30		
	2023	2022	2021
Recipients	415,827	409,837	402,566
Contributions	\$ 658,040	\$ 605,133	\$ 587,856
Benefits paid	\$ 534,547	\$ 524,004	\$ 514,361
Fiduciary net position	\$ 681,815	\$ 535,368	\$ 452,618

### 3. The Florida National Guard Supplemental Retirement Benefit Plan

The Florida National Guard Supplemental Retirement Benefit Plan is a single-employer, non-qualified defined benefit pension plan established under section 250.22, Florida Statutes, and is administered by the Florida Department of Management Services, Division of Retirement. The Florida Legislature establishes and amends the benefit terms of the plan, which provide a monthly benefit equal to the difference between 50 percent of the federal military pay table for the highest rank held while in the Florida National Guard and the reservist pension benefit received from the federal government for military service. The benefit amount is recalculated whenever the federal military pay table is increased or the federal benefit is increased by a cost of living adjustment. Florida National Guard retirees must have at least 30 years of Florida National Guard service. The benefit is payable for the lifetime of the retiree without a survivor benefit option. Normal retirement is at age 62 with early retirement available beginning at age 60. The Florida National Guard Supplemental Retirement Benefit Plan is funded by an annual appropriation from General Revenue by the Legislature. Any appropriated funds not obligated for benefit payments and expenses owed at June 30 each year revert to the General Revenue Fund.

Note 4 and the Actuarial Section of this report include actuarial and other information regarding the Florida National Guard Supplemental Retirement Benefit Plan. Information about active and terminated vested Florida National Guard personnel, federal benefits including cost-of-living adjustments and pay tables, and forecasts of National Guard personnel is provided by the Florida Department of Military Affairs. The table below provides additional information for the plan as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30		
	2023	2022	2021
Active Members			
Vested <sup>1</sup>	70	95	96
Non-Vested	12,247	12,127	11,738
Total Active	12,317	12,222	11,834
Terminated Vested <sup>1</sup>	505	470	396
Retirees	726	736	730

	Fiscal Year Ended June 30		
	2023	2022	2021
Benefits paid	\$ 15,424	\$ 15,580	\$ 15,505
Fiduciary net position	\$ -	\$ -	\$ -

<sup>1</sup> The change from active status to terminated vested status is a result of National Guard retention board conclusions on retaining personnel due to the reduction of deployments supporting overseas military operations.

### C. Defined Contribution Programs (Optional Retirement Programs)

#### State University System Optional Retirement Program (SUSORP)

The SUSORP is established under section 121.35, Florida Statutes, for eligible State University System faculty, administrators, and administrative and professional staff. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the SUSORP. This program is designed to aid universities in recruiting employees who may not remain in the FRS long enough to vest. The SUSORP is a defined contribution plan qualified under section 403(b), Internal Revenue Code, that upon signing an investment contract provides full and immediate vesting of all contributions paid on behalf of the members to the participating provider companies. The SUSORP member directs the investment of contributions to provide retirement and death benefits. Employees in eligible positions are compulsory SUSORP members unless they elect FRS membership. Faculty in a college of medicine with a faculty practice plan are mandatory SUSORP members and cannot elect FRS membership.

The employing universities were statutorily required to contribute 5.15 percent of the members' gross monthly compensation from July 2022 through June 2023. In accordance with section 121.35, Florida Statutes, 0.01 percent of the employer contribution rate is an assessment used for the administration of the SUSORP and 5.14 percent was transferred to the provider companies designated by the member. SUSORP members are not eligible to receive HIS payments from the HIS Trust Fund. There is an HIS component included in the employer's contribution deposited to the members' accounts. Effective July 1, 2011, there is a required employee contribution of 3 percent. A member may contribute by salary reduction an amount not to exceed the percentage contributed to the member's account by the employer net of the administrative assessment.

When applicable, the employer is also required to contribute the unfunded actuarial liability (UAL) contribution for the Regular Class on the salaries of SUSORP members which is transferred to the FRS Trust Fund to help amortize any UAL. The required UAL contribution rate for the fiscal year 2022-23 was 4.23 percent. Additional information pertaining to the SUSORP is as follows:

Members	20,965
Payroll	\$ 2,260,017,293
Contributions:	
Employee	\$ 115,165,890
Employer	\$ 112,907,564

#### Senior Management Service Optional Annuity Program (SMSOAP)

The SMSOAP is established under section 121.055, Florida Statutes, offering an optional retirement program alternative for state members of the Senior Management Service Class (SMSC). Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP while employed in a position eligible for SMSOAP in lieu of the SMSC. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the Program. The SMSOAP is a defined contribution plan qualified under section 401(a), Internal Revenue Code that upon signing an investment contract, provides full and immediate vesting of all contributions paid on behalf of the members to the participating provider companies. SMSOAP members direct the investment of contributions to provide retirement and death benefits. Employers were required to contribute 6.27 percent of covered payroll from July 2022 through June 2023. The employers' contributions were transferred to the provider companies designated by the member. SMSOAP members are not eligible to receive HIS payments from the HIS Trust Fund. There is an HIS component included in the employer's contribution deposited to the members' accounts. Effective July 1, 2011, there is a mandatory employee contribution of 3 percent. A member may contribute by salary deduction an amount not to exceed the percentage contributed by the employer to the member's account. Effective July 1, 2017, SMSOAP is closed to new members, however a non-retired member enrolled in SMSOAP prior to July 1, 2017, retains their membership and, before retirement, may continue to participate when employed in an SMSOAP covered position.

When applicable, the employer is also required to contribute the unfunded actuarial liability (UAL) contribution for the SMSC on the salaries of SMSOAP members which is transferred to the FRS Trust Fund to help amortize the UAL. The required UAL contribution rate for fiscal year 2022-23 was 22.15 percent. Additional information pertaining to the SMSOAP is as follows:

Members	5
Payroll	\$ 859,910
Contributions:	
Employee	\$ 34,476
Employer	\$ 53,916

#### **D. Social Security Coverage**

The Division of Retirement is responsible for administering the Social Security coverage for public employers in Florida. Public employees are provided Social Security coverage through a federal-state agreement with various modifications applicable to specific employers in political subdivisions. As of June 30, 2023, there were 706 modifications to the initial 1951 agreement. Existing modifications provide Social Security coverage for state, county, and district school board employees and employees of a number of cities, charter schools, and special districts. Public employers must provide Social Security coverage for their employees who participate in the FRS Pension Plan and Investment Plan, SUSORP, SMSOAP, and the existing defined benefit plans grandfathered under the FRS except for members of the Teachers' Retirement System or the IFAS Supplemental Retirement Program.

For the 2023 calendar year, the combined Social Security contribution rate for employees and employers totaled 15.30 percent (12.40 percent for Old Age, Survivors, and Disability Insurance and 2.90 percent for Medicare). The maximum taxable wage base on which Old Age, Survivors, and Disability Insurance contributions increased to \$160,200. There is no limitation on Medicare wages.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. The fiduciary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Member contributions are recognized in the period of time for which the contributions are assessed. Employer contributions are recognized when due in the period in which employee services are performed and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, while expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues collected within 60 days of the end of the current fiscal year are considered available. Liabilities due within 60 days of the end of the current fiscal year are expected to be liquidated with current financial resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

### B. Basis of Presentation

**Defined Benefit and Defined Contribution Trust Funds** - fiduciary funds used to report resources that are required to be held in trust for the members and beneficiaries of the state's pension plan, retiree health insurance subsidy program, national guard supplemental retirement benefit plan (defined benefit plans) and optional retirement plans (defined contribution plans).

**Police and Firefighters' Premium Tax Trust Fund** - a governmental special revenue fund that accounts for excise taxes assessed on insurance premiums. The premiums are used to supplement the funding of municipal police and firefighters' pension plans and relief funds.

### C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and short-term investments with an original maturity date within ninety days of the acquisition date. State Treasury cash management pool is included as cash equivalents. Details of deposits are included in Note 3. A.

#### Investments

The Plan is authorized through various state laws to invest in various security instruments. The Plan reports investments in accordance with GASB Codification Section 150, *Investments*.

Investments with the State Treasury are reported at fair value which is obtained from independent pricing service providers. Independent pricing service providers use quoted market prices when available and employ various, sometimes proprietary, multifactor models for determining a security's fair value if it is not available from quoted market prices. Some securities, including U.S. government, municipal bonds, and mortgage-backed and asset-backed securities, are priced using evaluated bid prices. Evaluated bid prices are determined by taking bid prices and adjusting them by an evaluated adjustment factor derived from the independent pricing service's multifactor model. If values are not available using the above methods, secondary methods such as non-evaluated

mid-price and bid price are used. If no source of values is available, cost or last available price from any source is used or other pricing methodology as directed by the State Treasury.

The State Board of Administration (SBA) has statutory responsibility for custody and investment of pension plan assets. Section 215.47, Florida Statutes, gives the SBA the authority to invest in a range of instruments, including security lending agreements. Investments are reported in accordance with GASB reporting standards. Realized and unrealized gains and losses are reflected in the Statement of Changes in Fiduciary Net Position as “Net appreciation in fair value.”

The fair values of the Plans’ assets are obtained or estimated in accordance with the Global Pricing Guidelines established with the SBA’s custodian bank, BNY Mellon. BNY Mellon uses a variety of independent pricing sources and designates certain vendors as the primary source based on asset type, class or issue. BNY Mellon monitors pricing information supplied by these primary sources and may use a supplemental pricing source or change the primary pricing source if any of the following occurs:

- The price of a security is not received from the primary pricing source.
- The primary pricing source no longer provides prices for a particular asset type, class or issue.
- The SBA or its portfolio investment manager challenges a price and BNY Mellon reviews the price with the vendor, who agrees that the price provided by that vendor may not be appropriate.
- The price from the primary source exceeds price tolerance checkpoints and results in a vendor comparison review where another source is deemed to be more appropriate by BNY Mellon.

When a portfolio includes securities or instruments for which the custodian bank does not receive fair value information from its vendor pricing source, the custodian bank uses a “non-vendor pricing source.” Examples include, but are not limited to, limited partnerships or similar private investment vehicles that do not actively trade through established exchange mechanisms; other private placements where there is limited or no information in the marketplace; and unique fixed income and equity instruments. The SBA does not provide direction regarding the substitution of prices in instances where securities or instruments are in the portfolio of an investment manager appointed by the SBA. In cases where the SBA directed the purchase of securities or instruments, BNY Mellon may obtain the non-vendor prices by contacting the SBA only if it is not commercially reasonable to directly obtain the non-vendor price information from the broker of record, as identified by the SBA.

For private market investments, where no readily ascertainable market value exists (including limited partnerships, hedge funds, direct-owned real estate, and real estate pooled funds), fair values for the individual investments are based on the net asset value (NAV), which equates to the capital account balance, at the closest available reporting period, as communicated by the general partner and/or investment manager, adjusted for subsequent contributions and distributions. The valuation techniques vary based upon investment type and involve a certain degree of judgment. The most significant input into the NAV of an entity is the value of its investment holdings. The NAV is provided by the general partner and/or investment manager and reviewed by SBA management.

Annually, the financial statements of all private market investments are audited by independent auditors. Private market investments, in which the SBA has a controlling interest and are reported at cost per the investment manager, are also required to be valued, generally annually, by independent, licensed external appraisers selected by an appraisal management company retained by the SBA.

Money market funds and repurchase agreements are reported at amortized cost. Commingled funds are generally reported at the NAV of units held at the end of the period based upon the value of the underlying investments as reported by the external investment manager. Certain commingled funds may be valued under different pricing methods depending on the nature of the fund.

All investment derivative instruments are reported at fair value in the statements of net position. The instruments are adjusted to fair value at least monthly, with valuation changes recognized during the period as gains or losses in the statements of changes in net position and included in the “Net appreciation in fair value.” The nature and use of derivative instruments is discussed in Note 3.

Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted market prices, the estimated fair values may differ from the values that would have been used had an active market existed.

Investment detail is included in Note 3.



## **Capital Assets**

Tangible capital assets are recorded at cost at the time of acquisition. All property, furniture and equipment with an original acquisition cost of \$5,000 or more and an estimated useful life extending beyond one year is capitalized, as well as books and reference materials with a cost of \$250 or more. Depreciation is computed on the straight-line basis over the estimated useful life of the asset.

## **Deferred Outflows of Resources**

A consumption of net assets by the division that is applicable to a future reporting period is presented as a deferred outflow of resources. The State University System Optional Retirement Program (SUSORP) Trust Fund shares in reporting the FRS and HIS pension liabilities and related components with other funds within the state. Each fiscal year end, the SUSORP Trust Fund recognizes its allocated share of the state's deferred outflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

The division shares the cost of Other Postemployment Benefits (OPEB) liability and other related components with other funds within the state. The state-administered retirement funds recognize their allocated share of the state's deferred outflows of resources related to OPEB, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

## **Compensated Absences Liability**

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specifically authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The amounts reported for compensated absences are based on current year-end salary rates and include employer Social Security and Medicare tax and pension contributions, as applicable, at current rates. Refer to Note 6 for details of the compensated absences liability.

## **Long-term Liabilities**

The SUSORP Trust Fund shares the reported FRS and HIS pension liabilities and related components with other funds within the state. Each fiscal year end, the SUSORP Trust Fund recognizes its allocated share of the state's applicable pension liability, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

The division shares the cost of OPEB with other funds within the state. The state-administered retirement funds recognize their proportionate share of the state's OPEB liability, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

## **Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net assets by the division that is applicable to a future reporting period. The SUSORP Trust Fund shares the reported FRS and HIS pension liabilities and related components with other funds within the state. Each fiscal year end, the SUSORP Trust Fund recognizes its allocated share of the state's deferred inflows of resources related to applicable pensions, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

The division shares the cost of OPEB liability and other related components with other funds within the state. The state-administered retirement funds recognize their allocated share of the state's deferred inflows of resources related to OPEB, as determined by the Florida Department of Financial Services, Statewide Financial Reporting Section.

The division may receive pension contributions prior to the due date. At the end of the fiscal year, any contributions received for the following reporting period are recognized in the applicable state administered retirement fund as deferred inflows related to other pension amounts.

## **Components of Net Position**

Net position is classified as (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

*Restricted net position* is reported when constraints are placed on net position that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The net position of all the fiduciary funds reported are classified as “restricted for pensions”.

## **Components of Fund Balance**

Fund balance is classified as nonspendable, restricted, committed or unassigned. Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the State’s highest level of decision-making authority, the Legislature and the Governor, i.e., through legislation passed into law.

Commitments may only be modified or rescinded by equivalent formal, highest-level action. The fund balance of the Police and Firefighters’ Premium Tax Trust Fund reported in this ACFR is classified as committed.

## **D. Contributions**

Contributions are recognized as revenues in the period for which the contributions are due pursuant to statutory requirements. Total employer contributions for the FRS are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes, and employers also pay a required assessment to cover financial planning education costs for all FRS members and administrative costs of the FRS Investment Plan.

For purposes of financial statement presentation, the unfunded actuarial liability (UAL) portion of the employer’s total contribution remitted on the salaries of members in the FRS IP, the SUSORP, the State Community College System Optional Retirement Program, and the Senior Management Service Optional Annuity Program (SMSOAP) is classified as contributions in the FRS Pension Plan financial statements. Delinquent fees are reported as other income. The administrative assessment paid on the salaries of members in the SUSORP defined contribution plan is classified as other income.

Employee contributions required pursuant to Section 121.71(3), Florida Statutes, are accounted for by the FRS as employer-paid employee contributions and are treated as employer contributions under 26 U.S.C. s. 414(h)(2) allowing these contributions to be deducted on a pre-tax basis.

## **E. Adjustments Between Governmental Fund and Governmental Activities Financial Statement Amounts**

The adjustments necessary to convert the Governmental Fund financial statements to the governmental activities financial statement presentation are: (1) Recognition of long-term liabilities which are not due and payable in the current period and therefore are not reported in the Governmental Fund; (2) Recognition of deferred inflows and outflows not related to current financial resources and therefore not reported in the Governmental Fund; (3) Recognition of expenses not recognized under governmental accounting; and (4) Reclassification of Fund Balance reported in the Governmental Fund into the Net Position categories reported for governmental activities in the Statement of Net Position.

## **F. Interfund Activity and Balances**

In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. Transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers between funds are made to accomplish various provisions of law. Refer to Note 5.

## **G. Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues (additions) and expenses (deductions) during the reporting period. Actual results could differ from those estimates.

## **H. Investment and Administrative Expenses**

For investments in the State Treasury cash management pool, an administrative fee is charged on the average daily balance in the account. These fees are recorded as "Investment activity expense" on the Statement of Changes in Fiduciary Net Position.

For investments managed by the SBA, external investment managers are hired to invest a significant portion of the retirement system's assets. Investment management fees are typically paid based on individually-negotiated investment management agreements. The fees, usually paid quarterly, may be based on a sliding scale of the portfolio's net asset value at quarter-end, calculated by multiplying each level of net position by a specified basis point charge, or may be performance related, typically associated with exceeding a market benchmark or hurdle rate. Fees are paid from the appropriate manager's portfolio and are recognized as an expense over the time period for which the fees are applicable. These fees are recorded as "Investment activity expense" on the Statement of Changes in Fiduciary Net Position. Certain investment management fees, usually in private equity portfolios, are paid at the beginning of the period. These fees are recorded as "Prepaid items" on the Statement of Fiduciary Net Position and are expensed over their applicable time period.

Administrative expenses represent the cost of administering the various state-administered retirement systems, including such costs as salaries, rent, telephone, printing, and the like. Administrative expenses also include transfers for administrative assessments, depreciation expense, and the allocated share of compensated absences expense, applicable OPEB-related expenses, and applicable pension-related expenses. A detailed Schedule of Administrative Expenses is located in the Other Supplementary Information section.

## **I. Accounting and Reporting Changes**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, became effective for reporting periods after June 15, 2022. Additionally, the division early implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*, for the fiscal year ended June 30, 2023. The System's statements of net position and statements of changes in net position are not affected by the adoption of the applicable GASB provisions, as the System did not enter into any SBITA meeting the System's capitalization threshold and did not have accounting changes or error corrections for the fiscal year ended June 30, 2023.

## NOTE 3 – PLAN INVESTMENTS

### A. Deposits

As of June 30, 2023, the state-administered retirement fund deposits in financial institutions pending investment totaled \$109.6 million for fiduciary activities. There were no deposits in financial institutions for governmental activities.

#### 1. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the state will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The state mitigates custodial credit risk by generally requiring public funds to be deposited in a bank or savings association that is designated by the Chief Financial Officer (CFO) as authorized to receive deposits in the state and meets the collateral requirements set forth in Chapter 280, Florida Statutes.

The CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Section 280.04, Florida Statutes, and Department of Financial Services Rules, Chapter 69C-2, Florida Administrative Code. Collateral pledging levels include 25, 50, 110, and 150 percent of a QPD's average daily deposit balance, or, if needed, an amount as prescribed by the CFO. Section 280.13, Florida Statutes, outlines eligible types of collateral including direct obligations of the United States (U.S.) Government, federal agency obligations fully guaranteed by the U.S. Government, certain federal agency obligations, state and local government obligations, corporate bonds, and letters of credit issued by a Federal Home Loan Bank. Also, with the CFO's permission, eligible collateral includes collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940. However, the portfolio of the investment company must be limited to direct obligations of the U.S. Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government, and the investment company must take delivery of such collateral either directly or through an authorized custodian.

In accordance with Section 280.08, Florida Statutes, if a QPD defaults, losses to public depositors are first satisfied with any applicable depository insurance, followed by demands of payment under any letters of credit or sale of the defaulting QPD's collateral. If necessary, any remaining losses are to be satisfied by assessments against the other participating QPDs according to a statutory based ratio.

All U.S. dollar deposits at the Florida Retirement System (FRS) Pension Trust Fund's custodian bank were covered by federal depository insurance (FDIC) as of June 30, 2023. The remaining uninsured and uncollateralized deposits, totaling \$103.7 million as of June 30, 2023, were held in foreign currencies in the SBA's custodian nominee name.

#### 2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or investment. Under Section 215.47, Florida Statutes, and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investments by the State Board of Administration (SBA) may be invested in various types of securities denominated in foreign currency. The SBA has developed for the FRS Pension Trust Fund an Investment Policy Statement (IPS) that sets ranges on investments by asset class. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. For the fiscal year ended June 30, 2023, Florida law limits the exposure to foreign securities held outside of foreign group trusts and certain other foreign entities to 50 percent of the total fund. There is no requirement that this exposure to foreign currency risk be hedged through forward currency contracts, although some managers are authorized to use forward currency contracts. The investment policies may be modified in the future if the SBA adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2023, as illustrated in the following schedule (in thousands):

**FOREIGN CURRENCY DEPOSITS HELD  
AS OF JUNE 30, 2023**

<b>Currency</b>	<b>Bank Statement Balance (in U.S. dollars)</b>	
	<b>FRS Pension Trust Fund</b>	
Australian dollar	\$	1,490
Brazilian real		4,103
British pound sterling		7,367
Canadian dollar		6,431
Chilean peso		509
Chinese yuan Hong Kong		9,465
Colombian peso		9
Czech koruna		1
Danish krone		662
Egyptian pound		64
Euro		18,658
Hong Kong dollar		4,997
Hungarian forint		553
Indian rupee		4,272
Indonesian rupiah		477
Israeli shekel		1,772
Japanese yen		10,705
Kuwaiti dinar		293
Malaysian ringgit		262
Mexican peso		1,302
New Taiwan dollar		3,750
New Zealand dollar		13
New Zimbabwe dollar		388
Norwegian krone		774
Pakistani rupee		54
Peruvian sol		5
Philippines peso		130
Polish zloty		261
Qatari riyal		246
Saudi Arabian riyal		1,572
Singapore dollar		1,353
South African rand		1,499
South Korean won		8,822
Swedish krona		865
Swiss franc		6,366
Turkish lira		381
United Arab Emirates dirham		132
Vietnam dong		3,690
Total deposits subject to foreign currency risk	\$	103,693

## **B. Investments**

Surplus cash is maintained in the State Treasury's general pool of investments. The State CFO pools funds from all State agencies. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Council per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. Redemptions are on a dollar in/dollar out basis adjusted for distributed income. The fair value of the pooled investments with the State Treasury is determined at fiscal year-end for financial reporting purposes. Included in the pool are primarily time deposits, U.S. Government securities, federal agency securities, commercial paper, corporate bonds and notes, money market funds and repurchase agreements. The FRS Pension Trust Fund's, Retiree Health Insurance Subsidy Program's (HIS), State University System Optional Retirement Program's (SUSORP), Senior Management Service Optional Annuity Program's (SMSOAP), the National Guard Supplemental Benefit Plan, and Police and Firefighters' Premium Tax Trust Fund's (Police and Fire) shares of the investment pool at June 30, 2023, were \$120,444,559; \$49,395; \$17,301,391; \$33,233; \$7,879 and \$84,503, respectively. No allocation will be made as to the share of the types of investments or their risk categories for the FRS Pension Trust Fund, the HIS Program, the National Guard, the SUSORP, the SMSOAP, or Police and Fire. The share of the assets and liabilities for the FRS Pension Trust Fund, the HIS Program, the National Guard, the SUSORP, the SMSOAP and Police and Fire arising from the securities lending agreements administered by the State Treasury will likewise not be carried on the Statements of Net Position since the State Treasury operates on a pooled basis and to do so may give the misleading impression that the funds themselves have entered into such agreements. For further information, refer to the State of Florida's Annual Comprehensive Financial Report or publications of the State of Florida Department of Financial Services, Office of the Chief Financial Officer.

Pursuant to Section 215.44, Florida Statutes, the SBA has the authority and responsibility to manage and invest various funds of the state, including, but not limited to, the FRS Pension Trust Fund, the Retiree Health Insurance Subsidy Trust Fund, and the Police and Fire Trust Fund. Section 215.47, Florida Statutes, allows the SBA to invest funds in a range of instruments, including security lending agreements, reverse repurchase agreements and alternative investments (including limited partnerships and hedge funds).

The schedule below discloses investments at June 30, 2023, as well as reconciliation to the basic financial statements (in thousands):

**SCHEDULE OF INVESTMENTS  
AS OF JUNE 30, 2023**

<b>Investment type</b>	<b>FRS Pension Trust Fund</b>	<b>Retiree Health Insurance Subsidy</b>	<b>Police and Firefighters' Premium Tax Trust Fund</b>	<b>Total</b>
Certificates of deposit	\$ 700,086	\$ -	\$ -	\$ 700,086
Commercial paper	2,345,295	-	-	2,345,295
Money market funds	27,250	610,051	371,755	1,009,056
Repurchase agreements	1,400,000	-	-	1,400,000
U.S. guaranteed obligations	12,409,773	-	-	12,409,773
Federal agencies	7,459,319	-	-	7,459,319
Domestic bonds and notes	8,986,547	-	-	8,986,547
International bonds and notes	2,871,905	-	-	2,871,905
Domestic stocks	54,961,305	-	-	54,961,305
International stocks	33,780,786	-	-	33,780,786
Commingled international funds	3,653,954	-	-	3,653,954
Alternative investments	42,147,124	-	-	42,147,124
Real estate investments (directly owned)	13,726,007	-	-	13,726,007
Real estate commingled funds	2,411,405	-	-	2,411,405
Forwards <sup>1</sup>	4,497	-	-	4,497
Futures <sup>1</sup>	36,573	-	-	36,573
Swaps <sup>1</sup>	2,255	-	-	2,255
Total investments excluding securities lending collateral	<u>186,924,081</u>	<u>610,051</u>	<u>371,755</u>	<u>187,905,887</u>
Securities lending collateral				
Money market funds	436,720	-	-	436,720
Domestic bonds and notes	7,919	-	-	7,919
Total securities lending collateral	<u>444,639</u>	<u>-</u>	<u>-</u>	<u>444,639</u>
Total investments	<u>\$187,368,720</u>	<u>\$ 610,051</u>	<u>\$ 371,755</u>	<u>\$ 188,350,526</u>
Liabilities - investments sold short <sup>2</sup>				
U.S. guaranteed obligations	\$ -	\$ -	\$ -	\$ -
Federal agencies	(147,560)	-	-	(147,560)
Other liabilities:				
Forwards	(6,261)	-	-	(6,261)
Futures	(59,209)	-	-	(59,209)
Swaps	(8,433)	-	-	(8,433)
Total liabilities	<u>\$ (221,463)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (221,463)</u>

<sup>1</sup> Forwards, futures, options and swaps are included in Other investments on the Statement of Fiduciary Net Position.

<sup>2</sup> Investments sold short are classified as liabilities on the Statement of Fiduciary Net Position.

Reconciliation of carrying value to the basic financial statements (in thousands):

	<b>Governmental activities</b>	<b>Fiduciary funds</b>	<b>Total</b>
Investments	\$ 371,755	\$ 187,534,132	\$ 187,905,887
Security lending collateral	-	444,639	444,639
Total Investments	<u>\$ 371,755</u>	<u>\$ 187,978,771</u>	<u>\$ 188,350,526</u>

Certain investments included in the above schedule were pledged as collateral with the SBA's futures and swaps clearing counterparties to meet initial margin requirements. Investments pledged as collateral as of June 30, 2023, are presented below (in thousands):

#### **FRS Pension Trust Fund**

Securities Pledged as Collateral for Futures and Swaps Contracts

As of June 30, 2023

<b>Investment Type</b>	<b>Fair Value</b>
U.S. guaranteed obligations	\$ 134,433
Federal agencies	-
Total pledged collateral	<u>\$ 134,433</u>

In addition, cash required to open futures and swap contracts (initial margins) may be pledged as collateral with the SBA's futures and swap counterparties. Such initial margin amounts are reflected as "Accounts receivable" on the Statement of Fiduciary Net Position. Pursuant to these types of contracts, and also pending foreign currency contracts and commitments to purchase (TBAs), the fund agrees to receive or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receivables and payables are known as variation margin, which are reflected as "Accounts receivable" and "Accounts payable and accrued liabilities" on the Statement of Fiduciary Net Position. All initial and variation margin amounts receivable from or payable to the broker as of June 30, 2023, are presented below (in thousands):

#### **FRS Pension Trust Fund**

Cash and Foreign Currency Pledged as Collateral for Futures and Swaps Contracts

As of June 30, 2023

	<b>Fair value (U.S. dollar)</b>
Margin receivable from counterparty:	
Futures contracts	\$ 46,003
Swaps contracts	10,111
Foreign currency contracts	1,370
Commitments to purchase (TBAs)	3,017
Total margin receivable from counterparty	<u>\$ 60,501</u>
Margin payable to counterparty:	
Futures contracts	\$ 1,344
Swaps contracts	1,314
Foreign currency contracts	-
Total margin payable to counterparty	<u>\$ 2,658</u>



## 1. Fair Value Hierarchy

The FRS Pension Plan Trust Fund's investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Investments reflect prices based on significant observable inputs (including, but not limited to, quoted prices for similar investments, interest rates, foreign exchange rates, volatility and credit spreads), either directly or indirectly. These inputs may be derived principally from, or corroborated by, observable market data through correlation or by other means.

Level 3 – Investments reflect prices based upon unobservable inputs, including situations where there is little market activity, if any, for assets or liabilities.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Fixed income and equity securities classified as Level 1 of the fair value hierarchy are valued using quoted prices at June 30 (or the most recent market close date if the markets are closed on June 30) in active markets from the custodian bank's external pricing vendors, which utilize primary exchanges.

Fixed income securities classified as Level 2 are valued using evaluated prices from the custodian bank's external pricing vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data, collateral attributes, broker bids, new issue pricings and other observable market information.

Equity securities classified as Level 2 are valued using evaluated prices from the custodial bank's external pricing vendors, or alternative pricing source, such as investment managers, if information is not available from the custodial bank's external pricing vendors.

Fixed income and equity securities classified as Level 3 are valued using prices from the custodian bank's external pricing vendors or an alternative pricing source, utilizing inputs such as stale prices, cash flow models, or broker bids.

Derivative instruments classified as Level 1 of the fair value hierarchy are valued using exchange-traded prices as provided by the custodian bank's external pricing vendors. Derivative instruments classified as Level 2 receive clearing house prices, which are based on models that reflect the contractual terms of the derivatives.

Private equity funds and real estate direct investments classified as Level 3 were valued using external appraisals, as described in the footnotes for the *Additional GASB 72 Required Disclosures* (tables). See footnotes 13 and 15, respectively. Other private equity funds are measured at net asset value (NAV).

Certain investments, such as money market funds and repurchase agreements, are carried at amortized cost, and not priced at fair value. Commingled investments are generally measured at the net asset value (NAV) per share (or its equivalent) as provided by the investment manager. Commingled funds classified as Level 2 are valued using observable inputs that are market corroborated.

The FRS Pension Plan Trust Fund has the following fair value measurements as of June 30, 2023 (in thousands):

**FRS Pension Trust Fund  
AS OF JUNE 30, 2023**

Investments by fair value level	Total	Fair Value Measurements Using		
		(Level 1)	(Level 2)	(Level 3)
<b>Fixed income</b>				
Certificates of deposit	\$ 700,086	\$ -	\$ 700,086	\$ -
Commercial paper	2,345,295	-	2,345,295	-
U.S. guaranteed obligations	12,409,773	-	12,409,773	-
Federal agencies	7,459,319	-	7,432,575	26,744
Domestic bonds and notes	8,986,547	-	8,942,562	43,985
International bonds and notes	2,871,905	-	2,245,873	626,032
Total fixed income	<u>34,772,925</u>	<u>-</u>	<u>34,076,164</u>	<u>696,761</u>
<b>Equity</b>				
Domestic	54,961,305	54,961,181	-	124
International	33,780,786	33,705,078	-	75,708
Commingled international funds	113,586	-	113,586	-
Total equity	<u>88,855,677</u>	<u>88,666,259</u>	<u>113,586</u>	<u>75,832</u>
<b>Alternative</b>				
Private equity funds	152,000	-	-	152,000
<b>Real Estate direct</b>	<u>13,726,007</u>	<u>-</u>	<u>-</u>	<u>13,726,007</u>
<b>Other</b>				
Forwards	4,497	-	4,497	-
Futures	36,573	36,573	-	-
Swaps	2,255	-	2,255	-
Total other	<u>43,325</u>	<u>36,573</u>	<u>6,752</u>	<u>-</u>
<b>Securities lending collateral</b>				
Domestic corporate bonds and notes	7,919	-	7,919	-
Total investments by fair value level	<u>137,557,853</u>	<u>\$ 88,702,832</u>	<u>\$ 34,204,421</u>	<u>\$ 14,650,600</u>
<b>Investments measured at the net asset value</b>				
Commingled international equity funds	3,540,368			
Commingled real estate investment funds	2,411,405			
Activist equity funds	1,414,237			
Hedge funds	4,771,298			
Insurance funds	955,564			
Private debt/credit opportunity funds	5,892,485			
Private equity funds	20,813,551			
Private real asset funds	8,147,989			
Total investments measured at the NAV	<u>47,946,897</u>			
<b>Other investments carried at amortized cost</b>				
Money market funds	27,250			
Money market funds - security lending collateral	436,720			
Repurchase agreements	1,400,000			
Total investments carried at amortized cost	<u>1,863,970</u>			
<b>Total investments</b>	<u>\$ 187,368,720</u>			
<b>Short sales (liabilities)</b>				
U.S. guaranteed obligations	\$ -	\$ -	\$ -	\$ -
Federal agencies	(147,560)	-	(147,560)	-
Total short sales (liabilities)	<u>(147,560)</u>	<u>-</u>	<u>(147,560)</u>	<u>-</u>
<b>Other (liabilities)</b>				
Forwards	(6,261)	-	(6,261)	-
Futures	(59,209)	(59,209)	-	-
Swaps	(8,433)	-	(8,433)	-
Total other (liabilities)	<u>(73,903)</u>	<u>(59,209)</u>	<u>(14,694)</u>	<u>-</u>
Total investments (liabilities)	<u>\$ (221,463)</u>	<u>\$ (59,209)</u>	<u>\$ (162,254)</u>	<u>\$ -</u>

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2023, is presented in the footnotes to the table below (in thousands).

### FRS Pension Trust Fund

#### Additional GASB 72 Required Disclosures

	Fair Value 6/30/2023	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
<b>Investments Measured at the NAV</b>				
Commingled international equity funds <sup>1</sup>	\$ 3,540,368	-	Daily, Monthly	2 - 120 days
Commingled real estate investment funds <sup>2</sup>	2,411,405	-	Quarterly	15 - 90 days
Activist equity funds <sup>3</sup>	1,414,237	-	Monthly, Annually	65 - 90 days
Hedge funds				
Diversifying strategies (managed futures) <sup>4</sup>	1,749,680	-	Daily, Monthly	10 - 35 days
Equity long/short <sup>5</sup>	454,845	-	Monthly, Quarterly	30 - 60 days
Event driven <sup>6</sup>	142,381	\$ 10,000	None currently eligible	
Global macro <sup>7</sup>	402,561	-	Monthly	5 - 30 days
Multi-strategy <sup>8</sup>	1,187,237	-	Quarterly, Biennially	30 - 90 days
Opportunistic debt <sup>9</sup>	382,909	-	Quarterly	60 - 65 days
Relative value <sup>10</sup>	451,685	-	Quarterly	60 days
Insurance funds <sup>11</sup>	955,564	\$ 204,376	Monthly, Quarterly, Biannually	30 - 90 days
Private debt/credit opportunity funds <sup>12</sup>	5,892,485	\$ 3,600,210		
Private equity funds <sup>13</sup>	20,813,551	\$ 8,194,285		
Private real asset funds <sup>14</sup>	8,147,989	\$ 4,448,210		
Total investments measured at the NAV	<u>\$ 47,946,897</u>			

#### Investments at Level 3

Private equity funds <sup>13</sup>	\$ 152,000	-
Real estate direct investments <sup>15</sup>	\$ 13,726,007	\$ 766,784

<sup>1</sup> *Commingled International Equity Funds*: The five funds in this group are primarily invested in publicly traded international equity securities. Two of these funds focus on emerging markets. Each is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Two funds within this strategy are redeemable daily, two funds are redeemable monthly, and the remaining fund is currently in the liquidation process with a residual balance remaining.

<sup>2</sup> *Commingled Real Estate Investment Funds*: The nine funds in this group consist primarily of real estate investments owned directly or through partnership interests located in the United States. These investments include multi-family, industrial, retail, office, apartments and mortgage loans on income producing property. Each is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Eight funds within this strategy are eligible for redemption quarterly, and the remaining fund is subject to contractual lock-up restrictions and is not currently eligible for redemption.

<sup>3</sup> *Activist Equity Funds*: The four funds in this group invest in public companies with the intent to effect positive change through influencing management. The funds may be structured with a focus on specific domestic or foreign geographic regions. These investments are valued at the NAV per share. One fund (approximately 34 percent of this strategy) is currently eligible for redemption monthly. Another fund (approximately 29 percent of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining two funds (approximately 37 percent of this strategy) are subject to contractual lock-up restrictions and are not currently eligible for redemption.

<sup>4</sup> *Diversifying Strategies (Managed Futures) Hedge Funds*: The three funds that make up this group primarily trade equity and commodity futures, but can also participate in indexes, rates and currencies across global markets. These funds use a systematic approach and focus on trends in price and other market signals. These investments are valued at the NAV per share. All funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within one month or less.

<sup>5</sup> *Equity Long/Short Hedge Funds*: Consisting of three funds, this strategy invests both long and short, primarily in U.S. and global stocks that are mispriced by the markets. These managers vary in their use of short selling, leverage and definitions of growth or value. These funds are valued at the NAV per share. All funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within three months or less.

<sup>6</sup> *Event Driven Hedge Funds*: The two funds in this group seek to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. These investments are valued at the NAV per share. Both funds within this strategy are subject to contractual lock-up restrictions and are not currently eligible for redemption.

<sup>7</sup> *Global Macro Hedge Funds*: Consisting of two funds, which base their holdings (such as long and short positions in various equity, fixed income, currency, and futures markets) primarily on overall economic and political views of various countries. These funds are valued at the NAV per share. Both funds within this strategy are no longer subject to contractual lock-up restrictions and are eligible for redemption within one month.

<sup>8</sup> *Multi-Strategy Hedge Funds*: The five funds in this group aim to diversify risks and reduce volatility by combining other strategies. These strategies are usually a mix of Equity Long/Short, Event-Driven, Opportunistic Debt and Relative Value. These funds are valued at the NAV per share. Four funds (approximately 78 percent of this strategy) are currently eligible for redemption within three months due to quarterly redemption restrictions. One fund (approximately 22 percent of this strategy) is eligible for redemption biennially (for each commitment) with the next redemption in five months.

<sup>9</sup> *Opportunistic Debt Hedge Funds*: Consisting of three funds that pursue various strategies and asset classes, with an emphasis on mispriced debt or equity of companies in distress. These managers vary in their focus on early versus late stage situations, senior versus subordinated levels on the capital structure and non-traditional areas including high yield bonds and Emerging Markets debt, and may also pursue relative value and arbitrage strategies with various debt instruments. These funds are valued at the NAV per share. Two funds in this strategy are currently eligible for redemption within three months due to quarterly redemption restrictions, and the remaining fund is currently in the redemption process.

<sup>10</sup> *Relative Value Hedge Funds*: Consisting of one fund, this strategy focuses on benefiting from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing (long) or selling (short) these instruments. These investments are valued at the NAV per share. The one fund in this strategy is no longer subject to contractual lock-up restrictions and is eligible for redemption within three months.

<sup>11</sup> *Insurance Funds*: The seven funds in this group invest primarily in reinsurance contracts and insurance-linked securities. These investments are valued at the NAV per share. One fund (approximately 27 percent) has varying restrictions due to underlying investment funds and is redeemable within one to three months. Three funds (approximately 56 percent) are eligible for redemption in seven months or less due to biannual redemption restrictions. The remaining three funds (approximately 17 percent) are not eligible for redemption due to contractual lock-up restrictions.

<sup>12</sup> *Private Debt/Credit Opportunity Funds*: There are 75 private debt/credit funds investing primarily in Distressed, Mezzanine and Loans with some exposure to Special Situations. The fair value of these funds has been determined using the NAV at June 30, 2023, or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

<sup>13</sup> *Private Equity Funds*: There are 257 private equity funds investing primarily in Leveraged Buyouts funds, Venture Capital funds, Secondary funds and Growth funds with some exposure to Special Situations, Diversifying Strategies and GP Investments. The fair value of 256 funds has been determined using the NAV at June 30, 2023, or one quarter in arrears adjusted for current quarter cash flows. The fair value of the remaining one fund (approximately 1 percent of the value of these investments) is based on external appraisals at June 30, 2023, and classified as Level 3. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

<sup>14</sup> *Private Real Asset Funds*: There are 107 real asset funds, 72 of which invest in real estate assets such as commercial office buildings, retail properties, multi-family residential properties, developments or hotels. In addition, the funds may be structured with a focus on specific geographic domestic or foreign regions. The remaining 35 funds invest in infrastructure, timberland, transportation and commodities. The fair value of these funds has been determined using the NAV at June 30, 2023, or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

<sup>15</sup> *Direct Real Estate Investments*: There are 86 direct owned/joint venture real estate assets that are valued based on annual external and/or quarterly internal appraisals and are classified as Level 3.

The HIS and Police and Fire funds, at June 30, 2023, were fully invested in the Local Government Surplus Funds Trust Fund (Florida PRIME), a qualified external investment pool that measures for financial reporting purposes all of its investments at amortized cost. Florida PRIME currently has no limitations or restrictions on withdrawals. Section 218.409(8)(a), Florida Statutes, provides that the SBA executive director may, in good faith, on the occurrence of an event that has material impact on liquidity or operations of the external investment pool, for 48 hours limit contributions to or withdrawals from the external investment pool to ensure that the SBA can invest moneys entrusted to it in exercising its fiduciary responsibility. With regard to liquidity fees, Section 218.409(4), Florida Statutes, provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

Florida PRIME currently follows all requirements in Government Accounting Standards Board Statement No. 79, paragraph 4, which lays out the requirements for external investment pools to report their investments at amortized cost. Florida PRIME is not required to register (and has not registered) with the Securities and Exchange Commission. Sections 218.40 through 218.415, Florida Statutes, and State Board of Administration Rules 19-7.002 through 19-7.016, Administrative Code, promulgated pursuant to Section 218.405(4), Florida Statutes, govern the operation of Florida PRIME. The amortized cost of the participant account balance is reported as the fair value of the HIS and Police and Fire funds' investment in Florida PRIME.

## 2. Investment Risk

The FRS Pension Trust Fund has a broad range of financial investments exposed to various risks, including overall market volatility. Due to the level of risk associated with certain financial investments, it is reasonably possible that changes in the values of financial investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that certain risks be discussed in the financial statements. These risks include credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Each of these risks is discussed in more detail below.

## 3. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit quality ratings are used as an assessment of creditworthiness and are assigned by Nationally Recognized Statistical Rating Organizations (NRSROs). These ratings are disclosed in aggregate by investment type for the securities held as of the financial statement date.

The State Treasury Investment Pool's current rating by Standard and Poor's was AA-f as of June 30, 2023.

The SBA, in compliance with Section 215.47, Florida Statutes, has adopted certain investment policies with regard to credit risk of fixed income securities, which generally are managed through individual portfolios within various asset classes. Some of the individual portfolios have slightly different restrictions on credit quality.

For the Short-Term Portfolio, securities must be high quality at the time of purchase. For short-term investment ratings, this is defined as the highest applicable rating from one of the NRSROs. For long-term investment ratings, this is defined as being a minimum rating of A from one of the NRSROs. Securities of a single issuer are generally limited to 5 percent of the market value of the portfolio (excluding U.S. Treasuries and Agencies).

Generally, securities in other major portfolios, such as the Mortgage Index Portfolio, Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio, should be rated investment grade by at least one of the NRSROs at the time of purchase allowing a very small allocation to below investment grade (down to BB-/Ba3) for the Core Portfolio. Securities for a single issuer are generally limited to 5 percent of the fair value of the portfolio (excluding U.S. Treasuries and Agencies).

The Mortgage Index Portfolio limits securities generally to those issued by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC). No specific credit rating criteria are listed.

The Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio allow U.S. Treasuries, U.S. Government Agencies, corporates, mortgage and asset backed securities, foreign sovereign debt, and municipals.

For security lending portfolios, eligible cash collateral investments are the following:

- Tri-party qualified repurchase obligations are collateralized by U.S. Treasury bills, notes, bonds, and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. equity securities. U.S. Treasury and Government Agencies must maintain a market value of at least 102 percent of the market value of the securities subject to being repurchased and U.S. equities must maintain a market value of at least 107 percent of the market value of the securities subject to being repurchased.
- Money market mutual funds regulated by SEC rule 2a-7 and rated the highest applicable rating by at least one of the NRSROs.
- U.S. Treasury bills, notes, and bonds.

Security lending investments that were purchased prior to the policy guidelines established in December 2008 are being held to maturity in existing lending portfolios.

The following table discloses credit quality ratings related to credit risk on investments held in the FRS Pension Trust Fund at June 30, 2023 (in thousands):

**FRS Pension Trust Fund**

Credit Quality Ratings

As of June 30, 2023

Credit Rating <sup>1</sup>		Total <sup>2</sup>	Certificates of deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies <sup>4</sup>	Domestic bonds and notes	International bonds and notes
S&P	Moody's								
A-1 / AAAm		\$ 3,097,247	\$ 474,301	\$ 2,158,976	\$ 463,970	\$ -	\$ -	\$ -	\$ -
A-2		10,408	-	10,408	-	-	-	-	-
A-3		1,157	-	1,157	-	-	-	-	-
AAA		1,122,160	-	-	-	-	-	626,365	495,795
AA		891,632	-	-	-	7,180	492,377	246,410	145,665
A		2,669,446	-	-	-	-	-	1,968,510	700,936
BBB		4,457,968	-	-	-	-	-	3,657,718	800,250
BB		213,924	-	-	-	-	-	174,800	39,124
B		73,465	-	-	-	-	-	45,529	27,936
CCC		7,673	-	-	-	-	-	3,700	3,973
CC		6,408	-	-	-	-	-	6,408	-
D		844	-	-	-	-	-	844	-
	P-1	399,340	224,586	174,754	-	-	-	-	-
	P-2	1,199	1,199	-	-	-	-	-	-
	Aaa	1,383,909	-	-	-	-	-	992,601	391,308
	Aa	97,449	-	-	-	-	-	74,416	23,033
	A	212,541	-	-	-	-	-	190,450	22,091
	Baa	381,184	-	-	-	-	-	269,765	111,419
	Ba	136,839	-	-	-	-	-	119,311	17,528
	B	62,110	-	-	-	-	-	39,485	22,625
	Caa	5,429	-	-	-	-	-	694	4,735
	Ca	1,708	-	-	-	-	-	-	1,708
NR	NR	8,400,795	-	-	-	792,614	6,966,942	577,460	63,779
		23,634,835	\$ 700,086	\$ 2,345,295	\$ 463,970	\$ 799,794	\$ 7,459,319	\$ 8,994,466	\$ 2,871,905
<u>Ratings not applicable:</u>									
	Repurchase agreements <sup>3</sup>	600,206							
	U.S. guaranteed obligations <sup>3</sup>	12,409,773							
Total fixed income investments		<u>\$ 36,644,814</u>							

<sup>1</sup> S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated). Long-term ratings are presented except for commercial paper and money market funds.

<sup>2</sup> All investments are included in this table, including security lending collateral investments.

<sup>3</sup> U.S. guaranteed obligations and collateral for repurchase agreements, which are explicitly guaranteed by the U.S. Government, do not require disclosure of credit quality.

<sup>4</sup> Federal Agency TBAs and mortgage-backed securities are classified as "NR" because they do not have explicit credit ratings on individual securities.

All futures, options and swaps contracts held by the FRS Pension Trust Fund at June 30, 2023, were exchange-traded, therefore minimizing counterparty credit risk through the use of futures and swaps clearing merchants and clearing houses.

The FRS Pension Trust Fund may enter into contracts that allow for close-out netting with certain counterparties. In the event of default or early termination, the contract permits the non-defaulting party the right to close-out all transactions in a single net settlement to one net amount payable by one counterparty to the other. The aggregate fair value of non-exchange traded derivative instruments subject to close-out netting totaled \$(2.9) million as of June 30, 2023.

Counterparty credit ratings related to credit risk for forward currency contracts held at June 30, 2023, are presented below (in thousands):

**FRS Pension Trust Fund**  
Forward Currency Contract Counterparty Credit Ratings  
As of June 30, 2023

Counterparty Credit Rating (Long/Short) <sup>1</sup>		Asset	Liability	Net Unrealized Gain (Loss)
S&P	Moody's			
A/A-1		\$ 2,862	\$ (5,884)	\$ (3,022)
	A/P-1	-	(5)	(5)
	NR/P-1	1,635	(372)	1,263
Total		<u>\$ 4,497</u>	<u>\$ (6,261)</u>	<u>\$ (1,764)</u>

<sup>1</sup>S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).

Counterparty credit ratings related to credit risk for spot currency contracts held at June 30, 2023, are presented below (in thousands):

**FRS Pension Trust Fund**  
Spot Currency Contract Counterparty Credit Ratings  
As of June 30, 2023

Counterparty Credit Rating (Long/Short) <sup>1</sup>		Receivables	Payables	Net Unrealized Gain (Loss)
S&P	Moody's			
AA/A-1		\$ 4,001	\$ (4,007)	\$ (6)
A/A-1		148,846	(148,917)	(71)
	A/P-1	16,330	(16,324)	6
	NR/P-1	1,478	(1,474)	4
NR	NR	44,823	(44,803)	20
Total		<u>\$ 215,478</u>	<u>\$ (215,525)</u>	<u>\$ (47)</u>

<sup>1</sup>S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).

The Police and Firefighters' Premium Tax Trust Fund and the Retiree Health Insurance Subsidy Trust Fund had investments in money market funds totaling \$371,754,767 and \$610,051,374, respectively, which held an S&P rating of AAAM at June 30, 2023.

#### 4. Custodial Credit Risk

Custodial credit risk for investments is the risk that, if a depository financial institution or counterparty fails, the state will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

As stated in SBA's custodial credit policy, the SBA seeks to minimize custodial credit risk through the use of trust accounts maintained at top tier third-party custodian banks, whose creditworthiness is monitored by the SBA. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, or in the case of certain foreign investments, in an omnibus client account, but separate and apart from the assets of the custodian banks. This policy applies to investments evidenced by cash or securities but does not apply to investments evidenced by contractual agreements such as alternatives, real estate, cleared derivative instruments (futures, options and swaps), external investment pools or open-ended mutual funds. These types of investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. In addition, un-invested cash for all portfolios/funds under SBA management is generally swept nightly into overnight investments, thereby reducing the plan's exposure to custodial credit risk. On occasion, however, the plan's cash balances can exceed federally-insured limits.

Presented below are investments that were uninsured and unregistered, with securities held by the counterparty, or by the counterparty's trust department but not in the SBA's name, as of June 30, 2023 (in thousands):

**FRS Pension Trust Fund**  
Custodial Credit Risk  
As of June 30, 2023

	<b>Fair Value</b>
Security lending collateral: Domestic bonds and notes	\$ 7,919
Total	\$ 7,919

**5. Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5 percent or more of the fund's fair value at June 30, 2023.

Investment policy guidelines allow the security lending programs to hold up to 30 percent of the cash collateral reinvestment portfolio in U.S. Treasury bills, notes, and bonds.



## 6. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income instruments. The SBA, in compliance with Section 215.47, Florida Statutes, has adopted certain investment policies with regard to interest rate risk exposure for fixed income securities, which generally are managed through individual portfolios with various asset classes. The individual portfolios may have different policies regarding interest rate risk.

For the Short-term Portfolio, the weighted-average maturity to final maturity date (WAL) is limited to 120 days and weighted-average time to coupon reset (WAM) is limited to 60 days. For securities without a fixed interest rate, the next coupon reset date is used as the maturity for the reset WAM calculation.

The Mortgage Index Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus 0.25 years of the Barclays Capital U.S. MBS Index duration. Swaps and/or Agency debentures may contribute no more than 25 percent of the portfolio's total duration.

The Intermediate Aggregate Less MBS Index Portfolio duration should remain within plus or minus 0.25 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration less the MBS Index component. Interest rate swaps and interest rate futures, on a net basis, may contribute no more than 25 percent of the portfolio's total duration.

The Core Portfolio duration should remain within plus or minus 0.50 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration. Interest rate swaps and interest rate futures, on a net basis, may contribute no more than 25 percent of the portfolio's total duration.

The Core Portfolio contains certain investments known as collateralized mortgage obligations (CMOs). CMOs are often more sensitive to interest rate changes than other fixed income instruments. Examples of CMO securities that qualify as "highly interest rate sensitive" include interest-only (IOs), principal-only (POs), and inverse floaters (INVs). IO and PO securities are transactions that involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which increase the value of a PO and decrease the value of an IO. Inverse floaters (INVs) have an inverse relationship to a benchmark rate, and the coupon payment is adjusted as the interest rate changes. If the benchmark interest rate decreases, the coupon rate increases and vice versa, which allows the bondholder to benefit from declining interest rates. Similar to an IO, an interest-only inverse floater's value increases as interest rates rise.

For security lending portfolios, policy guidelines allow investment in the following:

- Tri-party qualified repurchase obligations, with a term to repurchase not to exceed forty-five calendar days, that are fully collateralized by U.S. Treasury bills, notes, bonds and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. Equity securities.
- Money market mutual funds regulated by SEC rule 2a-7.
- U.S. Treasury bills, notes and bonds maturing within 92 days or less.

Security lending investments that were purchased prior to the investment policy guidelines established in December 2008 are still held in the lending programs and are slowly paying down. For investments that had floating interest rates, interest rate reset dates were used to calculate WAM.

The interest rate risk table for the FRS Pension Trust Fund as of June 30, 2023, is presented below (in thousands). Investment types related to fixed income portfolios are presented using effective weighted duration. Investment types related to short-term and security lending collateral portfolios are presented using weighted-average maturity.

### FRS Pension Trust Fund

Debt Investments  
As of June 30, 2023

Investment type	Total (duration)	Effective weighted duration (in years)	Total (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ -	N/A	\$ 700,086	51
Commercial paper	-	N/A	2,345,295	13
Money market funds	-	N/A	463,970	3
Repurchase agreements	-	N/A	1,400,000	3
U.S. guaranteed obligations:				
Treasury bills	1,337,752	0.18	-	N/A
Treasury bonds and notes	9,326,343	3.75	-	N/A
Treasury strips	14,597	17.61	-	N/A
Index linked government bonds	227,904	5.54	-	N/A
Bonds and notes	1,792	1.47	-	N/A
Asset-backed	2,779	1.94	-	N/A
GNMA mortgage-backed	1,010,181	5.39	-	N/A
GNMA commitments to purchase (TBAs)	127,193	4.72	-	N/A
Mortgage-backed CMOs and CMBs <sup>1</sup>	361,232	5.49	-	N/A
Federal agencies:				
Discount notes	11,437	0.01	-	N/A
Unsecured bonds and notes	480,940	4.69	-	N/A
Agency strips	22,589	7.97	-	N/A
Mortgage-backed	5,213,956	4.50	-	N/A
FNMA, FHLMC commitments to purchase (TBAs)	773,212	5.83	-	N/A
Mortgage-backed CMOs and CMBs <sup>1</sup>	957,185	5.32	-	N/A
Domestic:				
Corporate bonds and notes	6,450,442	0.86	-	N/A
Asset and mortgage backed	705,557	1.79	7,201	25
Mortgage-backed CMOs and CMBs <sup>1</sup>	1,809,078	3.63	718	25
Municipal/provincial	21,470	7.07	-	N/A
International:				
Government and agency obligations	583,310	2.99	-	N/A
Corporate bonds and notes	1,617,406	2.36	-	N/A
Asset and mortgage-backed	627,445	0.04	-	N/A
Mortgage-backed CMOs and CMBs <sup>1</sup>	43,744	0.05	-	N/A
Futures - long <sup>2</sup>	(51,090)	4.07	-	N/A
Futures - short <sup>2</sup>	11,138	6.35	-	N/A
Credit default swaps <sup>2</sup>	(7,029)	-	-	N/A
Interest rate swaps <sup>2</sup>	851	(2.76)	-	N/A
<b>Total fixed income investments</b>	<b><u>\$31,681,414</u></b>		<b><u>\$ 4,917,270</u></b>	

<sup>1</sup> Includes investments in IOs, POs, and INVs totaling \$50 million.

<sup>2</sup> The futures and swaps contracts' effective weighted durations were calculated using notional values (in U.S. dollars) rather than fair values.

The effective duration of the State Treasury Investment Pool at June 30, 2023, was approximately 3.02 years. Interest rate risk information for fixed income investments sold short is presented below (in thousands):

**FRS Pension Trust Fund**  
Sold Short<sup>1</sup> Debt Investment Positions  
As of June 30, 2023

Investment type	Fair value (duration)	Effective weighted duration (in years)
FNMA, FHLMC commitments to sell (TBAs)	\$ (147,560)	6.00
Total fixed income investments sold short <sup>1</sup>	\$ (147,560)	

<sup>1</sup> Investments sold short are reported as liabilities on the Statement of Fiduciary Net Position.

The Police and Firefighters' Premium Tax Trust Fund and the Retiree Health Insurance Subsidy Trust Fund had investments in money market funds totaling \$371,754,767 and \$610,051,374, respectively, which had daily liquidity at June 30, 2023.

## 7. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit or investment. Under Section 215.47, Florida Statutes, and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investment by the FRS Pension Trust Fund may be invested in various types of securities denominated in foreign currency. The SBA has developed for the FRS Pension Trust Fund an Investment Policy Statement (IPS) that sets ranges on investments by asset class. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. Florida law limits the exposure to foreign securities held outside of foreign group trusts and certain other foreign entities to 50 percent of the total FRS Pension Trust Fund. There is no requirement that this exposure to foreign currency risk be hedged through forward currency contracts, although some managers are authorized to use forward currency contracts.

Commingled international equity funds are collective investments where the FRS Pension Trust Fund owns a portion of the total units in commingled funds with other investors. Exchange-traded funds (ETFs) are investment funds, traded on the exchanges, that hold assets such as stocks or bonds, and the FRS Pension Trust Fund owns a portion of the total shares in the ETFs. Participatory notes (P-notes) allow the FRS Pension Trust Fund to participate in certain foreign equity markets where direct participation is not possible due to local government regulations, tax policies, or for other reasons. The overall investments or notes themselves are denominated in U.S. dollars, but a portion of the underlying assets may be exposed to foreign currency risk in various currencies.

Alternative investments are commingled investment funds (primarily limited partnerships) where the FRS Pension Trust Fund owns a portion of the overall investment in the funds. For those funds denominated in U.S. dollars, some of the underlying investments may be exposed to foreign currency risk in various currencies.

The FRS Pension Trust Fund also holds positions in futures, options, swaps, and foreign currency contracts that are subject to foreign currency risk. Additional information on derivatives is provided in section B.9. in Note 3 to the financial statements.

Following are the FRS Pension Trust Fund's investments, by currency at fair value (in U.S. dollars), exposed to foreign currency risk as of June 30, 2023 (in thousands):

**FRS Pension Trust Fund**  
Investments Exposed to Foreign Currency Risk (fair values in U.S. dollars, in thousands)  
As of June 30, 2023

Currency	FRS Pension Trust Fund Investment Type					Total
	Equity	Alternative Investments	Fixed Income	Other	Spot Contracts, net	
Australian dollar	\$ 824,031	\$ -	\$ -	\$ 78,441	\$ (2,861)	\$ 899,611
Brazilian real	557,797	-	-	-	(76)	557,721
British pound sterling	2,986,618	137,598	12,930	(40,344)	18,069	3,114,871
Canadian dollar	1,353,677	-	3,568	113,434	(3,583)	1,467,096
Chilean peso	44,489	-	-	-	-	44,489
Chinese yuan renminbi	708,421	-	-	4,746	(370)	712,797
Colombian peso	325	-	-	-	-	325
Czech koruna	22,455	-	-	-	-	22,455
Danish krone	742,624	-	-	(7,633)	(2,185)	732,806
Egyptian pound	59	-	-	-	-	59
Euro	7,816,652	1,921,914	92,263	(483,007)	108,535	9,456,357
Hong Kong dollar	2,427,307	-	-	36,326	(1,366)	2,462,267
Hungarian forint	8,670	-	-	-	-	8,670
Indian rupee	1,224,502	-	-	(29,032)	-	1,195,470
Indonesian rupiah	223,603	-	-	-	(253)	223,350
Israeli shekel	38,752	-	-	-	-	38,752
Japanese yen	3,688,587	9,645	-	6,412	2,120	3,706,764
Kuwaiti dinar	11,050	-	-	-	-	11,050
Malaysian ringgit	46,866	-	-	-	(6)	46,860
Mexican peso	269,009	-	-	-	(1,248)	267,761
New Taiwan dollar	1,292,497	-	-	(7,926)	(1,750)	1,282,821
New Zealand dollar	20,669	-	-	-	75	20,744
Norwegian krone	180,450	-	-	4,468	(494)	184,424
Philippines peso	41,162	-	-	-	-	41,162
Polish zloty	74,469	-	-	-	(17)	74,452
Qatari riyal	16,239	-	-	-	-	16,239
Russian ruble	3	-	-	-	-	3
Saudi Arabian riyal	264,196	-	-	-	-	264,196
Singapore dollar	439,457	-	-	7,074	(963)	445,568
South African rand	196,854	-	-	-	(21)	196,833
South Korean won	1,286,834	-	-	(27,624)	334	1,259,544
Swedish krona	569,052	37,790	-	39,998	(650)	646,190
Swiss franc	1,703,007	-	-	(11,629)	(3,049)	1,688,329
Thailand baht	191,240	-	-	-	(26)	191,214
Turkish lira	23,422	-	-	-	-	23,422
United Arab Emirates dirham	93,595	-	-	-	-	93,595
Vietnam dong	16,250	-	-	-	-	16,250
Total foreign currency risk	29,404,890	2,106,947	108,761	(316,296)	110,215	31,414,517
Other investments with potential exposure to foreign currency risk:						
Alternative investments	-	40,040,177	-	-	-	40,040,177
P-notes and ETFs	86,718	-	-	-	-	86,718
Commingled international equity funds	3,653,953	-	-	-	-	3,653,953
Total investments subject to foreign currency risk	<u>\$ 33,145,561</u>	<u>\$ 42,147,124</u>	<u>\$ 108,761</u>	<u>\$ (316,296)</u>	<u>\$ 110,215</u>	<u>\$ 75,195,365</u>

The tables below provide additional details on the futures contracts and foreign currency contracts, and swap agreements that were subject to foreign currency risk. The margin payments included in “Accounts receivable” and “Accounts payable and accrued liabilities” on the Statement of Fiduciary Net Position may also be exposed to foreign currency risk.

## Futures

The FRS Pension Trust Fund’s futures contract positions at June 30, 2023, that were exposed to foreign currency risk are presented below (in thousands):

**FRS Pension Trust Fund**  
Futures Positions Exposed to Foreign Currency Risk  
June 30, 2023

Futures Contract Type	Currency	Number of Contracts	In Local Currency			In U.S. dollars
			Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss)	Unrealized Gain/(Loss)
Stock Index Futures:						
MSCI EAFE <sup>1</sup>	U.S. dollar	4,437	483,074	478,198	(4,876)	\$ (4,876)
MSCI Emerging Markets <sup>1</sup>	U.S. dollar	366	18,192	18,261	69	69
Bond Futures:						
Euro Bobl	Euro	(82)	(9,618)	(9,488)	130	142
Euro Bund	Euro	(14)	(1,893)	(1,872)	21	23
Total futures subject to foreign currency risk		<u>4,707</u>	<u>489,755</u>	<u>485,099</u>	<u>(4,656)</u>	<u>\$ (4,642)</u>

<sup>1</sup> Futures denominated in U.S. dollars are based on an index that converts the foreign issues to dollar equivalents at currency market exchange rates.

## Options

There were no option contracts held as of June 30, 2023.

## Forward and Spot Foreign Currency Contracts

Foreign currency contracts are agreements to exchange one currency for another currency at an agreed-upon price and settlement date. Currently, there are two types of foreign currency contracts being utilized by the FRS Pension Trust Fund. Spot currency contracts are valued at spot (traded) currency rates and are used primarily for trade settlement and currency repatriation. Forward currency contracts are valued at interpolated forward rates and may be used to mitigate currency risk for changes in value associated with foreign holdings, payables and/or receivables. Forward currency contracts are recorded as other investments and other liabilities on the statements of net position and spot currency contracts are recorded as receivables and payables on the statements of net position.

The FRS Pension Trust Fund's forward and spot currency contract positions as of June 30, 2023, that were exposed to foreign currency risk are presented below, by currency (in thousands):

**FRS Pension Trust Fund**  
Forward and Spot Foreign Currency Exchange Contracts  
As of June 30, 2023

Currency	Forward Currency Contracts				Spot Currency Contracts			
	Receivable Notional	Payable Notional	Net Investment /Liability	Unrealized Gain/ (Loss)	Receivables	Payables	Net Receivables / Payables	Unrealized Gain/ (Loss)
Australian dollar	\$ 84,232	\$ 4,386	\$ 78,441	\$ (1,405)	\$ 34	\$ (2,895)	\$ (2,861)	\$ (11)
Brazilian real	-	-	-	-	-	(76)	(76)	-
British pound sterling	24,518	64,248	(40,345)	(615)	22,814	(4,745)	18,069	11
Canadian dollar	117,454	5,312	113,434	1,291	-	(3,583)	(3,583)	(5)
Chinese yuan renminbi	5,034	-	4,746	(288)	-	(370)	(370)	(1)
Danish krone	33,653	41,332	(7,633)	46	-	(2,185)	(2,185)	(8)
Euro	22,475	505,969	(483,172)	321	122,503	(13,968)	108,535	(34)
Hong Kong dollar	40,794	4,248	36,326	(219)	1,466	(2,832)	(1,366)	-
Indian rupee	-	29,077	(29,032)	45	-	-	-	-
Indonesian rupiah	-	-	-	-	-	(253)	(253)	-
Japanese yen	11,423	4,892	6,412	(118)	9,444	(7,324)	2,120	(3)
Malaysian ringgit	-	-	-	-	-	(6)	(6)	-
Mexican peso	-	-	-	-	237	(1,485)	(1,248)	2
New Taiwan dollar	-	8,066	(7,926)	141	-	(1,750)	(1,750)	(1)
New Zealand dollar	-	-	-	-	75	-	75	-
Norwegian krone	4,543	-	4,468	(75)	-	(494)	(494)	(1)
Polish zloty	-	-	-	-	-	(17)	(17)	-
Singapore dollar	7,205	-	7,074	(131)	-	(963)	(963)	(3)
South African rand	-	-	-	-	1,185	(1,206)	(21)	1
South Korean won	-	27,635	(27,624)	10	336	(2)	334	-
Swedish krona	40,750	-	39,998	(752)	-	(650)	(650)	1
Swiss franc	55,475	67,089	(11,629)	(15)	3,599	(6,648)	(3,049)	5
Thailand baht	-	-	-	-	1,222	(1,248)	(26)	-
U.S. dollar	762,253	447,555	314,698	-	52,563	(162,825)	(110,262)	-
Total	\$1,209,809	\$1,209,809	\$ (1,764)	\$ (1,764)	\$ 215,478	\$ (215,525)	\$ (47)	\$ (47)

The FRS Pension Trust Fund's swap agreement position as of June 30, 2023, that was exposed to foreign currency risk is presented below (in thousands):

**FRS Pension Trust Fund**  
Swap Agreement  
As of June 30, 2023

Currency	National Amount (Local Currency)	Receive <sup>1</sup>	Pay	Maturity Date	Market Value (Local Currency)	Market Value (U.S. \$)
British Pound Sterling	5,565	SONIA-1D	1% Fixed	5/8/2026	669	\$ 851

<sup>1</sup> The SONIA (Sterling Overnight Index Average) is an interest rate published by the British central bank (Bank of England). SONIA can be seen as the average interest rate at which a selection of financial institutions lend to one another in British pound sterling (GBP) with a maturity of 1 day (overnight).

## 8. Security Lending

During fiscal year 2023, the FRS Pension Trust Fund participated in security lending programs with two lending agents, including the custodian and one third-party agent. These security lending programs have indemnity clauses requiring the lending agent to assume the borrower's risk from default. There are no restrictions on the amount of securities that can be loaned at one time to one borrower.

In addition to the two agent lending programs, the FRS Pension Trust Fund participated in security lending through investments in three commingled funds that do not offer borrower indemnification. The fund receives a proportionate share of the security lending income generated from these activities.

Collateral requirements for securities on loan range from 100 percent to 105 percent, depending on the lending agent, the type of security lent, and the type of collateral received. As of June 30, 2023, the FRS Pension Trust Fund had received and invested approximately \$462.6 million in cash collateral and received \$6.0 billion in securities as collateral for the lending programs. The collateral held for the security lending transactions exceeded the fair value of the securities on loan (including accrued interest). As a result, none of the lending programs were under-collateralized at the end of the fiscal year. The SBA does not have the ability to pledge or sell the non-cash collateral securities unless the borrower defaults, so the non-cash portion is not reported on the Statement of Fiduciary Net Position.

Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned, because security lending agreements generally are open-ended with no fixed expiration date. As such, investments made with cash collateral are limited to those with a final maturity up to 92 days. However, investments in one of the security lending programs included investments with final maturities of six months or more, which represented approximately 2 percent of that lender's total collateral invested at June 30, 2023. This is due to the portfolio containing some legacy securities that will remain until they are sold or mature.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2023 (in thousands):

### SCHEDULE OF INVESTMENTS ON LOAN UNDER SECURITY LENDING AGREEMENTS AS OF JUNE 30, 2023

Securities on loan for cash collateral, by security type	Fair value of Securities on Loan <sup>1</sup>	
	FRS Pension Trust Fund	
U.S. guaranteed obligations	\$	140,659
Federal agencies		7,293
Domestic corporate bonds and notes		100,775
International bonds and notes		80,264
Domestic equities		89,882
International equities		32,191
Total securities on loan for cash collateral	\$	451,064
Securities on loan for non-cash collateral, by security type		
U.S. guaranteed obligations	\$	1,062,637
Federal agencies		9,250
Domestic corporate bonds and notes		244,399
International bonds and notes		53,907
Domestic equities		1,972,681
International equities		2,496,710
Total securities on loan for non-cash collateral		5,839,584
Total securities on loan	\$	6,290,648

<sup>1</sup>Fair value includes accrued interest on fixed income securities.

## 9. Derivatives

The FRS Pension Trust Fund accounts for derivative instruments in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53). This statement defines a derivative instrument as a financial instrument or other contract that has all of the following characteristics:

- a. Settlement factors. It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. Those terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- b. Leverage. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- c. Net settlement. Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative instruments in the FRS Pension Trust Fund as of June 30, 2023, consisted of futures, forward currency contracts, and swaps. There were no option contracts held as of June 30, 2023.

The SBA has established investment guidelines for each investment portfolio. Pursuant to these guidelines, investment derivative instruments are authorized to be used as tools for managing risk or executing investment strategies more efficiently than could otherwise be done in cash markets and may only be used as part of a prudent investment process. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, default risk, and mortgage-backed security prepayment risk, and to effectively manage exposure to domestic and international equities, bonds, and real estate markets.

A futures contract is an agreement between a buyer and a seller to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all members in a market on an organized futures exchange. Upon entering into a futures contract, collateral (cash and/or securities) is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the SBA and third-party counterparties. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Position. Losses may arise from future changes in the value of the underlying instrument.

An option gives the buyer a stipulated privilege of buying or selling a stated property, security, or commodity at a given price (strike price) within a specified time (for an American-style option, at any time prior to or on the expiration date). A securities option is a negotiable contract in which the seller (writer), for a certain sum of money called the option premium, gives the buyer the right to demand within a specified time the purchase (call) from or sale (put) to the option seller of a specified number of bonds, currency units, index units, or shares of stock, at a fixed price or rate, called the strike price.

A forward contract is a contractual obligation, typically over-the-counter, traded between two parties to exchange a particular good or instrument at a set price on a future date. The buyer of the forward agrees to pay the price and take delivery of the good or instrument and is said to be "long" in the forward contract, while the seller of the forward, or "short", agrees to deliver the good or instrument at the agreed price on the agreed date.

A swap is a contractual agreement to exchange a stream of periodic payments utilizing a central clearing house whereby each party in the transaction enters into a contract with the central counterparty. These agreements may be over-the-counter or exchange-traded. Upon entering into a swap contract through a clearing house, collateral is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. Swaps are available in and between all active financial markets. Examples include:

Interest rate swap - An agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate.

Credit default swap - An agreement that allows one party to "buy" protection from another party for losses that might be incurred as a result of default by a specified reference credit (or credits). The "buyer" of protection pays



a premium for the protection, and the “seller” of protection agrees to make a payment to compensate the buyer for losses incurred if a defined credit event occurs.

The fair value, changes in fair value, and notional amounts of the derivative investments for the fiscal year ended June 30, 2023, are classified by type and presented in the table below (in thousands):

<b>FRS Pension Trust Fund</b>					
		<b>Increase/(Decrease) in Fair Value</b>		<b>Fair Value at June 30, 2023</b>	
	<b>Notional (in U.S. dollars)</b>	<b>Classification</b>	<b>Amount (in U.S. dollars)</b>	<b>Classification</b>	<b>Amount (in U.S. dollars)</b>
Investment derivatives:					
<b>Futures<sup>1</sup></b>					
Fixed income futures	\$ 5,247,030	Investment Income	\$ (104,910)	Investment	\$ (39,951)
Equity futures	2,094,996	Investment Income	288,560	Investment	17,315
<b>Total futures</b>	<b>\$ 7,342,026</b>		<b>\$ 183,650</b>		<b>\$ (22,636)</b>
<b>Foreign currency forwards</b>	<b>\$ 1,209,809</b>	Investment Income	<b>\$ (20,687)</b>	Investment	<b>\$ (1,764)</b>
<b>Swaps</b>					
Credit default swaps	\$ 658,311	Investment Income	\$ (7,341)	Investment	\$ (7,029)
Interest rate swaps	7,075	Investment Income	847	Investment	851
<b>Total swaps</b>	<b>\$ 665,386</b>		<b>\$ (6,494)</b>		<b>\$ (6,178)</b>

<sup>1</sup> The total notional values of long and short fixed income futures positions were \$4.0 billion and \$1.3 billion, respectively. The total notional value of long equity futures positions was \$2.1 billion.

## 10. Commitments

Each year the FRS Pension Trust Fund enters into a number of agreements that commit the fund, upon request, to make additional investment purchases (i.e., capital commitments) up to predetermined amounts over certain investment time periods. The unfunded capital commitments for private equity, real estate and strategic investments not reported on the FRS Pension Trust Fund Statement of Fiduciary Net Position totaled \$17.2 billion as of June 30, 2023.

## C. Loans Payable

### Credit Facility Program

During fiscal year 2023, SBA implemented the Credit Facility Program (CFP), which consists of one or more special-purpose entities that are wholly owned by the SBA. These special-purpose entities receive funds through secured revolving lines of credit with the purpose of providing downstream loans to Real Estate Principal Investments. Principal Investments may utilize the CFP to facilitate lending and financing needs for investments within the Principal Investments Portfolio. These special-purpose entities are considered blended component units of the FRS Pension Trust Fund. As of June 30, 2023, the total amount available under existing credit facilities was \$750 million, of which no draws have been made. The available credit facilities will mature in March 2026, with the option to extend through March 2028. As well, capital commitments, from the FRS Pension Trust Fund to the special-purpose entities, used to secure loans were \$788 million. Pursuant to the terms and conditions of the existing loan agreements, in the event of default, all amounts shall become immediately due, and any commitments of the lenders shall immediately terminate. An acceleration clause allows the lender to accelerate payment of the principal amount to become immediately due.

## Note 4 – NET PENSION LIABILITY

The components of the net pension liability of the state-administered pension plans are presented below:

### A. Florida Retirement System (FRS) Pension Plan

Net Pension Liability	June 30, 2022	June 30, 2023
Total pension liability	\$ 217,434,441,000	\$ 226,204,201,000
Fiduciary net position	\$ 180,226,404,807	\$ 186,357,365,968
Net pension liability	\$ 37,208,036,193	\$ 39,846,835,032
Fiduciary net position as a % of total pension liability	82.89%	82.38%
Covered payroll <sup>1</sup>	\$ 38,679,800,000	\$ 41,958,000,000
Net pension liability as a % of covered payroll	96.20%	94.97%

<sup>1</sup>Covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method.

Discount Rate	June 30, 2022	June 30, 2023
Discount rate	6.70%	6.70%
Long-term expected rate of return, net of investment expense	6.70%	6.70%
Municipal bond rate	N/A	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.70 percent rate of return assumption used in the June 30, 2023, calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2023 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on Publications page of the Division of Retirement's website at [www.frs.myflorida.com](http://www.frs.myflorida.com).

### Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

Valuation Date	July 1, 2022	July 1, 2023
Measurement date	June 30, 2022	June 30, 2023
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%

Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018; details in valuation report	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018; details in valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances as of June 30, 2022	\$217,434,441,000	\$180,226,404,807	\$37,208,036,193
Changes for the year:			
Service cost	2,770,120,809		2,770,120,809
Interest on total pension liability	14,331,550,546		14,331,550,546
Effect of plan changes <sup>1</sup>	1,332,907,000		1,332,907,000
Effect of economic/demographic gains or losses	3,144,481,969		3,144,481,969
Effect of assumptions changes or inputs	-		-
Benefit payments <sup>2</sup>	(12,809,300,324)	(12,809,300,324)	-
Employer contributions		4,810,643,175	(4,810,643,175)
Member contributions		788,862,819	(788,862,819)
Net investment income		13,367,803,068	(13,367,803,068)
Administrative expenses		(27,047,577)	27,047,577
Balances as of June 30, 2023	<u>\$226,204,201,000</u>	<u>\$186,357,365,968</u>	<u>\$39,846,835,032</u>

<sup>1</sup>Amount shown reflects the effect of increasing the level of projected future benefits for some members as a result of Senate Bill 7024.

<sup>2</sup>Benefit payments shown above include outbound transfers to the Investment Plan and returns of contributions, net of \$68,745,863 inbound transfers from the Investment Plan, plus general revenue-funded benefit payments net of general revenue contributions.

## Sensitivity Analysis

The following presents the net pension liability of the pension plan, calculated using the discount rate of 6.70 percent, as well as what the pension plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70 percent) or one percentage point higher (7.70 percent) than the current rate.

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Total pension liability	\$ 254,423,874,000	\$ 226,204,201,000	\$ 202,595,068,000
Fiduciary net position	186,357,365,968	186,357,365,968	186,357,365,968
Net pension liability	<u>\$ 68,066,508,032</u>	<u>\$ 39,846,835,032</u>	<u>\$ 16,237,702,032</u>

## Long-Term Expected Rate of Return

The long-term expected rate of return assumption of 6.70 percent consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20 percent, which is consistent with the 4.48 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2023 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as investment return assumption chosen by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation <sup>1</sup>	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%

Assumed Inflation – Mean

2.4%

1.4%

<sup>1</sup>As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at [www.sbafla.com](http://www.sbafla.com).

## Calculation of Money-Weighted Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on FRS pension plan investments, net of pension plan investment expense, was 7.58 percent.<sup>1</sup> The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

<sup>1</sup>The money-weighted plan rate of return is an estimate using estimated level monthly net external cash flows. It may differ from the more precise return calculated by the State Board of Administration.

## B. Retiree Health Insurance Subsidy (HIS) Program

Actuarial valuations for the HIS Program are conducted biennially. The July 1, 2022, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2023, financial reporting exhibits shown below. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures. The discount rates used at the two liability measurement dates differ due to changes in the applicable municipal bond index between dates.

<b>Net Pension Liability</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>
Total pension liability	\$ 11,126,965,688	\$ 16,563,148,691
Fiduciary net position	\$ 535,368,479	\$ 681,814,936
Net pension liability	\$ 10,591,597,209	\$ 15,881,333,755
Fiduciary net position as a % of total pension liability	4.81%	4.12%
Covered payroll	\$ 36,451,711,744	\$ 39,628,534,004
Net pension liability as a % of covered payroll	29.06%	40.08%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

<b>Discount Rate</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>
Discount rate	3.54%	3.65%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.54%	3.65%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable municipal bond index.

### Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 - June 30, 2018.

Valuation Date	July 1, 2022	July 1, 2022
Measurement date	June 30, 2022	June 30, 2023
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP-2018; details in valuation report	Generational PUB-2010 with Projection Scale MP-2018; details in valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

<b>Changes in Net Pension Liability</b>	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances as of June 30, 2022	\$ 11,126,965,688	\$ 535,368,479	\$ 10,591,597,209
Changes for the year:			
Service cost	208,288,835		208,288,835
Interest on total pension liability	391,888,811		391,888,811
Effect of plan changes <sup>1</sup>	5,596,298,140		5,596,298,140
Effect of economic/demographic gains or losses	-		-
Effect of assumptions changes or inputs	(225,745,725)		(225,745,725)
Benefit payments	(534,547,058)	(534,547,058)	-
Employer contributions		657,817,668	(657,817,668)
Member contributions		221,875	(221,875)
Net investment income		23,165,989	(23,165,989)
Administrative expenses		(212,017)	212,017
Balances as of June 30, 2023	\$ 16,563,148,691	\$ 681,814,936	\$ 15,881,333,755

<sup>1</sup>The amount shown reflects the effect of increasing the level of projected future benefits for active and in-pay membership as a result of Senate Bill 7024.

### Sensitivity Analysis

The following presents the net pension liability of the HIS, calculated using the discount rate of 3.65 percent, as well as what the HIS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65 percent) or one percentage point higher (4.65 percent) than the current rate.

	<b>1% Decrease 2.65%</b>	<b>Current Discount Rate 3.65%</b>	<b>1% Increase 4.65%</b>
Total pension liability	\$18,799,938,144	\$16,563,148,691	\$14,709,000,450
Fiduciary net position	681,814,936	681,814,936	681,814,936
Net pension liability	\$18,118,123,208	\$15,881,333,755	\$14,027,185,514

### C. Florida National Guard Supplemental Retirement Benefit Plan

Actuarial valuations for the Florida National Guard Supplemental Retirement Benefit Plan are performed biennially. The July 1, 2022, National Guard valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2023, financial reporting exhibits shown below. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures. The discount rates used at the two liability measurement dates differ due to changes in the applicable municipal bond index between dates.

<b>Net Pension Liability</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>
Total pension liability	\$ 601,400,987	\$ 609,412,914
Fiduciary net position	-	-
Net pension liability	\$ 601,400,987	\$ 609,412,914
Fiduciary net position as a % of total pension liability	0.00%	0.00%
Covered payroll <sup>1</sup>	\$ 567,068,000	\$ 578,409,000
Net pension liability as a % of covered payroll	106.05%	105.36%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

<sup>1</sup>Covered payroll is based on the total annual wages from the active-duty military pay tables for the rank held by individuals in the Army and Air National Guard, which is the basis of the benefit formula.

<b>Discount Rate</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>
Discount rate	3.54%	3.65%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.54%	3.65%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the National Guard benefit is funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate adopted by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable bond index.

#### Other Key Actuarial Assumptions

The plan has not had a formal actuarial experience study performed.

Valuation Date	July 1, 2022	July 1, 2022
Measurement date	June 30, 2022	June 30, 2023
Individual Member Salary Increase	Varies by service; separate tables for officers and enlisted;	Varies by service; separate tables for officers and enlisted;
Annual Increase for net Florida National Guard benefit	2.80%	2.80%
Mortality	PUB-2010 with Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Entry Age Normal	Entry Age Normal

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances as of June 30, 2022	\$ 601,400,987	\$ -	\$ 601,400,987
Changes for the year:			
Service cost	14,546,315		14,546,315
Interest on total pension liability	21,533,911		21,533,911
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	-		-
Effect of assumptions changes or inputs	(12,644,705)		(12,644,705)
Benefit payments	(15,423,594)	(15,423,594)	-
Employer contributions <sup>1</sup>		15,471,794	(15,471,794)
Member contributions <sup>2</sup>		-	-
Net investment income <sup>2</sup>		-	-
Administrative expenses		(48,200)	48,200
Balances as of June 30, 2023	<u>\$ 609,412,914</u>	<u>\$ -</u>	<u>\$ 609,412,914</u>

<sup>1</sup>Contributions are provided by annual legislative appropriation to cover expenses and benefit payments.

<sup>2</sup>This plan is funded by general revenue funding with no member contributions and no plan assets. Therefore, Member Contributions and Net Investment Income will always be \$0.

### Sensitivity Analysis

The following presents the net pension liability of the plan, calculated using the discount rate of 3.65 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65 percent) or one percentage point higher (4.65 percent) than the current rate.

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Total pension liability	\$ 740,440,960	\$ 609,412,914	\$ 510,451,756
Fiduciary net position	-	-	-
Net pension liability	<u>\$ 740,440,960</u>	<u>\$ 609,412,914</u>	<u>\$ 510,451,756</u>



## NOTE 5 – INTERFUND BALANCES AND TRANSFERS

At June 30, 2023, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances from other funds. Interfund balances at June 30, 2023, consist of the following:

Due to Other Funds within Division	Due from Other Funds within Division		
	<b>Fiduciary Funds</b>		
	Florida Retirement System	Senior Management Service Optional Annuity Program	Health Insurance Subsidy Trust Fund
<b>Fiduciary Funds</b>			
Florida Retirement System	\$ -	\$ -	\$ 9,202,766
State University System Optional Retirement Program	2,779,688	-	-
Senior Management Service Optional Annuity Program	<u>10,272</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 2,789,960</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,202,766</u></u>

There were no interfund transfers during the year.

## NOTE 6 – CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for fiduciary and governmental activities during the fiscal year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year (Current)
<b>Fiduciary Activities</b>					
Pension Liability	\$ 44,237	\$ 106,174	\$ -	\$ 150,411	\$ -
Compensated Absences	1,213,100	845,566	724,359	1,334,307	402,483
Other Postemployment Benefits	14,152,054	7,170	3,435,972	10,723,252	269,525
Lease Liability	16,622,101	-	628,204	15,993,897	832,362
<b>Total Fiduciary Activities</b>	<u>\$ 32,031,492</u>	<u>\$ 958,910</u>	<u>\$ 4,788,535</u>	<u>\$ 28,201,867</u>	<u>\$ 1,504,370</u>
<b>Governmental Activities</b>					
Compensated Absences	\$ 156,486	\$ 49,504	\$ 36,403	\$ 169,587	\$ 32,644
Other Postemployment Benefits	522,078	-	175,701	346,377	8,706
Lease Liability	675,009	-	26,777	648,232	32,960
<b>Total Governmental Activities</b>	<u>\$ 1,353,573</u>	<u>\$ 49,504</u>	<u>\$ 238,881</u>	<u>\$ 1,164,196</u>	<u>\$ 74,310</u>

The long-term liability for fiduciary activities related to pension liability represents the State University System Optional Retirement Plan (SUSORP) Trust Fund's allocated share of the applicable state's pension liability. Changes to the trust fund's allocated share of the liability occur as a result of the state's allocation process and are non-liquidating by the trust fund itself. The liabilities related to compensated absences and leases will be liquidated by the Florida Retirement System (FRS) Trust Fund and the SUSORP Trust Fund. The allocated share of the state's Other Postemployment Benefits (OPEB) liability in the FRS Trust Fund and the SUSORP Trust Fund is also reported above. The state does not currently fund the OPEB liability; therefore, it is non-liquidating.

The long-term liabilities for governmental activities related to compensated absences and leases will be liquidated by the Police and Firefighters' Premium Tax Trust Fund, a special revenue fund. The fund's allocated share of the state's OPEB liability is also reported above. The state does not currently fund the OPEB liability; therefore, it is non-liquidating.

## NOTE 7 – RELATED PARTIES

The State Board of Administration (SBA), the FRS Investment Plan Trust Fund, and the Department of Management Services (DMS) state-administered retirement systems are considered to be related parties for the purposes of the system’s financial statements.

The defined benefit state-administered pension funds have a variety of transactions with the SBA and the FRS Investment Plan. The DMS administers the state-administered defined benefit pension plans, including collecting employer and employee contributions, remitting those contributions to SBA for investment, requesting withdrawals from SBA for benefit payments, and paying those benefit payments to members. The SBA administers the FRS Investment Plan Trust Fund, including working with DMS to collect employer and employee contributions and processing member-directed benefit amounts between the FRS Pension Plan Trust Fund and the FRS Investment Plan Trust Fund. The SBA provides investment services to the FRS Pension Plan and the Retiree Health Insurance Subsidy Pension Plan and charges an investment service charge on the net asset value at the end of each month.

In addition to the defined benefit pension plans, the DMS administers the Police and Firefighters’ Premium Tax Trust Fund, a supplemental funding of defined benefit plans for municipal police officers and firefighters who are not in the FRS. The SBA provides investment services to the Police and Firefighters’ Premium Tax Trust Fund.

Significant transactions between the SBA, the FRS Investment Plan Trust Fund and the DMS state-administered retirement systems for the fiscal year ended June 30, 2023, are as follows (in thousands):

	Florida Retirement System Pension Plan	Retiree Health Insurance Subsidy Trust Fund	Police and Firefighters' Premium Tax Trust Fund
<u>Payables:</u>			
Due to SBA for investment service charges	\$ 9,959	\$ -	\$ -
<u>Additions:</u>			
Funds received from SBA for distributions	\$ 12,295,105	\$ 535,688	\$ 208,314
Transfers from FRS Investment Plan Trust Fund	68,746	-	-
Total Additions	<u>\$ 12,363,851</u>	<u>\$ 535,688</u>	<u>\$ 208,314</u>
<u>Deductions:</u>			
Employer/employee contributions sent to SBA	\$ 4,351,453	\$ 659,207	\$ -
Member-directed benefits sent to FRS Investment Plan Trust Fund	590,051	-	-
Investment service charges to the SBA	58,781	-	-
Premium taxes sent to SBA	-	-	272,984
Total Deductions	<u>\$ 5,000,285</u>	<u>\$ 659,207</u>	<u>\$ 272,984</u>

## Note 8 – OTHER POSTEMPLOYMENT BENEFITS

The Florida Department of Management Services, Division of Retirement (division) is part of the primary government of the State of Florida. The division participates in the State Employees' Group Health Insurance Plan administered by the Department of Management Services, Division of State Group Insurance (DSGI). The plan covers retired employees and is considered an 'other postemployment benefits' plan.

### Plan Description

The DSGI Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan which provides healthcare benefits in accordance with Section 110.123, Florida Statutes, and the design documents are located on DSGI's website at <https://www.mybenefits.myflorida.com/health/resources>. DSGI pays the medical costs incurred by participating retired employees, net of related premiums that are paid entirely by the retiree. Pursuant to provisions of Section 112.0801, Florida Statutes, the OPEB Plan allows all employees who retire and meet retirement eligibility requirements under one of the state's retirement plans to continue medical coverage as a participant in the state's group health insurance program. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. There are 6 participating employers in the Plan, including the primary government of the state and 15 of its component units which are reported as one employer in the valuation, along with 5 other governmental entities. Although retirees pay 100 percent of the premium amount, the premium cost to the retiree is implicitly subsidized by commingling of the claims experience in a single risk pool with a single premium determination for active employees and retirees under age 65. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. Retirees under age 65 pay the same premium amounts as applicable to active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because the Plan is secondary payer to Medicare Parts A and B. Employees must make an election to participate in the Plan within 60 days of the effective date of retirement or the termination date to finalized Deferred Retirement Option Program participation to be eligible to continue in the Plan as a retiree. The Plan does not provide for a cost of living allowance increase.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan operates on a pay-as-you-go basis based on the budget supported by the General Appropriations Act enacted into law each year.

### Employees Covered by Benefit Terms

Census and enrollment data received as of July 1, 2022, was used to develop results for the fiscal year ended June 30, 2023. At July 1, 2022, there were 183,991 employees covered by the OPEB Plan, as shown in the following table:

Active Members	127,265
No Coverage Active Members	22,773
Retired and Inactive Members	<u>33,953</u>
Total	<u><u>183,991</u></u>

There are currently no inactive plan members entitled to but not yet receiving benefits because the Plan does not provide a vested termination benefit.

### Benefits Provided

The OPEB Plan provides the same healthcare benefits to retirees as those provided to active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All full-time equivalent employees of the state are eligible to receive postemployment health care benefits. Four types of health plans are offered to eligible participants:

- Standard statewide Preferred Provider Organization (PPO) Plan
- High Deductible PPO Plan
- Standard Health Maintenance Organization (HMO) Plan
- High Deductible HMO Plan

HMO coverage is available only to those retirees who live or work in the HMO's service area. The four PPO and HMO options are considered managed-care plans and have specific provider networks. Benefit provisions are described by Section 110.123, Florida Statutes, and the design documents located on DSGI's website. The Florida Legislature establishes and amends the contribution requirements, benefit terms and benefit payments of the OPEB Plan. There were no changes in benefit terms for the measurement period. (House Bill 5009 that was passed during the 2022 Session (Chapter No. 2022-160, Laws of Florida) establishes the right of any current state employee who terminates after July 1, 2022, with six years of credited service to participate in the State Group Insurance plan indefinitely after termination. The election to participate must be made within two years of termination. This change goes into effect after the June 30, 2022, measurement date.) During the reporting period, the division paid \$259,340 for OPEB as the benefits came due.

## Contributions

Retirees participating in the group insurance plans offered by the State of Florida are required to contribute 100 percent of the premiums. The State of Florida implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same health plan offered to active employees. Retirees under age 65 pay the same premium amounts as applicable to the active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because Medicare is the primary payer for those retirees.

Note that the projected post-65 employee contributions for the fully-insured HMO plan are assumed to cover the entire cost of the program.

## OPEB Liability

Actuarial valuations for the OPEB Plan are conducted biennially. The July 1, 2022, OPEB valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2023, financial reporting exhibits.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Florida's OPEB plan and additions to / deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The Florida Retirement System (FRS) Trust Fund, the State University System Optional Retirement Program (SUSORP) Trust Fund and the Police and Firefighters' Premium Tax (Police and Fire) Trust Fund are allocated a share of the state's OPEB liability, deferred outflows, deferred inflows and expense based on the number of full-time equivalent positions funded by each trust fund. The division's OPEB liability is shown below:

	FRS Trust Fund	SUSORP Trust Fund	Police and Fire Trust Fund	Total
State's share of OPEB liability	\$ 5,447,809,939	\$ 5,447,809,939	\$ 5,447,809,939	
Fund's proportion	<u>0.1925972913%</u>	<u>0.0042387299%</u>	<u>0.0063580949%</u>	
Fund's proportionate share	<u>\$ 10,492,334</u>	<u>\$ 230,918</u>	<u>\$ 346,377</u>	<u>\$ 11,069,629</u>

The funds' proportion of the total OPEB liability and the change in proportion from the prior measurement date are shown below:

	FRS Trust Fund	SUSORP Trust Fund	Police and Fire Trust Fund
Fund's proportion at prior measurement date, June 30, 2021	<u>0.1909336620%</u>	<u>0.0030672074%</u>	<u>0.0071568173%</u>
Fund's proportion at measurement date, June 30, 2022	<u>0.1925972913%</u>	<u>0.0042387299%</u>	<u>0.0063580949%</u>
Increase / (decrease) in proportion	0.0016636293%	0.0011715225%	(0.0007987224%)

## Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022. The service cost and interest cost components of the GASB 75 expense are based on the discount rate of 4.09 percent. The following actuarial assumptions were used:

### Discount Rate

Discount rate	4.09%
Long-term expected rate of return, net of investment expense	N/A
Bond Buyer General Obligation 20-year Municipal Bond Index	4.09%

In general, the discount rate for calculating the total OPEB liability under GASB 75 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the OPEB benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. All future benefits were discounted using a high-quality municipal bond rate of 4.09 percent. This rate was based on the week closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index. The S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

## Healthcare Cost Trend Rates

The trend rates are a key assumption used in determining the costs of the plan, and these rates have been developed in a manner consistent with actuarial industry standards. The healthcare cost trend rates used are consistent with the Report on the Financial Outlook for the Fiscal Years Ending June 30, 2022, through June 30, 2027, as presented on August 10, 2022, by the Self-Insurance Estimating Conference conducted by the Office of Economic and Demographic Research. The August 2022 report is available online at <http://edr.state.fl.us/Content/conferences/healthinsurance/archives/index.cfm>.

Trend rate assumptions vary slightly by medical plan and pre-Medicare versus post-Medicare status. For the PPO plans, age-relative cost information was used to develop preliminary age-related cost tables separately for Medicare and non-Medicare PPO members. The PPO age-related costs of members not eligible for Medicare were adjusted to take into account the expected additional cost which retired members incur compared to active members the same age. The PPO age-related costs of Medicare eligible members were adjusted to reflect the mix of services between Part D prescription drug claim costs and non-Part D prescription drug claim costs (i.e., Part A, B, and non-Medicare eligible claim costs). The Part D subsidy was not subtracted from the drug experience since it is not recognized under the GASB valuation rules. For the PPO plans, the initial rate for both pre-Medicare and post-Medicare retirees is 10.31%, reaching an ultimate rate of 4.04% for years after 2075.

For the HMO plans, age-related costs for HMO members not eligible for Medicare were developed using the same methodology used for PPO members. For the fully-insured HMO, age-related costs for Medicare eligible HMO members was not developed because the assumption was made that the HMO premium rates reflect that the Medicare-eligible members pay the entire cost of coverage. For the HMO plans, the initial rate for both pre-Medicare and post-Medicare retirees is 7.53%, reaching an ultimate rate of 4.04% for years after 2075.

## Other Key Actuarial Assumptions

The demographic assumptions that determined the total OPEB liability as of June 30, 2022, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2014 - June 30, 2019.

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Actuarial value of assets	N/A – no plan assets
Inflation	2.60%
Salary Increases	Varies by FRS class 4% per year prior to age 65; 3% per year between ages 65 and 75; 2% per year between ages 75 and 85; 0% per year thereafter.
Medical aging factors	
Mortality	Pub-2010 Mortality tables with fully generational improvement; Scale MP-2018 See details in valuation report
Actuarial cost method	Entry Age Normal
Marital status	80% assumed married, with male spouses 3 years older than female spouses

## Changes Since the Prior Valuation

The following changes have been made since the prior valuation:

- Discount Rate - The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB 75. The discount rate increased from 2.18 percent to 4.09 percent.
- Census Data – The census data reflects changes in status for the twenty-four (24) month period since July 1, 2020.
- Claims Costs and Premium Rates – The assumed claims and premiums reflect the actual claims information that were provided as well as the premiums that are actually being charged to participants. The recent claims experience along with changes in the demographics of the population resulted in lower claims costs compared to expected, as well as lower premium rates than expected. The net result was a slight increase in liabilities due to claims and premiums as of June 30, 2022.
- Trend Rate – We update the medical trend assumption each year based on the Getzen Model. We used medical trend rates consistent with the August 2022 Report on Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgement. The impact of the trend rate changes is a small increase in the liability, due primarily to higher trend rates in the first several years.

All other assumptions for this report are the same as the prior valuation.

## Sensitivity Analysis

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the division's allocated share of the state's OPEB liability in each of the affected funds, calculated using the discount rate of 4.09 percent, as well as what the funds' OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09 percent) or one percentage point higher (5.09 percent) than the current rate.

FRS Trust Fund			SUSORP Trust Fund		
1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
\$12,463,458	\$10,492,334	\$ 8,934,841	\$274,299	\$230,918	\$196,640

Police and Fire Trust Fund		
1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
\$411,448	\$346,377	\$294,960

*Sensitivity of the total OPEB liability to changes in the healthcare cost trends:*

The following presents the division's allocated share of the state's OPEB liability in each of the affected funds, calculated using the current healthcare trend rate, as well as what the funds' OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates.

FRS Trust Fund			SUSORP Trust Fund		
1% Decrease	Current Healthcare Trend Rate	1% Increase	1% Decrease	Current Healthcare Trend Rate	1% Increase
\$8,783,038	\$10,492,334	\$12,720,137	\$193,299	\$230,918	\$279,948

Police and Fire Trust Fund		
1% Decrease	Current Healthcare Trend Rate	1% Increase
\$289,949	\$346,377	\$419,922



## OPEB Liabilities, OPEB Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

In accordance with GASB 75, paragraphs 157 and 158, changes in the total OPEB liability and costs incurred by the employer related to the administration of OPEB are recognized in expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees who are provided with benefits through the OPEB plan (active and inactive employees).
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees who are provided with benefits through the OPEB Plan (active and inactive employees).

The average expected remaining service life of all employees provided with benefits through the OPEB Plan at June 30, 2023, was 8.0 years.

The division's proportionate share for all funds of the components of OPEB expense and deferred outflows and inflows of resources reported in the OPEB allocation schedules for the measurement date year ended June 30, 2022, are presented below:

### State Employees Group Health Insurance OPEB Plan

	Recognized in Expense Reporting Period Ended June 30, 2023	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 760,835	Current	\$ -	\$ -
Interest cost	338,074	Current	-	-
Effect of plan changes	-	Current	-	-
Effect of economic/demographic gains or losses (difference between expected and actual experience)	(233,561)	8.0 years	-	(1,210,659)
Effect of assumptions changes or inputs	(1,282,793)	8.0 years	1,279,986	(7,232,631)
Changes in proportion and differences between benefit payments and proportionate share of benefit payments	255,772	8.0 years	2,796,752	(1,118,636)
Benefit payments subsequent to the measurement date	(300,886)	1 year	300,886	-
Administrative expenses subsequent to the measurement date	(7,372)	1 year	7,372	-
Administrative expenses	5,202	Current	-	-
Total	<u>\$ (464,729)</u>		<u>\$ 4,384,996</u>	<u>\$ (9,561,926)</u>

Deferred outflows of resources related to benefit payments and administrative expense paid subsequent to the measurement date as shown in the table above will be recognized as a reduction of the OPEB liability in the reporting period ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB expense will be recognized as follows:

Reporting Period Ending June 30	OPEB Expense
2024	\$ (1,260,582)
2025	(1,260,582)
2026	(991,892)
2027	(877,646)
2028	(272,918)
Thereafter	<u>(821,568)</u>
Total	<u>\$ (5,485,188)</u>

**Additional Information**

The actuarial report for the OPEB plan may be obtained by contacting the Division of State Group Insurance at:

Department of Management Services  
 Division of State Group Insurance  
 Chief of Financial and Fiscal Management  
 P. O. Box 5450  
 Tallahassee, FL 32314-5450  
 850-921-4600 or toll free at 800-226-3734

## Note 9 – LEASES

The Florida Department of Management Services, Division of Retirement (division), enters into leases for buildings, copiers, and equipment. Certain leases can be short-term or renewable at the option of the division, and are accounted for appropriately per GASB Statement No. 87, *Leases*. Management has determined the building and copier leases are the only leases considered material for financial reporting purposes.

As of June 30, 2023, there were no leases with variable payments not included in the measurement of the lease liability, and none of the leases contained residual value guarantees.

The division leased ten copiers, which commenced on December 1, 2020, and has a term of 48 months. In addition, the division has leased a building that contains approximately 38,000 square feet of office space with 190 parking spots. The lease commenced January 1, 2020, and has a term of 120 months with an option for renewal for an additional 120 months.

The Florida Retirement System (FRS) Trust Fund, the State University System Optional Retirement Program (SUSORP) Trust Fund, and the Police and Firefighters' Premium Tax (Police & Fire) Trust Fund are allocated a share of the building lease asset and the related accumulated amortization. The copier lease is reported in the FRS Trust Fund. Amounts for both leases as of June 30, 2023, are shown below:

FRS Trust Fund		SUSORP Trust Fund		Police and Fire Trust Fund		Total	
Lease Asset	Accumulated Amortization	Lease Asset	Accumulated Amortization	Lease Asset	Accumulated Amortization	Lease Asset	Accumulated Amortization
\$17,205,111	\$ 1,816,238	\$355,089	\$ 36,788	\$710,177	\$ 73,577	\$18,270,377	\$ 1,926,603

Amortization for the remaining lease term as of June 30, 2023, is shown below:

Year Ending June 30	FRS Trust Fund	SUSORP Trust Fund	Police and Fire Trust Fund	Total
2024	\$ 946,707	\$ 19,194	\$ 38,388	\$ 1,004,289
2025	936,408	19,194	38,388	993,990
2026	926,109	19,194	38,388	983,691
2027	926,109	19,194	38,388	983,691
2028	926,109	19,194	38,388	983,691
2029-2033	4,630,546	95,970	191,940	4,918,456
2034-2038	4,630,546	95,970	191,940	4,918,456
Thereafter	1,466,339	30,391	60,780	1,557,510
<b>Total</b>	<b>\$ 15,388,873</b>	<b>\$ 318,301</b>	<b>\$ 636,600</b>	<b>\$ 16,343,774</b>

For the fiscal year ended June 30, 2023, there were no outflows of resources recognized in the reporting period for variable payments or other payments, such as residual value guarantees or termination penalties, which were not previously included in the measurement of the lease liability.

Principal and interest requirements to maturity for the lease liability as of June 30, 2023, are shown below:

Year Ending June 30	FRS Trust Fund		SUSORP Trust Fund		Police and Fire Trust Fund		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 815,882	\$ 183,534	\$ 16,480	\$ 3,799	\$ 32,960	\$ 7,598	\$ 865,322	\$ 194,931
2025	824,179	173,700	16,865	3,599	33,730	7,199	874,774	184,498
2026	832,581	163,800	17,255	3,395	34,511	6,790	884,347	173,985
2027	851,635	153,705	17,650	3,186	35,301	6,371	904,586	163,262
2028	870,848	143,380	18,049	2,972	36,097	5,943	924,994	152,295
2029-2033	4,620,309	554,412	95,758	11,490	191,515	22,981	4,907,582	588,883
2034-2038	5,121,268	262,856	106,140	5,448	212,280	10,895	5,439,688	279,199
Thereafter	1,733,079	17,414	35,919	361	71,838	722	1,840,836	18,497
<b>Total</b>	<b>\$ 15,669,781</b>	<b>\$1,652,801</b>	<b>\$324,116</b>	<b>\$ 34,250</b>	<b>\$ 648,232</b>	<b>\$ 68,499</b>	<b>\$16,642,129</b>	<b>\$1,755,550</b>

For the fiscal year ended June 30, 2023, there were no commitments under leases before the commencement of the lease term, and there were no impairment losses or related changes in the lease liability.

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## REQUIRED SUPPLEMENTARY INFORMATION

### A. Florida Retirement System (FRS) Pension Plan

Required supplementary information for the FRS Pension Plan is presented below:

#### Schedule of Changes in Net Pension Liability and Related Ratios For the Period Ended June 30 (in thousands)

Total Pension Liability	2023	2022	2021	2020
Service cost	\$ 2,770,121	\$ 2,635,672	\$ 2,648,469	\$ 2,647,456
Interest on total pension liability	14,331,551	14,012,135	13,713,166	13,458,929
Effect of plan changes	1,332,907	99,285	-	-
Effect of economic/demographic (gains) or losses	3,144,482	1,243,179	349,779	448,646
Effect of assumption changes or inputs	-	2,437,637	-	1,738,139
Benefit payments	<u>(12,809,300)</u>	<u>(12,629,514)</u>	<u>(11,985,107)</u>	<u>(11,395,765)</u>
Net change in total pension liability	8,769,760	7,798,395	4,726,307	6,897,405
Total pension liability, beginning	<u>217,434,441</u>	<u>209,636,046</u>	<u>204,909,739</u>	<u>198,012,334</u>
Total pension liability, ending (a)	<u><u>\$ 226,204,201</u></u>	<u><u>\$ 217,434,441</u></u>	<u><u>\$ 209,636,046</u></u>	<u><u>\$ 204,909,739</u></u>
<b>Fiduciary Net Position</b>				
Employer contributions	\$ 4,810,643	\$ 4,267,182	\$ 3,809,568	\$ 3,322,557
Member contributions	788,863	769,228	756,530	748,455
Investment income net of investment expenses	13,367,803	(14,240,179)	47,954,667	5,339,908
Benefit payments	(12,809,300)	(12,629,514)	(11,985,107)	(11,395,765)
Administrative expenses	<u>(27,048)</u>	<u>(22,495)</u>	<u>(21,741)</u>	<u>(21,556)</u>
Net change in plan fiduciary net position	6,130,961	(21,855,778)	40,513,917	(2,006,402)
Fiduciary net position, beginning	<u>180,226,405</u>	<u>202,082,183</u>	<u>161,568,265</u>	<u>163,574,667</u>
Fiduciary net position, ending (b)	<u><u>\$ 186,357,366</u></u>	<u><u>\$ 180,226,405</u></u>	<u><u>\$ 202,082,183</u></u>	<u><u>\$ 161,568,265</u></u>
Net pension liability, ending = (a) - (b)	\$ 39,846,835	\$ 37,208,036	\$ 7,553,863	\$ 43,341,474
Fiduciary net position as a % of total pension liability	82.38%	82.89%	96.40%	78.85%
Covered payroll <sup>3</sup>	\$ 41,958,000	\$ 38,679,800	\$ 37,590,100	\$ 36,898,200
Net pension liability as a % of covered payroll	94.97%	96.20%	20.10%	117.46%

The notes to required supplementary information are an integral part of these schedules.  
Columns may not foot due to rounding.

<sup>1</sup>Reflects restatement of beginning net position at July 1, 2019, due to correction for an interfund receivable.

<sup>2</sup>Reflects restatement of beginning net position at July 1, 2017, due to implementation of GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

<sup>3</sup> For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

2019	2018	2017	2016	2015	2014
\$ 2,523,070	\$ 2,423,987	\$ 2,073,754	\$ 2,132,906	\$ 2,114,047	\$ 2,256,738
13,194,902	12,847,930	12,484,167	12,109,114	11,721,563	11,489,921
11,404	-	92,185	32,310	-	-
247,482	554,811	1,412,462	980,192	1,620,863	(448,818)
1,585,626	2,235,654	10,398,344	1,030,667	-	1,256,045
<u>(10,867,549)</u>	<u>(10,377,575)</u>	<u>(9,859,319)</u>	<u>(10,624,925)</u>	<u>(10,201,501)</u>	<u>(8,714,251)</u>
6,694,935	7,684,807	16,601,593	5,660,264	5,254,972	5,839,635
<u>191,317,399</u>	<u>183,632,592</u>	<u>167,030,999</u>	<u>161,370,735</u>	<u>156,115,763</u>	<u>150,276,128</u>
<u>\$ 198,012,334</u>	<u>\$ 191,317,399</u>	<u>\$ 183,632,592</u>	<u>\$ 167,030,999</u>	<u>\$ 161,370,735</u>	<u>\$ 156,115,763</u>
\$ 3,100,721	\$ 2,849,920	\$ 2,603,246	\$ 2,438,659	\$ 2,438,085	\$ 2,190,424
752,813	746,370	744,839	710,717	698,304	682,507
9,410,440	13,955,233	18,801,917	820,583	5,523,287	22,812,286
<u>(10,867,549)</u>	<u>(10,377,575)</u>	<u>(9,859,319)</u>	<u>(10,624,925)</u>	<u>(10,201,500)</u>	<u>(8,714,250)</u>
<u>(19,580)</u>	<u>(20,178)</u>	<u>(18,340)</u>	<u>(18,507)</u>	<u>(18,074)</u>	<u>(18,352)</u>
2,376,845	7,153,770	12,272,343	(6,673,473)	(1,559,898)	16,952,615
<u>161,196,881</u>	<u>154,043,111</u>	<u>141,780,921</u>	<u>148,454,394</u>	<u>150,014,292</u>	<u>133,061,677</u>
<u>\$ 163,573,726<sup>1</sup></u>	<u>\$ 161,196,881</u>	<u>\$ 154,053,263<sup>2</sup></u>	<u>\$ 141,780,921</u>	<u>\$ 148,454,394</u>	<u>\$ 150,014,292</u>
\$ 34,438,608	\$ 30,120,518	\$ 29,579,329	\$ 25,250,078	\$ 12,916,341	\$ 6,101,471
82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
\$ 35,571,200	\$ 34,675,000	\$ 33,775,800	\$ 33,214,217	\$ 32,726,034	\$ 24,723,565
96.82%	86.87%	87.58%	76.02%	39.47%	24.68%

## Notes to the Schedule of Changes in Net Pension Liability and Related Ratios

The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2023, calculated based on the discount rate and actuarial assumptions below:

Discount Rate	June 30, 2022	June 30, 2023
Discount rate	6.70%	6.70%
Long-term expected rate of return, net of investment expense	6.70%	6.70%
Bond Buyer General Obligation 20-Bond Municipal Bond Index	N/A	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.70 percent rate of return assumption used in the June 30, 2023, calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2023 GASB 67 Supplement to the FRS Actuarial Valuation available from Valuations on the Publications page of the Division of Retirement's website at [www.frs.myflorida.com](http://www.frs.myflorida.com).

### Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018.

Valuation Date	July 1, 2022	July 1, 2023
Measurement Date	June 30, 2022	June 30, 2023
Asset Valuation Method	Fair Market Value	Fair Market Value
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 <sup>1</sup>	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 <sup>2</sup>
Actuarial cost method	Individual Entry Age	Individual Entry Age

<sup>1</sup>See July 1, 2022, Actuarial Valuation Report for details.

<sup>2</sup>See July 1, 2023, Actuarial Valuation Report for details.



The table below shows the employer contributions for the last 10 fiscal years.

### Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution <sup>1</sup>	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll <sup>2</sup>	Contribution as a % of Covered Payroll
2014	\$ 2,190,424,344	\$ 2,190,424,344	\$ -	\$ 24,723,565,000	8.86%
2015	2,438,084,925	2,438,084,925	-	32,726,034,000	7.45%
2016	2,438,659,458	2,438,659,458	-	33,214,217,000	7.34%
2017	2,603,246,196	2,603,246,196	-	33,775,800,000	7.71%
2018	2,849,919,659	2,849,919,659	-	34,675,000,000	8.22%
2019	3,100,721,573	3,100,721,573	-	35,571,200,000	8.72%
2020	3,322,556,872	3,322,556,872	-	36,898,200,000	9.00%
2021	3,809,567,951	3,809,567,951	-	37,590,100,000	10.13%
2022	4,267,181,943	4,267,181,943	-	38,679,800,000	11.03%
2023	4,810,643,175	4,810,643,175	-	41,958,000,000	11.47%

<sup>1</sup>For fiscal years prior to 2013-14 the Annual Required Contribution shown is determined under GASB Statement No. 27.

<sup>2</sup>For the fiscal years ending 2014 and before, covered payroll shown includes defined benefit plan actives and members in DROP, but excludes the payroll for Investment Plan members and payroll on which only UAL rates are charged. For the fiscal years 2015 and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

#### Notes to the Schedule of Employer Contributions

The following actuarial methods and assumptions were used in the July 1, 2023, funding valuation. Refer to the valuation report published December 1, 2023, for further details.

<b>Valuation Timing</b>	Actuarially determined contribution rates for a given plan year are calculated in the valuation conducted as of the beginning of the preceding plan year (e.g., rates for the 2024-2025 plan year are calculated in the July 1, 2023 actuarial valuation).
<b>Actuarial Cost Method</b>	Individual entry age
<b>Amortization Method</b>	
Level percent or level dollar	Level percent
Closed, open, or layered periods	Closed, layered
Amortization period at July 1, 2023	Effective July 1, 2021: New bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over maximum of 20 years
2019 actuarial cost method change	Amortized over 30 years as level percentage of Tier I pay
Payroll growth rate	3.25%
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Asymptotic
Corridor	80% - 120% of fair market value
<b>Inflation</b>	2.40%
<b>Salary Increases</b>	Varies by membership class and length of service; details in funding valuation report
<b>Investment Rate of Return<sup>1</sup></b>	6.70%
<b>Cost of Living Adjustments</b>	3% for pre-July 2011 benefit service; 0% thereafter
<b>Retirement Age</b>	Varies by tier, membership class, age and gender; details in funding valuation report
<b>Turnover</b>	Varies by membership class, length of service, age and gender; details in funding valuation report
<b>Mortality</b>	PUB-2010 base table varies by member category and gender, projected generationally with Scale MP-2018, details in funding actuarial valuation report

<sup>1</sup> The 6.70 percent return was chosen by the 2023 FRS Actuarial Assumption Conference and is the same as the investment return assumption that is used as the discount rate for determining the net pension liability.

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on the FRS pension plan investments, net of pension plan investment expense, was 7.58 percent. The table below shows the money-weighted rate of return for the last ten fiscal years.

### Money-Weighted Rate of Return

Fiscal Year Ending June 30	Net Money-Weighted Rate of Return
2014	17.57%
2015	3.77%
2016	0.57%
2017	13.59%
2018	9.28%
2019	5.98%
2020	3.35%
2021	30.41%
2022	(7.20%)
2023	7.58%

For the calculation of the money-weighted rate of return, refer to the 2023 GASB 67 Supplement to the FRS Actuarial Valuation available from Actuarial Valuations on Publications page of the Division of Retirement’s website at [www.frs.myflorida.com](http://www.frs.myflorida.com).

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## B. Retiree Health Insurance Subsidy (HIS) Program

Required supplementary information for the HIS Program is presented below:

### Schedule of Changes in Net Pension Liability and Related Ratios For the Period Ended June 30 (in thousands)

Total Pension Liability	2023	2022	2021	2020
Service cost	\$ 208,289	\$ 290,825	\$ 280,659	\$ 265,521
Interest on total pension liability	391,889	275,386	278,747	402,709
Effect of plan changes	5,596,298	5,215	-	-
Effect of economic/demographic (gains) or losses	-	(54,219)	-	452,542
Effect of assumption changes or inputs	(225,746)	(1,585,357)	85,978	481,833
Benefit payments	<u>(534,547)</u>	<u>(524,004)</u>	<u>(514,361)</u>	<u>(505,549)</u>
Net change in total pension liability	5,436,183	(1,592,154)	131,023	1,097,056
Total pension liability, beginning	<u>11,126,966</u>	<u>12,719,121</u>	<u>12,588,098</u>	<u>11,491,044</u>
Total pension liability, ending (a)	<u><u>\$ 16,563,149</u></u>	<u><u>\$ 11,126,966</u></u>	<u><u>\$ 12,719,121</u></u>	<u><u>\$ 12,588,098</u></u>
<b>Fiduciary Net Position</b>				
Employer contributions	\$ 657,818	\$ 605,048	\$ 587,801	\$ 576,253
Member contributions	222	48	55	370
Investment income net of investment expenses	23,166	1,812	1,054	5,315
Benefit payments	(534,547)	(524,004)	(514,361)	(505,549)
Administrative expenses	<u>(212)</u>	<u>(189)</u>	<u>(193)</u>	<u>(172)</u>
Net change in plan fiduciary net position	146,447	82,751	74,356	76,217
Fiduciary net position, beginning	<u>535,368</u>	<u>452,618</u>	<u>378,261</u>	<u>302,045</u>
Fiduciary net position, ending (b)	<u><u>\$ 681,815</u></u>	<u><u>\$ 535,368</u></u>	<u><u>\$ 452,618</u></u>	<u><u>\$ 378,261</u></u>
Net pension liability, ending = (a) - (b)	\$ 15,881,334	\$ 10,591,597	\$ 12,266,503	\$ 12,209,837
Fiduciary net position as a % of total pension liability	4.12%	4.81%	3.56%	3.00%
Covered payroll	\$ 39,628,534	\$ 36,451,712	\$ 35,406,397	\$ 34,715,391
Net pension liability as a % of covered payroll	40.08%	29.06%	34.64%	35.17%

The notes to required supplementary information are an integral part of these schedules. Columns may not foot due to rounding.

2019	2018	2017	2016	2015	2014
\$ 232,118	\$ 258,450	\$ 304,537	\$ 256,710	\$ 217,519	\$ 190,371
418,157	389,705	337,486	390,757	405,441	409,907
-	-	-	-	-	-
-	188,173	-	(30,826)	-	-
516,083	(398,996)	(1,073,716)	1,352,459	607,698	386,383
(491,890)	(491,528)	(465,980)	(449,857)	(425,086)	(407,276)
674,468	(54,196)	(897,673)	1,519,243	805,572	579,385
<u>10,816,576</u>	<u>10,870,772</u>	<u>11,768,445</u>	<u>10,249,201</u>	<u>9,443,629</u>	<u>8,864,244</u>
<u>\$ 11,491,044</u>	<u>\$ 10,816,576</u>	<u>\$ 10,870,772</u>	<u>\$ 11,768,445</u>	<u>\$ 10,249,201</u>	<u>\$ 9,443,629</u>
\$ 555,291	\$ 542,303	\$ 529,229	\$ 512,564	\$ 382,454	\$ 342,566
195	237	-	-	-	-
6,181	3,311	1,380	565	208	219
(491,890)	(491,531)	(465,980)	(449,857)	(425,085)	(407,275)
(195)	(168)	(177)	(188)	(188)	(54)
69,582	54,152	64,452	63,084	(42,611)	(64,544)
<u>232,463</u>	<u>178,311</u>	<u>113,859</u>	<u>50,774</u>	<u>93,385</u>	<u>157,929</u>
<u>\$ 302,045</u>	<u>\$ 232,463</u>	<u>\$ 178,311</u>	<u>\$ 113,859</u>	<u>\$ 50,774</u>	<u>\$ 93,385</u>
\$ 11,188,999	\$ 10,584,113	\$ 10,692,461	\$ 11,654,586	\$ 10,198,427	\$ 9,350,244
2.63%	2.15%	1.64%	0.97%	0.50%	0.99%
\$ 33,452,626	\$ 32,670,918	\$ 31,885,633	\$ 30,875,274	\$ 30,340,449	\$ 29,676,340
33.45%	32.40%	33.53%	37.75%	33.61%	31.51%

## Notes to Schedule of Changes in Net Pension Liability and Related Ratios

The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2022, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

### Actuarial Methods and Assumptions

The same demographic and pay-related assumptions that were used in the Florida Retirement System Actuarial Valuation as of July 1, 2023, (“funding valuation”) were used for the HIS program, unless otherwise noted. In a given membership class and tier, the same assumptions for both Investment Plan (IP) members and for FRS Pension Plan members were used.

Discount Rate	June 30, 2022	June 30, 2023
Discount rate	3.54 %	3.65%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.54%	3.65%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used in the 2023 valuation was updated from 3.54 percent to 3.65 percent, reflecting the change in the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of June 30, 2023.

### Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on the results of an actuarial experience study of the FRS for the period July 1, 2013 - June 30, 2018.

Valuation Date	July 1, 2022	July 1, 2022
Measurement Date	June 30, 2022	June 30, 2023
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP-2018 <sup>1</sup>	Generational PUB-2010 with Projection Scale MP-2018 <sup>1</sup>
Actuarial cost method	Individual Entry Age	Individual Entry Age

<sup>1</sup>See July 1, 2022, Actuarial Valuation Report for details.

## **Changes to the Actuarial Assumption and Methods**

Senate Bill 7024 increased the level of monthly benefits from \$5.00 times years of service to \$7.50, with an increased minimum of \$45.00 and maximum of \$225.00. This change applies to all years of service for both members currently in pay and members not yet in pay.

The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

## **Program Contribution Rates**

The HIS essentially uses a pay-as-you-go funding structure. As of June 30, 2023, accumulated HIS assets constituted approximately ten months of projected benefit payments. The ability of the current statutory contribution rate to pay full HIS benefits is very sensitive to near-term demographic experience, particularly the volume and timing of retirements and the amount of payroll on which the statutory rate is charged.

### C. Florida National Guard Supplemental Retirement Benefit (National Guard) Plan

Required supplementary information for the National Guard Plan is presented below:

**Schedule of Changes in Net Pension Liability and Related Ratios**  
**For the Period Ended June 30**  
*(in thousands)*

<b>Total Pension Liability</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Service cost	\$ 14,546	\$ 25,943	\$ 24,859	\$ 13,967
Interest on total pension liability	21,534	26,114	25,620	28,874
Effect of plan changes	-	-	-	-
Effect of economic/demographic (gains) or losses	-	(37,487)	-	24,815
Effect of assumption changes or inputs	(12,645)	(588,365)	13,673	271,102
Benefit payments	<u>(15,424)</u>	<u>(15,580)</u>	<u>(15,505)</u>	<u>(15,121)</u>
Net change in total pension liability	8,012	(589,376)	48,647	323,637
Total pension liability, beginning	<u>601,401</u>	<u>1,190,777</u>	<u>1,142,130</u>	<u>818,493</u>
Total pension liability, ending (a)	<u><u>\$ 609,413</u></u>	<u><u>\$ 601,401</u></u>	<u><u>\$ 1,190,777</u></u>	<u><u>\$ 1,142,130</u></u>
<b>Fiduciary Net Position</b>				
Employer contributions	\$ 15,472	\$ 15,589	\$ 15,551	\$ 15,129
Member contributions	-	-	-	-
Investment income net of investment expenses	-	-	-	-
Benefit payments	(15,424)	(15,580)	(15,505)	(15,121)
Administrative expenses	<u>(48)</u>	<u>(8)</u>	<u>(46)</u>	<u>(8)</u>
Net change in plan fiduciary net position	-	-	-	-
Fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary net position, ending (b)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net pension liability, ending = (a) - (b)	\$ 609,413	\$ 601,401	\$ 1,190,777	\$ 1,142,130
Fiduciary net position as a % of total pension liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 578,409	\$ 567,068	\$ 519,073	\$ 508,895
Net pension liability as a % of covered payroll	105.36%	106.05%	229.40%	224.43%

*The notes to required supplementary information are an integral part of these schedules. Columns may not foot due to rounding.*



2019	2018	2017	2016	2015	2014
\$ 11,581	\$ 9,925	\$ 12,904	\$ 9,044	\$ 7,161	\$ 5,979
28,506	21,080	19,100	19,259	19,164	18,852
-	-	-	-	-	-
-	39,056	-	27,462	-	-
60,964	90,990	(95,585)	118,279	46,330	27,926
(14,999)	(14,898)	(14,677)	(14,413)	(14,423)	(14,366)
<u>86,052</u>	<u>146,153</u>	<u>(78,258)</u>	<u>159,631</u>	<u>58,232</u>	<u>38,391</u>
<u>732,441</u>	<u>586,288</u>	<u>664,547</u>	<u>504,915</u>	<u>446,683</u>	<u>408,292</u>
<u>\$ 818,493</u>	<u>\$ 732,441</u>	<u>\$ 586,288</u>	<u>\$ 664,547</u>	<u>\$ 504,915</u>	<u>\$ 446,683</u>
\$ 15,044	\$ 14,905	\$ 14,720	\$ 14,423	\$ 14,495	\$ 14,366
-	-	-	-	-	-
-	-	-	-	-	-
(14,999)	(14,897)	(14,677)	(14,413)	(14,423)	(14,366)
(45)	(8)	(43)	(10)	(72)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 818,493	\$ 732,441	\$ 586,288	\$ 664,547	\$ 504,915	\$ 446,683
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 495,379	\$ 485,666	\$ 487,100	\$ 477,549	\$ 476,278	\$ 466,939
165.23%	150.81%	120.36%	139.16%	106.01%	95.66%

## Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

The Florida National Guard Supplemental Retirement Benefit Plan is funded on a pay-as-you-go basis by an annual appropriation from General Revenue by the Legislature, rather than by employer contributions and investment earnings. Any appropriated funds not obligated for benefit payments and expenses owed at June 30 of each year revert to the General Revenue Fund.

Discount Rate	June 30, 2022	June 30, 2023
Discount rate	3.54%	3.65%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.54%	3.65%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the National Guard benefit is funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The discount rate used was updated from 3.54 percent to 3.65 percent as of June 30, 2023 reflecting the change during the fiscal year in the Bond Buyer General Obligation 20- Bond Municipal Bond Index.

### Other Key Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of the valuation date of July 1, 2022, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

Valuation Date	July 1, 2022	July 1, 2022
Measurement date	June 30, 2022	June 30, 2023
Individual Member Salary Increase	Varies by service; separate tables for officers and enlisted <sup>1</sup>	Varies by service; separate tables for officers and enlisted <sup>1</sup>
Annual increase for net Florida National Guard benefit <sup>2</sup>	2.80%	2.80%
Mortality	PUB-2010 With Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Entry Age Normal	Entry Age Normal

<sup>1</sup> See July 1, 2022, Actuarial Valuation Report for details.

<sup>2</sup> Reflects the projected effect on the net Florida National Guard benefit of a 2.40 percent inflation increase assumption for the total Florida plus federal benefit and a 2.0 percent increase assumption for the federal portion of the benefit.

## **Changes to the Actuarial Assumption and Methods**

The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

## D. Other Postemployment Benefits (OPEB) Plan

Required supplementary information for the OPEB Plan is presented below:<sup>1</sup>

### Schedule of FRS Trust Fund's Proportionate Share of the State's Total OPEB Liability

	2022	2021	2020
Proportion of the State's OPEB liability	0.1925972913%	0.1909336620%	0.160142618%
Proportionate share of the State's OPEB liability	\$ 10,492,334	\$ 13,928,306	\$ 11,452,742
Covered-employee payroll	\$ 11,273,235	\$ 11,015,456	\$ 10,262,856
Proportionate share of the State's OPEB liability as a percentage of covered-employee payroll	93.07%	126.44%	111.59%

### Schedule of SUSORP Trust Fund's Proportionate Share of the State's Total OPEB Liability

	2022	2021	2020
Proportion of the State's OPEB liability	0.0042387299%	0.0030672074%	0.0029161023%
Proportionate share of the State's OPEB liability	\$ 230,918	\$ 223,748	\$ 208,548
Covered-employee payroll	\$ 222,713	\$ 129,448	\$ 174,356
Proportionate share of the State's OPEB liability as a percentage of covered-employee payroll	103.68%	172.85%	119.61%

### Schedule of Police and Firefighters' Trust Fund's Proportionate Share of the State's Total OPEB Liability

	2022	2021	2020
Proportion of the State's OPEB liability	0.0063580949%	0.0071568173%	0.0077762727%
Proportionate share of the State's OPEB liability	\$ 346,377	\$ 522,078	\$ 556,127
Covered-employee payroll	\$ 732,203	\$ 707,934	\$ 678,047
Proportionate share of the State's OPEB liability as a percentage of covered-employee payroll	47.31%	73.75%	82.02%

## Notes to Required Supplementary Information

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits. There were no changes to benefit terms during the measurement period. Amounts reported as changes of assumptions resulted primarily from increasing the assumed discount rate from 2.18 percent to 4.09 percent. All other assumptions for this update report are the same as the prior valuation.

<sup>1</sup> These schedules will fill in to ten-year schedules as results for new fiscal years are calculated.

2019	2018	2017
0.1583703799%	0.1687397873%	0.1635221539%
\$ 14,503,062	\$ 13,161,211	\$ 13,068,952
\$ 9,798,551	\$ 9,842,854	\$ 9,417,561
148.01%	133.71%	138.77%

2019	2018	2017
0.0019342947%	0.0019093611%	0.001904188%
\$ 177,137	\$ 148,925	\$ 152,186
\$ 162,978	\$ 159,384	\$ 151,057
108.69%	93.44%	100.75%

2019	2018	2017
0.0058028841%	0.0076374444%	0.008568846%
\$ 531,410	\$ 595,698	\$ 684,836
\$ 659,804	\$ 677,093	\$ 672,525
80.54%	87.98%	101.83%

## **E. Budgetary Reporting**

### **Budget Process**

Each year, the head of the Department of Management Services submits a legislative budget request to the Governor and Legislature as required by Section 216.023(1), Florida Statutes (F.S.). The Governor, as Chief Budget Officer, submits his recommended budget to each legislator at least 30 days before the annual legislative session.

Revenue estimates for trust funds not projected by the Revenue Estimating Conference, such as the Police and Firefighters' Premium Tax Trust Fund, are provided by the state agency. These estimates may be revised during the course of the Legislature's consideration and adoption of a final budget. These estimates, together with known available cash balances, are further considered by the Governor during the preparation of annual spending plans. Adjustments to the original budget's trust fund revenue estimates may be made to conform agency revenue estimates to actual and projected revenue streams.

The Legislature considers and amends the Governor's recommended budget and a final appropriations bill is then approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature); this bill then becomes the General Appropriations Act. The Governor may, under certain conditions and subject to the review and objection procedures set forth in Section 216.177, F.S., establish appropriations and corresponding releases for amounts not appropriated by the Legislature to agencies. This includes appropriations for non-operating disbursements, such as the purchase of investments and the transfer of money between state funds.

The head of a department may transfer appropriations, but only to the extent of 5 percent of the original appropriation or \$250,000, whichever is greater, or within certain programs and between identical funding sources and specific appropriation categories. The Governor may approve changes of expenditure authority within any trust fund if the changes are less than \$1 million. The Legislative Budget Commission may approve trust fund changes in excess of \$1 million. At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances), may be carried forward into the next fiscal year. Any appropriations not disbursed by September 30 will revert pursuant to Section 216.301(1), F.S.

The Chief Financial Officer approves disbursements in accordance with legislative authorizations. The budget is controlled at the account code level, which is defined as an appropriation category (e.g., salaries and benefits), and funded within a budget entity. The Governor and Chief Financial Officer are responsible for detecting conditions which could lead to a deficit in an agency's funds and reporting that fact to the Legislative Budget Commission. The Constitution of the State, Article VII, Section 1(d), states, "Provision shall be made by law for raising sufficient revenue to defray the expenses of the state for each fiscal period."

### **Budgetary Basis of Accounting**

The budgetary basis of accounting required by state law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from various funds that are prescribed by law, such as the Police and Firefighters' Premium Tax Trust Fund.

A budgetary comparison schedule for the Police and Firefighters' Premium Tax Trust Fund is presented as part of the other required supplementary information.

Budgetary basis revenues are essentially reported on a cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except for those for prior year carry/certified forwards, plus current year payables and encumbrances which are carried/certified forward into

the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not carried/certified forward to be paid from the current year budget.

### **Budget to GAAP Reconciliation**

The budgetary comparison schedules for the Police and Firefighters' Premium Tax Trust Fund present comparisons of the original budget and final budget with actual revenues and expenditures on a budgetary basis. A budget to GAAP reconciliation is presented following the budgetary comparison schedules because accounting principles for budgetary basis differ significantly from those used to present financial statements in conformity with GAAP.

**BUDGETARY COMPARISON SCHEDULES  
MAJOR SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balance, July 1, 2022	\$ 299,274,916	\$ 299,274,916	\$ 299,274,916	\$ -
Reversions	4,188	4,188	4,188	-
Fund Balance, July 1, 2022	299,279,104	299,279,104	299,279,104	-
<b>REVENUES</b>				
Premium Tax	241,000,000	241,000,000	291,900,000	50,900,000
Interest	670,000	670,000	7,689,368	7,019,368
Refund	-	-	432,493	432,493
General Revenue	2	2	2	-
Total Revenues	241,670,002	241,670,002	300,021,863	58,351,861
Total Available Resources	540,949,106	540,949,106	599,300,968	58,351,861
<b>EXPENDITURES</b>				
<u>Operating Expenditures:</u>				
Salaries and Benefits	921,036	966,845	756,225	210,620
Expenses	57,139	57,139	36,936	20,203
Special Categories	243,954	244,248	173,829	70,419
Total Operating Expenditures	1,222,129	1,268,232	966,990	301,242
<u>Nonoperating Expenditures:</u>				
Transfers	25,600,000	26,800,000	17,459,528	9,340,472
Refunds	100,000	100,000	-	100,000
Distributions to Municipalities	214,940,000	214,940,000	190,357,732	24,582,268
Other	20,579,790	20,579,790	18,753,916	1,825,874
Total Nonoperating Expenditures	261,219,790	262,419,790	226,571,176	35,848,614
Total Expenditures	262,441,919	263,688,022	227,538,166	36,149,856
Fund Balance, June 30, 2023	\$ 278,507,187	\$ 277,261,084	\$ 371,762,802	\$ 94,501,717

**BUDGET TO GAAP RECONCILIATION  
MAJOR SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Police and Firefighters' Premium Tax Trust Fund</b>
Budgetary basis fund balance	\$ 371,762,802
Other GAAP basis fund balances not included in budgetary basis fund balances	-
Adjusted budgetary basis fund balances	371,762,802
Adjustments (basis differences):	
Net receivables (payables) not carried forward	(59,334,712)
Encumbrances	46,142
GAAP basis fund balances	\$ 312,474,232





State Marine Mammal: Manatee (*Trichechus manatus*)

## **Other Supplementary Information**

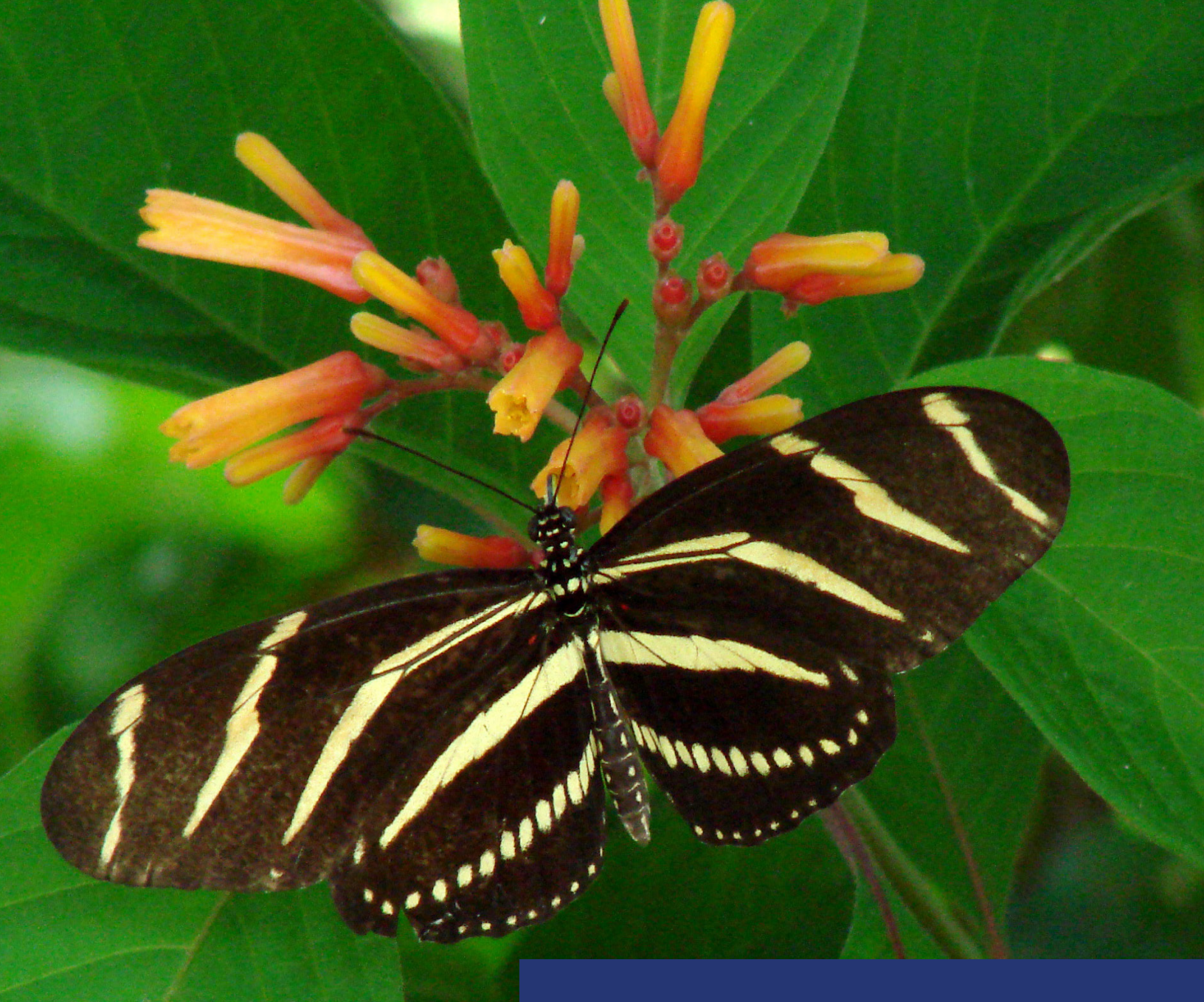
**SCHEDULE OF ADMINISTRATIVE EXPENSES  
AS OF JUNE 30, 2023**

	Florida Retirement System	Retiree Health Insurance Subsidy	Florida National Guard Supplemental Retirement Benefit Plan	State University System Optional Retirement Program
<b>Personnel Services</b>				
Salaries	\$ 10,274,856	\$ 153,154	\$ -	\$ 202,815
State retirement contributions	1,246,341	-	-	22,384
Insurance contributions	2,518,246	-	-	57,870
Social security	739,259	-	-	13,625
Workers' compensation	59,988	-	-	-
Other postemployment benefits <sup>1</sup>	(427,888)	-	-	14,045
Compensated absences <sup>2</sup>	116,747	-	-	4,460
Pension expense <sup>3</sup>	-	-	-	28,202
<b>Subtotal</b>	<u>14,527,549</u>	<u>153,154</u>	<u>-</u>	<u>343,401</u>
<b>Professional Services</b>				
Actuarial services	626,077	50,500	48,200	-
Contractual IT services and monitoring	4,345,711	-	-	-
Legal services	110,552	-	-	-
Other contractual services	1,014,394	-	-	7,000
Other contractual services – data processing	398,241	-	-	-
<b>Subtotal</b>	<u>6,494,975</u>	<u>50,500</u>	<u>48,200</u>	<u>7,000</u>
<b>Communication</b>				
Postage and freight	48,630	-	-	-
Printing and reproduction	97,434	-	-	-
Telephone	864,679	-	-	-
Travel	34,159	-	-	1,066
<b>Subtotal</b>	<u>1,044,902</u>	<u>-</u>	<u>-</u>	<u>1,066</u>
<b>Other Operating Expenses</b>				
Administrative overhead assessment	2,864,442	-	-	-
Data processing licenses and supplies	251,903	-	-	-
Depreciation	188,300	-	-	3,500
Dues and subscriptions	16,576	-	-	2,129
Equipment leasing	30,186	-	-	-
Furniture and equipment	33,305	-	-	-
Human resources overhead assessment	64,123	1,046	-	1,255
Insurance	7,695	-	-	-
Lease amortization expense	946,707	-	-	19,194
Lease interest and fiscal charges	192,372	-	-	3,979
Materials and supplies	9,029	-	-	35
Miscellaneous	56,062	-	-	1,135
Office rental	202,748	7,317	-	-
Office supplies	70,715	-	-	231
Repairs and maintenance	2,868	-	-	-
Utilities	43,120	-	-	-
<b>Subtotal</b>	<u>4,980,151</u>	<u>8,363</u>	<u>-</u>	<u>31,458</u>
<b>Total Administrative Expenses</b>	<u><b>\$ 27,047,577</b></u>	<u><b>\$ 212,017</b></u>	<u><b>\$ 48,200</b></u>	<u><b>\$ 382,925</b></u>

<sup>1</sup> This represents the FRS Trust Fund's and SUSORP Trust Fund's allocated share of OPEB-related expense. Charges may be positive or negative.

<sup>2</sup> This represents the change in Compensated Absences Liability from the prior year. Charges may be positive or negative.

<sup>3</sup> This represents the SUSORP Trust Fund's allocated share of pension-related expense. Charges may be positive or negative.



State Butterfly: Zebra Longwing (*Heliconius charithonia*)

# Investment Section



**STATE BOARD OF ADMINISTRATION  
OF FLORIDA**

1801 HERMITAGE BOULEVARD, SUITE 100  
TALLAHASSEE, FLORIDA 32308  
(850) 488-4406

POST OFFICE BOX 13300  
32317-3300

RON DESANTIS  
GOVERNOR  
CHAIR  
  
JIMMY PATRONIS  
CHIEF FINANCIAL OFFICER  
  
ASHLEY MOODY  
ATTORNEY GENERAL  
  
LAMAR TAYLOR  
INTERIM-EXECUTIVE DIRECTOR &  
CHIEF INVESTMENT OFFICER

December 15, 2023

TO: Members of the Florida Legislature  
Members of the Florida Retirement System

RE: Assets of the Florida Retirement System Pension Plan

The State Board of Administration of Florida (SBA) manages the assets of the Florida Retirement System (FRS). The SBA's Board of Trustees consists of Governor Ron DeSantis, Chairman, Attorney General Ashley Moody, and Chief Financial Officer Jimmy Patronis. The primary investment objectives for the FRS Pension Plan are to provide investment returns necessary to ensure timely payment of promised retirement benefits and keep plan costs at a reasonable level. The FRS Pension Plan portfolio consists of a highly diversified asset mix of investments, including government and corporate bonds, common stocks, income-producing real estate, alternative investments and short-term money market instruments. The proportions of major asset classes in the FRS Pension Plan portfolio, by quarter, are detailed below:

**FRS Pension Plan Market Value for Fiscal Year 2022-2023**

	<b>9/30/2022</b>	<b>12/31/2022</b>	<b>3/31/2023</b>	<b>6/30/2023</b>
<b>Fund Market Value</b>	\$170.86 B	\$177.68 B	\$182.83 B	\$185.71 B

**Actual Quarter-End Asset Allocation for Fiscal Year 2022-2023**

<b>Asset Classes</b>	<b>9/30/2022</b>	<b>12/31/2022</b>	<b>3/31/2023</b>	<b>6/30/2023</b>
<b>Global Equity</b>	47.0%	48.8%	49.8%	50.6%
<b>Fixed Income</b>	17.4%	16.6%	16.5%	16.1%
<b>Real Estate</b>	12.5%	12.2%	11.6%	11.2%
<b>Private Equity</b>	10.1%	9.7%	9.5%	9.4%
<b>Strategic Investments</b>	11.8%	11.5%	11.3%	11.4%
<b>Cash Equivalents/ Short Term</b>	1.2%	1.3%	1.2%	1.3%
<b>Total**</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

\*\*Columns may not total due to rounding.

**Annualized FRS Pension Plan Investment Performance by Fiscal year Periods Ending June 30, 2023**

<b>FRS Pension Plan Public and Private Markets</b>	<b>10 Years 2013-2023</b>	<b>5 Years 2018-2023</b>	<b>3 Years 2020-2023</b>	<b>1 year 2022-2023</b>
<b>Total FRS Pension Plan</b>	8.04%	7.40%	9.26%	7.50%

Detailed investment performance of the FRS Pension Plan is reported in the SBA's 2022-23 Annual Investment Report. This annual report is prepared and submitted to the Trustees and legislature before January 1, in compliance with Section 215.44(5), Florida Statutes, and includes information on the FRS Pension Plan investment assets, strategy and performance. Additionally, the SBA's performance consultant, Bank of New York Mellon, independently prepares reported performance data. You can find the Annual Investment Report on our website at [www.sbafla.com](http://www.sbafla.com).

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Lamar Taylor".

Lamar Taylor  
Interim Executive Director & Chief Investment Officer

## Overview and Investment Objective

The State Board of Administration of Florida (SBA) is responsible for managing and investing the assets of the Florida Retirement System (FRS) Trust Fund in accordance with applicable law, policies and fiduciary standards for the benefit of the members and surviving beneficiaries of the FRS Pension Plan. The FRS Pension Plan, a defined benefit plan, comprises nearly 80 percent of total assets under SBA management. The FRS Pension Plan serves a working and retired membership base of nearly one million public employees.

The following Investment Section provides an overview of the investment activities of the FRS Trust Fund for the fiscal year ending June 30, 2023. The section should be read in conjunction with financial statements and other information provided in this Annual Comprehensive Financial Report (ACFR). For more information see the SBA's 2022-23 Annual Investment Report available from the Performance and Reports page of the SBA's website at [www.sbafla.com](http://www.sbafla.com).

The SBA follows statutory guidelines and a substantial body of internal policies and procedures in investing the FRS Pension Plan assets. It has a robust governance and control structure in place, utilizes a wide array of professional consultants and external analysts and employs a highly qualified staff of investment professionals. In keeping with the SBA's commitment to disciplined investment management services, the Investment Advisory Council provides independent oversight of the FRS Pension Fund's general objectives, policies and strategies.

The Pension Plan's long-term financial health rests on three legs: solid long-term investment performance, receipt of actuarially required annual contributions and a reasonable benefit package.

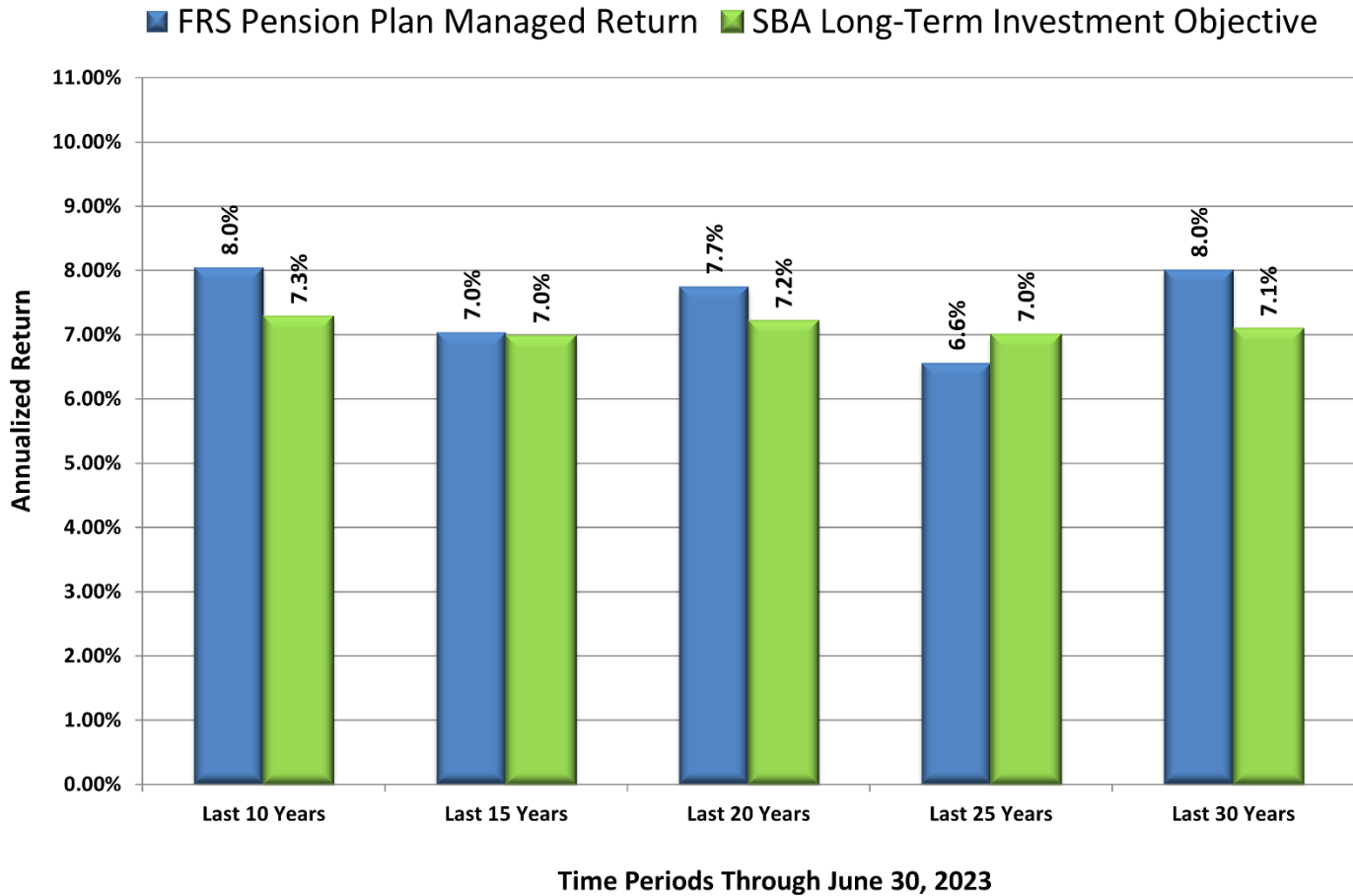
The SBA's commitment to obtaining solid long-term performance is vital to ensuring that the FRS Pension Plan continues to help participating retirees meet their financial goals and that fund assets are invested prudently. However, investment gains alone are not sufficient to maintain the fund's financial health. Approximately 60 percent+ paid to a retiree comes from investment gains, not from taxpayers or participants through contributions.

Annually determined actuarially sound rates of contribution into the fund are necessary to ensure that the investment base is large enough to meet future Pension Plan benefit obligations. Contribution rates are set by the state legislature, along with plan structure and benefit levels. The Division of Retirement in the Department of Management Services administers the Pension Plan, directs actuarial studies and makes benefit payments.

## Performance

The SBA's investment policy objective for the FRS Pension Plan portfolio is to provide investment returns sufficient for the plan to be maintained in a manner that ensures the timely payment of promised benefits to current and future participants and to keep costs at a reasonable level, given actuarially required contributions. The SBA's investment objective is to earn a compounded return of 4.0 percent plus the rate of inflation per annum over the long term.

The chart below compares the SBA’s actual return on Pension Plan assets to its investment objective of 4 percent real growth (inflation plus 4 percent) for the fund. This objective is derived from an asset/liability analysis of expected benefit growth, contribution levels, market performance, and a risk tolerance for the fund.

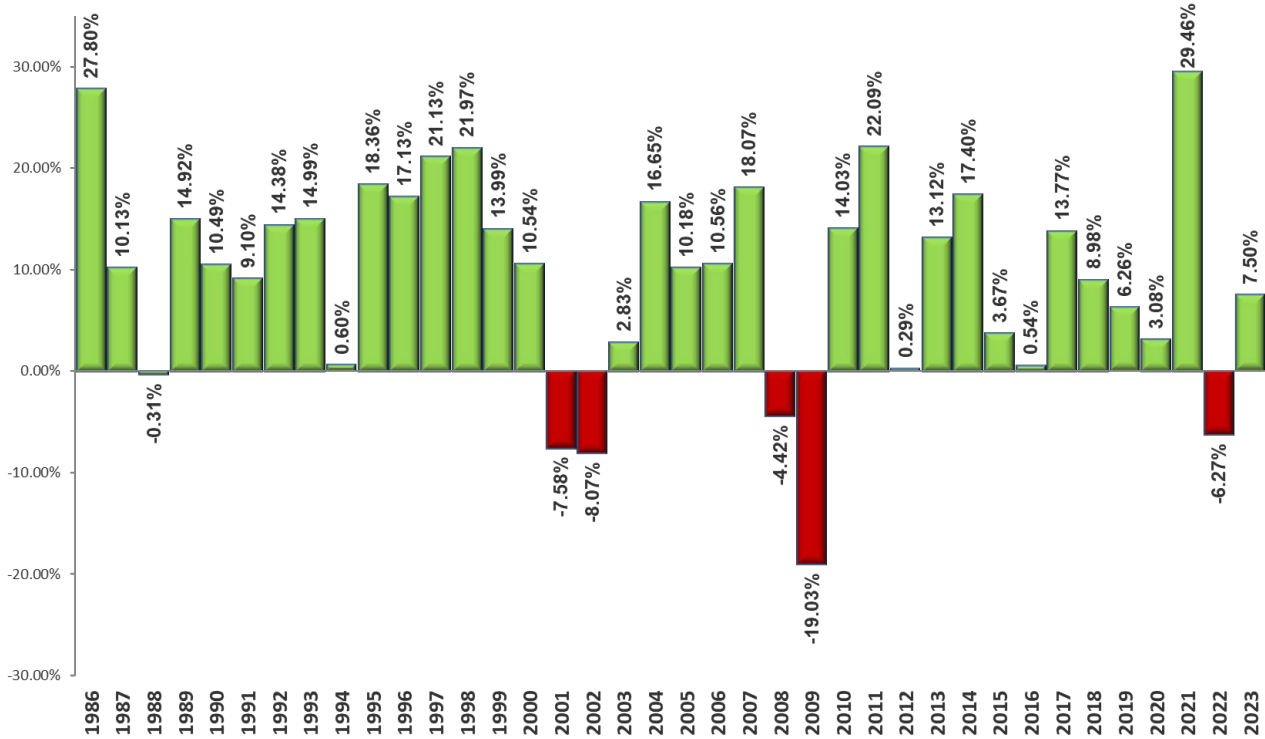


In addition to its investment objective for the Pension Plan, the SBA measures its investment performance relative to market-based benchmarks. The chart below compares actual returns to the total fund benchmark for various periods ending June 30, 2023:

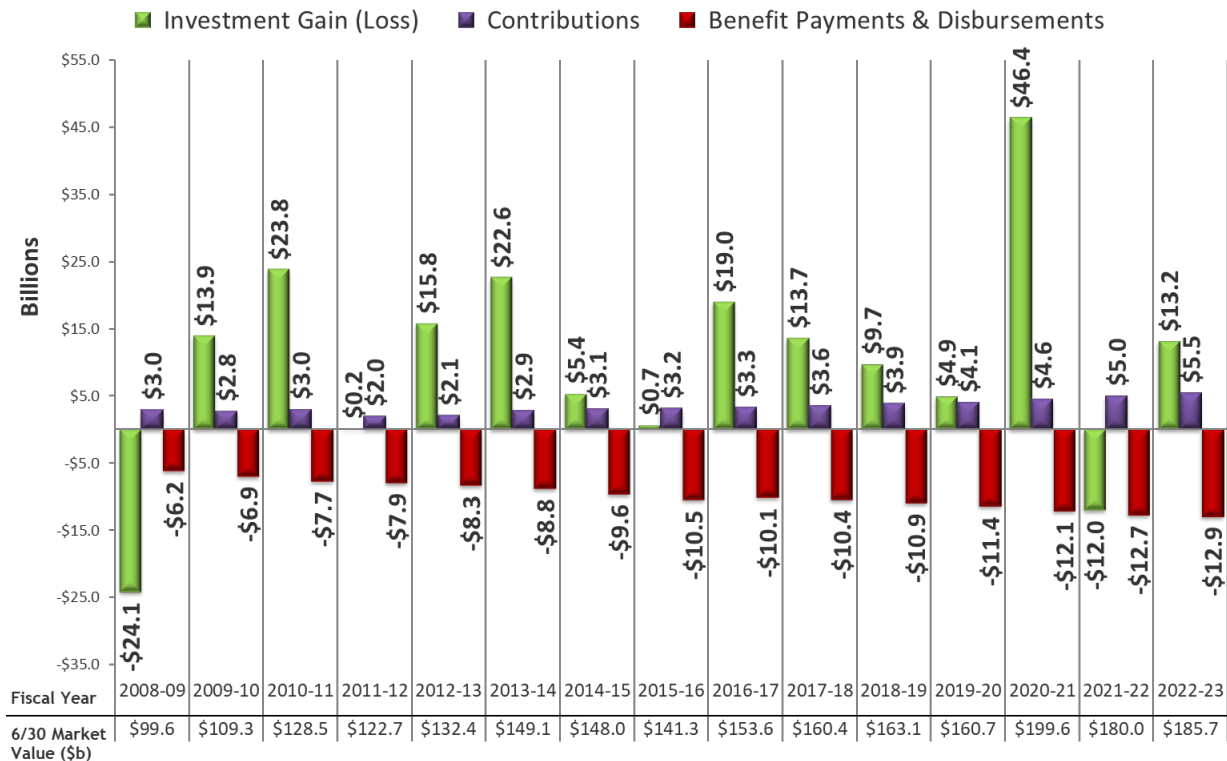
	SBA Managed Return	Benchmark Return	Managed Over (Under) Benchmark
One Year	7.50%	10.11%	(2.61%)
Three Years	9.26%	8.13%	1.13%
Five Years	7.40%	6.59%	0.81%
Ten Years	8.04%	7.23%	0.81%
Fifteen Years	7.03%	6.28%	0.75%

- All returns are annualized for periods indicated through June 30, 2023.
- Benchmark is a weighted blend of individual asset class target indices as applicable; weights and benchmarks are established in the FRS Pension Plan Investment Policy Statement.

The chart below shows the historical one-year returns earned by the FRS Pension Plan.



The key drivers of growth in the FRS Pension Plan’s asset base are represented in the chart below. Over the period shown, investment returns (green bars) have generally been positive. Benefit payments (the red bars falling downward, representing outflows) have grown steadily over the period. This is typical of a mature plan. Contributions into the fund (purple bars) represent approximately 1/3 of the total cost of benefits paid to participants, the remaining 2/3 are derived from investment earnings.





The tables below show the external investment management fees and Net Brokerage Commissions for Fiscal Year 2022-23.

**FRS PENSION PLAN – EXTERNAL INVESTMENT MANAGEMENT FEES  
FOR FISCAL YEAR 2022-23**

Asset Class	Dollar Amount	Return Basis <sup>1</sup>
Global Equity	\$ 142,587,480	0.33%
Strategic Investments	240,628,722	1.22%
Fixed Income	9,465,818	0.09%
Real Estate	105,598,998	0.50%
Private Equity	162,514,341	0.94%
<b>Total</b>	<b>\$ 660,795,358</b>	<b>0.59%</b>

<sup>1</sup> Return Basis expresses external management fees as a percent of the average of the month-end net asset value of externally managed portfolios in each asset class (including month-ends from June 30, 2022, through June 30, 2023). This measure is comparable to an annual expense ratio.

• Totals may not foot due to rounding.

**FRS PENSION PLAN – NET BROKERAGE COMMISSIONS  
FOR FISCAL YEAR 2022-2023**

Asset Class	Dollar Amount <sup>1</sup>
Global Equity	\$ 19,574,368
Fixed Income	672,100
Real Estate	912,013
Strategic Investments	-
Private Equity	-
<b>Total</b>	<b>\$ 21,158,482</b>

<sup>1</sup> Brokerage commission amounts for the entire fiscal year are presented in the appropriate year-end asset class. Dollar amounts reported do not include broker commission amounts paid in commingled funds.

• Totals may not foot due to rounding.

## Asset Allocation

Returns attributed to asset allocation arise from differences between asset class actual and target allocations as percentages of the Total Fund.

## Asset Classes

The Pension Plan portfolio is currently divided into six asset classes: Global Equity, Fixed Income, Real Estate, Private Equity, Strategic Investments, and Cash Equivalents. Asset class performance is measured against a broad market index appropriate to the asset class.

## Rebalancing

The investment strategy for the Pension Plan is to implement the policy allocation within relatively narrow bands around policy target weights. The SBA manages this strategy through asset allocation and risk-budgeting policies.

The following chart shows the related asset allocation performance of the FRS Pension Plan by fiscal year that demonstrates rebalancing to maximize investment objectives.

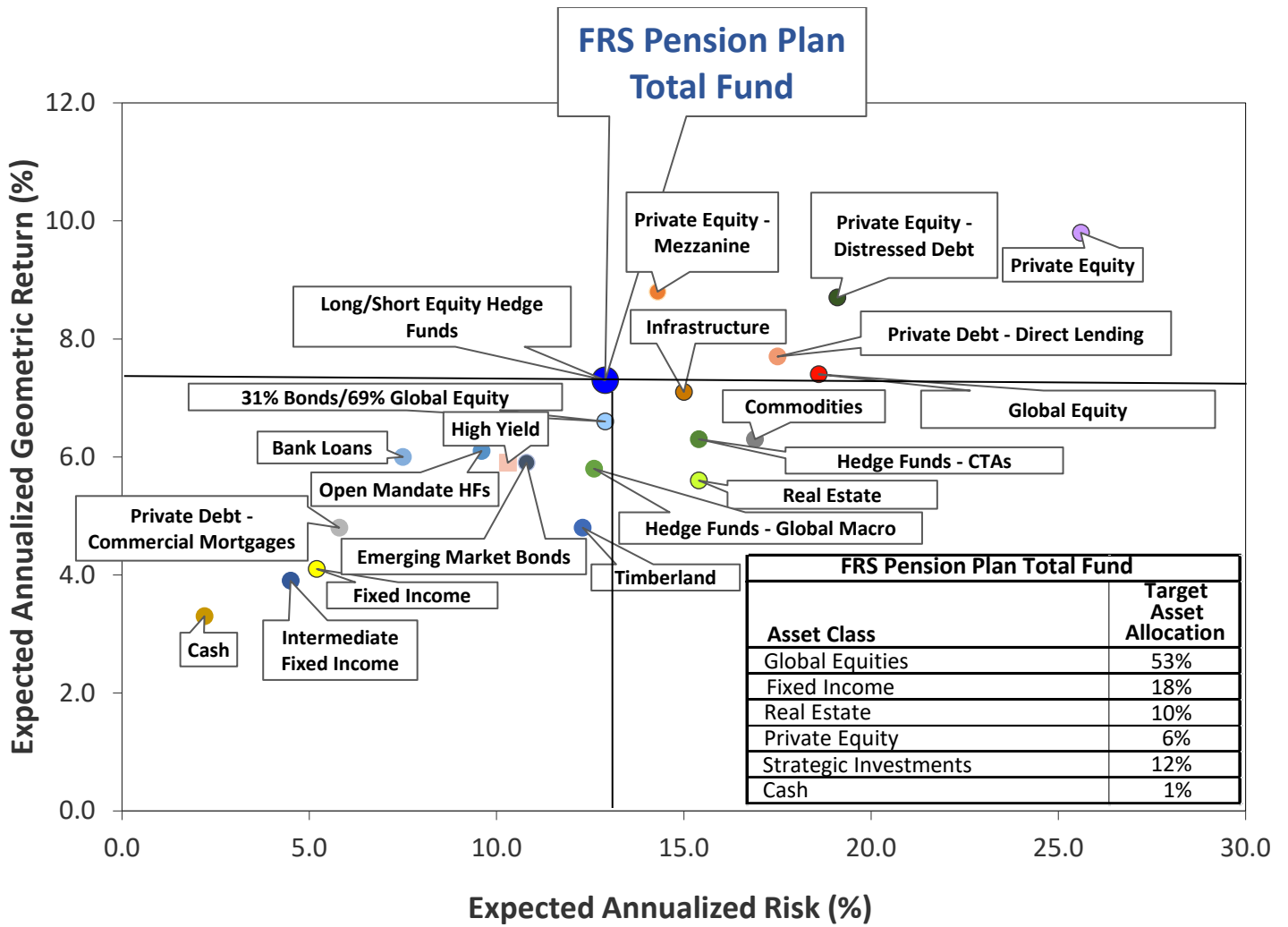
	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Performance ↑	Global Equity	Private Equity	Real Estate	Global Equity	Private Equity	Private Equity	Fixed Income	Private Equity	Private Equity	Global Equity
	Private Equity	Real Estate	Private Equity	Private Equity	Global Equity	Real Estate	Private Equity	Global Equity	Real Estate	Strategic Investments
	Real Estate	Strategic Investments	Fixed Income	Strategic Investments	Strategic Investments	Fixed Income	Global Equity	Strategic Investments	Strategic Investments	Cash
	Strategic Investments	Fixed Income	Strategic Investments	Real Estate	Real Estate	Strategic Investments	Real Estate	Real Estate	Cash	Fixed Income
	Fixed Income	Global Equity	Cash	Cash	Cash	Global Equity	Cash	Fixed Income	Fixed Income	Real Estate
	Cash	Cash	Global Equity	Fixed Income	Fixed Income	Cash	Strategic Investments	Cash	Global Equity	Private Equity
Total Fund Return	17.40%	3.67%	0.54%	13.77%	8.98%	6.26%	3.08%	29.46%	-6.27%	7.50%

Source: SBA

The SBA's exposure to various major asset types or classes is considered its asset allocation. Because asset allocation is a key driver of investment portfolio returns, it is the most fundamental way in which the SBA pursues its investment objective. Likewise, managing actual asset class exposure over time is important if the SBA is to avoid unnecessary risk. For example, if 60 percent exposure to stocks is determined to be necessary to meet a long-term return objective, exposure below that, if persistent or poorly timed, may cause the actual return to fall short of the objective. Conversely, an exposure to stocks greater than the target necessary will subject the portfolio to higher levels of volatility than necessary, which can also result in disappointing returns, particularly when equity markets are stressed.

A thoughtfully constructed portfolio will provide diversification across a sufficiently broad range of investments so that the portfolio has a high probability of meeting the investment objective, notwithstanding the wide distribution of performance often associated with individual investments. In other words, some individual investments may be poor performers during a specific time frame but, in a highly diversified portfolio, their overall impact on the portfolio will often be offset by other investments that, at the time, are better performers.

The following chart presents examples of how various asset classes and investment strategies carry different risk/return tradeoffs.



## Passive vs Active Investing

There are two primary approaches to investment management, passive and active investing. Passive managers construct their portfolios to closely approximate the performance of well-recognized market indices such as the Russell 1000 Index (large U.S. companies), Russell 3000 Index (large and small U.S. companies) or MSCI World ex-US Investable Market Index (international companies). Passive investing typically has the lowest management costs. Additional savings can be realized when these portfolios are managed internally.

Active managers select specific investments and build portfolios with the goal of beating the return of a benchmark index. Active investing, because of research and time requirements, tends to be more costly.

The SBA employs an active investment strategy where the probability of being paid for assuming the increased cost and risk of active investing is greatest. Conversely, where there is the least likelihood to outperform market indices, the SBA tends to passively invest and save management costs associated with active management. One of the SBA's historical strengths has been operating at a very low cost. The SBA's size and significant proportion of passive investments are contributors to the SBA's cost advantage.

The table below shows internal versus external management and the passive versus active management of the funds' resources as of June 30, 2023.

### FRS DEFINED BENEFIT TOTAL FUND ASSET CLASS ALLOCATION AS OF JUNE 30, 2023

Asset Class	Active As % of Asset Class	Passive As % of Asset Class	Internal As % of Asset Class	External As % of Asset Class	As % of Total Fund
Cash <sup>1</sup>	85.4%	14.6%	100.0%	0.0%	1.3%
Fixed Income <sup>2</sup>	55.6%	44.4%	64.3%	35.7%	16.1%
Global Equity <sup>3</sup>	50.1%	49.9%	52.2%	47.8%	50.6%
Private Equity	100.0%	0.0%	0.0%	100.0%	9.4%
Real Estate	100.0%	0.0%	66.4%	33.6%	11.2%
Strategic Investments	100.0%	0.0%	0.3%	99.7%	11.4%
<b>Total Fund</b>	<b>67.4%</b>	<b>32.6%</b>	<b>45.5%</b>	<b>54.5%</b>	<b>100.0%</b>

Asset Class	Active Market Value (in Millions)	Passive Market Value (in Millions)	Internal Market Value (in Millions)	External Market Value (in Millions)	Total Fund Market Value (in Millions)
Cash <sup>1</sup>	\$ 2,053	\$ 350	\$ 2,402	\$ -	\$ 2,402
Fixed Income <sup>2</sup>	16,668	13,319	19,273	10,714	29,987
Global Equity <sup>3</sup>	47,056	46,891	49,016	44,931	93,947
Private Equity	17,489	-	-	17,489	17,489
Real Estate	20,751	-	13,769	6,982	20,751
Strategic Investments	21,133	-	57	21,076	21,133
<b>Total Fund</b>	<b>\$ 125,150</b>	<b>\$ 60,560</b>	<b>\$ 84,518</b>	<b>\$ 101,191</b>	<b>\$ 185,709</b>

<sup>1</sup> Cash: Includes Securities Lending Account, Total Fund STIPFRS NAV Adjustment Account and the collateral accounts.

<sup>2</sup> Fixed Income: Includes STIPFRS Reserve Liquidation Account and Fixed income Liquidity Program.

<sup>3</sup> Global Equity includes Global Equity Liquidity Portfolio and the Cash Equitization Portfolio.

<sup>4</sup> The externally managed composites include the Active Core Plus account for Performance Measurement. This accounts for the portfolio's role in managing unintended interest rate risk within the aggregate Core Plus strategy.

• Totals may not foot due to rounding.

**FRS PENSION PLAN – RETURNS BY ASSET CLASS  
FOR PERIODS ENDING JUNE 30, 2023**

		<b>SBA Managed Return</b>	<b>Benchmark Return</b>	<b>Managed Over (Under) Benchmark</b>
<b>Global Equity<sup>1</sup></b>	One Year	16.43%	16.14%	0.30%
	Three Years	10.98%	10.97%	0.00%
	Five Years	7.92%	7.66%	0.26%
	Ten Years	9.07%	8.64%	0.43%
	Fifteen Years	7.46%	6.84%	0.62%
<b>Fixed Income</b>	One Year	(0.23%)	(0.60%)	0.37%
	Three Years	(2.49%)	(2.89%)	0.39%
	Five Years	1.11%	0.83%	0.28%
	Ten Years	1.56%	1.31%	0.26%
	Fifteen Years	3.07%	2.58%	0.49%
<b>Real Estate</b>	One Year	(2.14%)	(3.55%)	1.41%
	Three Years	9.16%	7.44%	1.73%
	Five Years	7.20%	6.29%	0.92%
	Ten Years	9.11%	8.22%	0.89%
	Fifteen Years	6.58%	5.36%	1.22%
<b>Private Equity<sup>2</sup></b>	One Year	(5.78%)	19.20%	(24.99%)
	Three Years	28.86%	16.87%	11.99%
	Five Years	19.42%	11.44%	7.99%
	Ten Years	16.94%	12.59%	4.35%
	Fifteen Years	12.47%	12.14%	0.33%
<b>Strategic Investments</b>	One Year	4.95%	8.36%	(3.41%)
	Three Years	9.84%	9.32%	0.52%
	Five Years	6.87%	6.86%	0.01%
	Ten Years	7.33%	6.26%	1.07%
	Fifteen Years	6.17%	4.80%	1.37%
<b>Cash Equivalents</b>	One Year	3.80%	3.73%	0.07%
	Three Years	1.36%	1.31%	0.04%
	Five Years	1.58%	1.58%	0.00%
	Ten Years	1.07%	0.99%	0.08%
	Fifteen Years	0.53%	0.81%	(0.28%)

<sup>1</sup> Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic, Foreign and Global Equities components.

<sup>2</sup> Per industry convention, Private Equity returns are presented on a dollar-weighted basis.

- Managed Over (Under) Benchmark may not foot due to rounding.

SBA contracts with private equity partnerships require the following disclosure:

- Because of the long-term nature of investing in private equity, funds can produce low or negative returns in the early years of the partnership. In the first few years of the partnership, management fees are drawn from partner's capital, and portfolio companies are held at cost, leading to a potential understatement of ultimate value.
- Due to numerous factors, including limited valuation and reporting standards, the return information for private equity in this report may not reflect the expected return of the partnerships. The returns contained in this report are calculated by the SBA or its agent and have not been reviewed by the general partners.
- Interim returns may not be meaningful or indicative of ultimate performance during the early stages of the investment life cycle.

**FRS PENSION PLAN – CHANGE IN MARKET VALUE  
FOR FISCAL YEAR 2022-23**

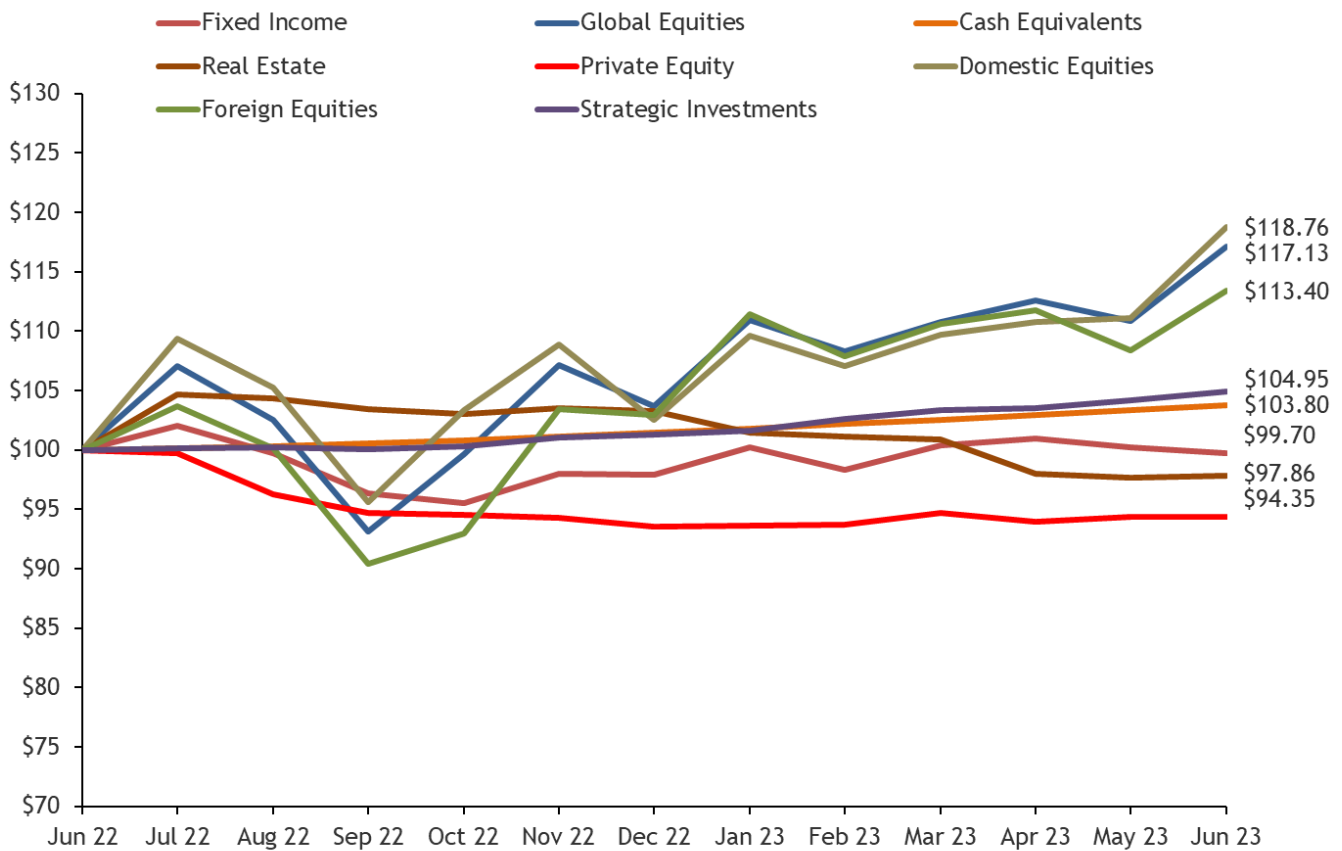
	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
<b>Global Equity</b>	\$ 87,054,270,836	\$ (6,921,007,700)	\$ 13,813,929,057	\$ 93,947,192,194
<b>Fixed Income</b>	31,832,243,569	(1,709,712,312)	(135,619,414)	29,986,911,843
<b>Real Estate</b>	20,323,896,608	898,743,097	(471,811,269)	20,750,828,436
<b>Private Equity</b>	18,379,595,649	146,085,783	(1,036,452,217)	17,489,229,214
<b>Strategic Investments</b>	20,110,127,071	29,986,621	992,646,229	21,132,759,921
<b>Cash/Short-Term Securities<sup>1</sup></b>	2,254,576,833	133,909,092	13,859,231	2,402,345,156
<b>Total FRS Pension Plan</b>	<b>\$ 179,954,710,565</b>	<b>\$ (7,421,995,419)</b>	<b>\$ 13,176,551,617</b>	<b>\$ 185,709,266,764</b>

<sup>1</sup> The investment gain (loss) reported for the Cash/Short-Term Securities asset class includes \$59,432,967 in SBA investment service charges and other fees paid in one cash expense account on behalf of the entire FRS Pension Plan. In addition, this asset class includes borrowing expenses of \$3,336,372 in the REPIMAC Borrower account, opened during the fiscal year to implement the Credit Facility Program. Excluding these expenses incurred for the FRS as a whole, the reported investment gain (loss) would have been \$76,628,570.

• Totals may not foot due to rounding.

The chart below illustrates how returns over the year performed for each class:

**ASSET CLASS NET INVESTMENT GAINS SHOWING GROWTH OF \$100 INVESTED  
DURING FY 2022-23**



Securities lending is the short-term loan of securities for a fee. With its large portfolio of assets, the Pension Plan is well suited to such a program. Mutual funds and ETFs typically have lending programs for the same reasons. The demand to borrow shares usually comes from hedge funds or short-sellers. When securities are loaned, borrowers provide collateral, such as cash or government securities, of value equal to, or greater than, the loaned securities. As shown in the table below, the program has provided significant gains over the long-term. However, fallout from the mortgage crisis resulted in losses during Fiscal Year 2009-10. In response, the program was restructured to a more conservative set of re-investment guidelines.

**FRS PENSION PLAN  
NET SECURITY LENDING REVENUE  
BY FISCAL YEAR**

2008-09	\$ 96,168,151
2009-10 <sup>1</sup>	(134,528,845)
2010-11	43,594,622
2011-12	43,777,884
2012-13	48,168,513
2013-14	44,532,896
2014-15	38,044,668
2015-16	41,398,835
2016-17	49,210,608
2017-18	41,689,317
2018-19	31,482,495
2019-20	27,542,370
2020-21	22,169,408
2021-22 <sup>2</sup>	5,492,050
2022-23	17,226,735
<b>Total</b>	<b>\$ 415,969,707</b>

<sup>1</sup> The loss for 2009-10 resulted from a decline in value of various investments held in the securities lending portfolio. The recovery in value of these investments was not considered probable. Therefore, the underlying securities were written down resulting in a net realized loss. Net income without this loss was \$38,001,712.

<sup>2</sup> Fiscal years 2021-22 and 2022-23 include recognition of a realized loss on one or more of the legacy mortgaged backed investments that have been held since the 2009-2010 fiscal year. Excluding these recognized losses, net income for each of the fiscal years would have been \$19,810,816 and \$18,446,245, respectively.

• This table is on an accrual basis, not a cash basis, meaning distributed lending income is recorded when earned, not when received. Realized gains (losses) in investments purchased with cash collateral are included in the calculation of net security lending revenue (loss). The change in net unrealized appreciation (depreciation) in investments purchased with cash collateral is not included.

• Totals may not foot due to rounding.

The following tables show the beginning and ending market values for each individual Pension Plan portfolio, together with net contributions and transfers, and investment gain or loss. The portfolios are grouped into separate tables by asset class.

**FRS PENSION PLAN – GLOBAL EQUITY  
CHANGE IN MARKET VALUE FOR FISCAL YEAR 2022-23**

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
<b>Domestic Equity</b>				
- AJO, LP <sup>3</sup>	\$ -	\$ (441)	\$ 441	\$ -
- Acuitas	324,292,216	(111,121)	40,900,966	365,082,061
- Avatar R1000 Index Fund	17,444,650,623	(2,037,664,347)	3,245,014,838	18,652,001,114
- Columbia LC Core	1,289,669,469	-	210,936,428	1,500,605,898
- Columbia SC Value	183,763,764	(19,616,304)	19,184,983	183,332,444
- Copeland Capital <sup>1</sup>	-	147,819,532	37,931,380	185,750,912
- Delta	191,311,246	(24,113,368)	14,010,151	181,208,028
- Fisher Investments	166,230,611	(15,079,596)	9,688,665	160,839,680
- Los Angeles Capital	149,171,484	18,942,095	24,212,907	192,326,486
- Nova Portfolio	8,889,992,823	(41,000,000)	1,723,777,660	10,572,770,483
- PanAgora Asset Management	177,744,558	(15,183,244)	24,546,997	187,108,311
- Penn Capital	134,386,384	-	19,836,907	154,223,290
- Phoenix Portfolio	12,467,491,117	(2,055,368,849)	2,148,968,812	12,561,091,080
- Seneca	142,994,658	19,758,373	17,673,353	180,426,384
- Silvercrest Asset Management	143,857,256	29,696,730	27,100,813	200,654,799
- Smith Large Cap Core	972,586,291	-	157,766,443	1,130,352,734
- Stephens Investment Management Group	156,419,610	39,923,211	22,544,477	218,887,299
- Vaughan Nelson Investment Management	184,930,007	(5,750,719)	30,255,914	209,435,203
- Wellington PPC	720,995,143	-	91,239,550	812,234,693
<b>Total Domestic Equity</b>	<b>43,740,487,261</b>	<b>(3,957,748,048)</b>	<b>7,865,591,685</b>	<b>47,648,330,897</b>
<b>Foreign Equity</b>				
- Aberdeen Frontier Markets <sup>3</sup>	420,187	(205,296)	(94,468)	120,424
- Acadian Asset Management	1,635,140,277	-	196,641,509	1,831,781,786
- Acadian Asset Management Inc.	797,106,412	(45,000,000)	70,649,235	822,755,646
- Alliance Bernstein	1,518,529,920	-	290,828,316	1,809,358,236
- Allspring Emerging Capital <sup>1</sup>	-	181,924,957	5,490,211	187,415,168
- Allspring Emerging Large Cap	786,586,082	-	43,666,904	830,252,986
- Allspring International Small Cap	312,638,894	-	52,518,403	365,157,296
- AQR Capital Management Small Cap <sup>3</sup>	1,431,294	(526,628)	29,341	934,007
- AQR Capital Mgt. Emerging Markets Small Cap	302,843,988	(80,603,305)	39,897,829	262,138,511
- Artisan Partners	1,665,341,311	(30,071,835)	287,980,374	1,923,249,850
- Ballie Gifford Overseas Limited	1,085,518,429	-	165,985,810	1,251,504,239
- BlackRock China A Shares	193,433,119	-	(36,607,497)	156,825,622
- BlackRock Emerging Markets Index Plus <sup>3</sup>	797	-	3,202	3,999
- BlackRock Global Inv. Index Plus	1,712,844,591	(1,863,047,621)	181,688,886	31,485,856
- BlackRock Global Inv. Small Cap Strategy	794,154,551	(248,000,000)	75,876,705	622,031,256
- BlackRock Global Inv. World Ex-US	18,421,225	(3,833,567)	656,758	15,244,415
- BlackRock Global Inv. World Ex-US Alpha Tilts	1,708,049,459	-	360,059,190	2,068,108,649
- Clarivest International Small Cap	373,315,235	(40,000,000)	61,652,918	394,968,153
- Dimensional Fund Advisors <sup>3</sup>	1,219,424	(384,123)	28,044	863,344
- Dimensional Fund Advisors Emerging Markets <sup>3</sup>	46,760	(4,083)	(7,663)	35,014
- Eastspring Investments	600,463,573	22,400,000	102,482,771	725,346,344
- Epoch Investment Partners <sup>3</sup>	54,110	-	(7,965)	46,145
- Fidelity Institutional <sup>3</sup>	168,618	(7,301)	2,679	163,996
- First Sentier Frontier Markets <sup>3</sup>	7,711,385	(234,920)	(6,708,186)	768,278
- Foreign Equity Internal Active Tax Reclaim <sup>4</sup>	-	-	-	-
- Franklin Templeton Small Cap <sup>3</sup>	584,040	(611,903)	27,862	-
- Genesis Emerging Markets	787,505,116	-	31,388,921	818,894,037
- Global Alpha	352,656,710	-	34,740,117	387,396,826
- GMO	1,401,452,687	-	268,147,079	1,669,599,765
- Investec	793,151,674	-	(13,215,823)	779,935,852
- KAR Emerging Market Small Cap <sup>1</sup>	-	180,355,370	12,394,792	192,750,162
- Mondrian Investment Partners Ltd.	833,079,548	(70,000,000)	58,817,056	821,896,604
- Mondrian Investment Partners Small Cap	344,188,231	-	21,874,084	366,062,315
- Morgan Stanley Investment Management	1,846,833,963	-	344,903,789	2,191,737,752
- Numeric Investors	378,081,131	(35,000,000)	52,865,833	395,946,965
- Principal Global Investors - FE	331,111,241	-	42,279,484	373,390,725
- Robeco Institutional Asset Management	909,706,698	(82,000,000)	28,884,973	856,591,671



Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- Somerset Capital	736,006,386	(68,000,000)	(21,266,859)	646,739,527
- Sophus Capital	765,058,026	-	27,719,370	792,777,396
- Sprucegrove Investment Management	1,594,035,481	-	328,610,817	1,922,646,298
- State Street Global Advisors EM Sm Cap <sup>2</sup>	284,811,327	(292,813,749)	8,002,421	-
- Templeton Investment Counsel LLC <sup>3</sup>	5,569,884	(607,819)	247,068	5,209,132
- TimesSquare Emerging Small Cap <sup>1</sup>	-	178,965,506	18,478,849	197,444,354
- TS&W Florida Retirement System	357,393,658	(55,000,000)	73,474,928	375,868,586
- TSW International	1,519,206,704	-	264,953,250	1,784,159,954
- Walter, Scott & Partners, Ltd.	1,716,994,965	-	369,916,270	2,086,911,235
- Wellington Emerging Markets Small Cap	304,822,290	(81,105,164)	46,878,357	270,595,483
- William Blair	292,893,037	-	48,234,235	341,127,273
- William Blair & Company, LLC	746,365,855	-	(9,890,216)	736,475,639
- William Blair China A Shares	165,102,142	-	(47,546,422)	117,555,720
- William Blair Emerging Markets Small Cap	278,215,561	(55,076,640)	28,681,764	251,820,685
<b>Total Foreign Equity</b>	<b>30,260,265,997</b>	<b>(2,488,488,124)</b>	<b>3,912,315,307</b>	<b>31,684,093,180</b>
<b>Dedicated Global Equity</b>				
- Alliance Bernstein Global	796,777,951	-	111,528,818	908,306,769
- Atlas Portfolio	2,379,979,825	319,672,758	506,836,824	3,206,489,407
- Causeway Capital	677,507,901	-	191,017,371	868,525,272
- Epoch Investment Partners Global	1,470,407,398	(49,111,565)	150,655,357	1,571,951,191
- Hexavest Inc. <sup>3</sup>	1,000,877	(249,905)	28,081	779,053
- Hyperion Asset Management	124,355,454	-	40,642,450	164,997,904
- Intech Investment Management <sup>3</sup>	3,518,197	(1,452,533)	158,407	2,224,071
- Jennison Global	322,699,804	-	93,430,001	416,129,805
- MFG Asset Management <sup>2</sup>	660,165,434	(682,364,197)	23,840,699	1,641,935
- Schiehallion Fund	238,625,015	-	(125,039,499)	113,585,515
- Schroders Investment Management	1,403,560,067	319,452,256	268,957,378	1,991,969,701
- Sinensis	1,511,640,975	(49,139,601)	198,949,171	1,661,450,546
- Trilogy Global Advisors <sup>3</sup>	587,841	(204,146)	46,253	429,947
- WCM Global	839,752,359	-	162,447,789	1,002,200,148
- Wellington Global	715,668,819	-	101,359,634	817,028,453
<b>Total Dedicated Global Equity</b>	<b>11,146,247,919</b>	<b>(143,396,934)</b>	<b>1,724,858,734</b>	<b>12,727,709,718</b>
<b>Other</b>				
- BlackRock Transition	-	(561)	561	-
- Cash Equitization Portfolio	273	(273)	1	-
- Citigroup Global Transition	362,389	(348,503)	101,885	115,770
- Domestic Equity Asset Class Transition	16,688	20,790,756	(20,622,972)	184,472
- Global Equity Cash	2,567,378	(257,661)	342,222	2,651,940
- Global Equity Cash Expense	2,563	2,239,208	(2,241,765)	6
- Global Equity Liquidity Portfolio	1,903,593,546	(349,999,727)	330,067,768	1,883,661,586
- Global Equity Policy Transition Portfolio 1 <sup>4</sup>	-	-	-	-
- Global Equity Policy Transition Portfolio 2	-	(21,552)	21,552	-
- Global Equity Policy Transition Portfolio 3 <sup>4</sup>	-	-	-	-
- Global Equity Suspended Asset Account	50,372	-	5,305	55,677
- Global Equity Transition Account 1	676,446	3,476,368	(3,763,867)	388,947
- Pavilion Transition	5	(7,252,648)	7,252,643	-
<b>Total Other</b>	<b>1,907,269,660</b>	<b>(331,374,594)</b>	<b>311,163,332</b>	<b>1,887,058,398</b>
<b>Total Global Equity</b>	<b>\$ 87,054,270,836</b>	<b>\$ (6,921,007,700)</b>	<b>\$ 13,813,929,057</b>	<b>\$ 93,947,192,194</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> Strategy terminated during the fiscal year. Balances reflect residual activity.

<sup>3</sup> Strategy terminated in a prior fiscal year. Balances and activity reflect residual activity.

<sup>4</sup> Account inactive during the fiscal year.

• Totals may not total due to rounding.

**FRS PENSION PLAN – FIXED INCOME**  
**CHANGE IN MARKET VALUE FOR FISCAL YEAR 2022-23**

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
<b>Aggregate:</b>				
- Active Core	\$ 5,898,393,531	\$ 36,299,107	\$ (14,576,673)	\$ 5,920,124,965
- Amundi Pioneer Investments	2,726,488,452	(598,000,000)	(24,609,556)	2,103,878,896
- BlackRock Core Bond Enhanced Index	2,644,087,232	(475,000,000)	(21,798,876)	2,147,288,356
- Core Plus Overlay <sup>3</sup>	-	100,000,000	5,243,886	105,243,886
- Investment Grade AA Account	68,989,238	(36,299,107)	2,001,476	34,691,607
- Lord Abbett	1,481,117,002	(57,000,000)	28,158,594	1,452,275,595
- Neuberger Berman Core	2,591,659,982	(150,000,000)	(11,582,154)	2,430,077,828
- PGIM Core Plus	1,277,109,399	(174,986,458)	7,484,377	1,109,607,319
- Prudential Conservative Core <sup>1</sup>	2	(13,542)	13,540	-
- Taplin, Canida & Habacht	1,360,907,014	(150,000,000)	4,471,176	1,215,378,191
- Wellington Core Plus <sup>3</sup>	-	150,000,000	(208,902)	149,791,098
<b>Government/Corporate:</b>				
- Fixed Income Gov't./Corp. Passive Account	7,609,205,133	(111,400,000)	(9,013,032)	7,488,792,101
<b>Mortgage:</b>				
- Fixed Income MBS Passive	3,912,823,559	(143,600,000)	(72,501,670)	3,696,721,889
<b>Other:</b>				
- Fixed Income Cash Expense Account	-	309,389	(309,389)	-
- Fixed Income Liquidity Portfolio	2,261,463,024	(100,000,000)	(28,422,911)	2,133,040,113
- Fixed Income Transition <sup>2</sup>	-	-	-	-
- Fixed Income Transition II <sup>2</sup>	-	-	-	-
- STIPFRS Reserve Liquidation Fund	-	(21,701)	21,701	-
<b>Total Fixed Income</b>	<b>\$ 31,832,243,569</b>	<b>\$ (1,709,712,312)</b>	<b>\$ (135,619,414)</b>	<b>\$ 29,986,911,843</b>

<sup>1</sup> Strategy terminated during the prior fiscal year. Remaining balances reflect residual activity.

<sup>2</sup> Account inactive during the fiscal year.

<sup>3</sup> Account opened during the fiscal year.

• Totals may not foot due to rounding.

**FRS PENSION PLAN – PRIVATE EQUITY**  
**CHANGE IN MARKET VALUE FOR FISCAL YEAR 2022-23**

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
<b>Partnerships:</b>				
- Accel-KKR Capital Partners V, L.P.	\$ 57,160,922	\$ 208,832	\$ 3,597,005	\$ 60,966,760
- Accel-KKR Capital Partners VI, L.P.	18,559,285	7,026,709	449,999	26,035,993
- Accel-KKR Capital Partners VII, L.P. <sup>1</sup>	-	100,887	(100,887)	-
- Accel-KKR Growth Capital Partners II, L.P.	20,165,593	(3,814,150)	140,369	16,491,811
- Advent International GPE VIII, L.P.	194,814,610	(8,504,374)	(2,013,905)	184,296,331
- Advent International GPE IX, L.P.	201,913,944	33,372,238	(43,021,221)	192,264,961
- Advent International GPE X, L.P. <sup>1</sup>	-	34,992,551	(3,299,177)	31,693,374
- American Industrial Partners Capital Fund VI, L.P.	67,480,318	(24,454,192)	38,883,697	81,909,823
- American Industrial Partners Capital Fund VII, L.P.	59,533,443	1,333,221	25,156,124	86,022,788
- Arbor Debt Opportunities II, L.P.	8,463,415	(715,614)	923,471	8,671,272
- Arbor Investment Fund V	45,324,331	-	(319,662)	45,004,669
- Ardian LBO Fund VI, L.P.	78,807,054	(26,749,079)	8,728,595	60,786,569
- Ares Corporate Opportunities Fund III, L.P.	2,887,269	-	(1,889,459)	997,810
- Ares Corporate Opportunities Fund IV, L.P.	95,805,919	(38,335,815)	(1,695,848)	55,774,256
- Ares Corporate Opportunities Fund V, L.P.	196,089,867	(5,530,703)	2,863,724	193,422,887
- ASF VI, L.P.	24,587,734	-	(2,768,592)	21,819,142
- ASF VII, L.P.	95,845,015	(7,517,374)	(3,257,112)	85,070,529
- ASF VIII, L.P.	134,540,577	4,946,819	(8,411,670)	131,075,726
- Asia Alternatives FL Investor, L.P.	271,795,646	(17,766,267)	(23,944,520)	230,084,859
- Asia Alternatives FL Investor II, LLC	289,187,517	18,391,200	23,248,423	330,827,140

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- Asia Alternatives FL Investor III, LLC	71,634,943	48,624,502	3,076,292	123,335,737
- Atlas Capital Resources II, L.P.	19,616,873	(3,776,072)	5,692,849	21,533,650
- Atlas Capital Resources III, L.P.	38,840,431	(14,083,348)	12,331,731	37,088,813
- Atlas Capital Resource IV, L.P.	14,237,938	16,455,405	1,354,213	32,047,555
- AXA LBO Fund V, L.P.	8,405,223	90,707	2,139,764	10,635,693
- AXA Secondary Fund V, L.P.	157,088	-	118,629	275,717
- Blue Water Energy Fund I, L.P.	13,091,786	(1,168,206)	1,276,815	13,200,395
- Carlyle Asia Growth Partners IV, L.P.	7,590,454	-	(560,337)	7,030,117
- Carlyle Partners VI, L.P.	99,378,403	(17,875,049)	(22,473,453)	59,029,901
- Carlyle Partners VII, L.P.	112,273,956	(1,707,923)	2,313,229	112,879,262
- Carnelian Energy Capital II, L.P.	30,082,239	(17,593,764)	8,269,929	20,758,404
- Carnelian Energy Capital III, L.P.	57,828,493	19,625,779	3,701,755	81,156,027
- Carnelian Energy Capital IV, L.P.	1,083,329	32,365,173	(251,699)	33,196,803
- Charlesbank Equity Fund VII, L.P.	2,246,686	(1,463,047)	(166,210)	617,428
- Charlesbank Equity Fund VIII, L.P.	45,613,575	5,037,321	8,726,217	59,377,113
- Charlesbank Equity Fund IX, L.P.	102,706,856	(7,727,190)	15,122,232	110,101,898
- Charlesbank Equity Fund X, L.P.	27,130,538	23,400,987	6,001,376	56,532,901
- Charlesbank Fund IX Overage Allocation Program	18,295,468	(76,500)	1,689,397	19,908,365
- Charlesbank Equity Overage Fund X, L.P.	3,364,466	4,536,162	815,954	8,716,582
- Cressey & Company Fund IV, L.P.	65,803	-	62,338	128,141
- Cressey & Company Fund V, L.P.	98,049,930	(15,172,303)	1,501,064	84,378,691
- Cressey & Company Fund VI, L.P.	104,482,478	4,080,273	(3,958,880)	104,603,871
- Cressey & Company Overage Fund VI, L.P.	11,890,462	3,809,523	(1,658,271)	14,041,714
- CVC Capital Partners VI, L.P.	103,227,064	(37,938,102)	5,593,441	70,882,402
- CVC Capital Partners VII, L.P.	141,390,820	(16,647,494)	26,451,589	151,194,915
- CVC Capital Partners VIII, L.P.	43,387,308	79,208,246	11,465,498	134,061,051
- CVC European Equity Partners V, L.P.	3,942,292	(472,249)	(1,619,055)	1,850,987
- DCP Capital Partners II, L.P.	337,864	23,311,040	(4,921,596)	18,727,307
- DCPF VI Oil and Gas Coinvestment Fund, L.P.	175,009	-	(24,433)	150,576
- Denham Commodity Partners Fund VI, L.P.	54,094,559	2,716,485	2,172,342	58,983,385
- Denham Oil & Gas Investment Fund, L.P.	79,727,123	(2,246,714)	9,032,915	86,513,324
- Denham Oil & Gas Investment Fund II, L.P.	32,872,660	32,831,750	4,419,444	70,123,854
- EnCap Energy Capital Fund VIII, L.P.	32,824,872	(4,783,053)	1,710,347	29,752,167
- EnCap Energy Capital Fund IX, L.P.	33,357,237	(16,053,815)	7,158,914	24,462,336
- EnCap Energy Capital Fund X, L.P.	101,897,246	(45,434,285)	12,158,940	68,621,901
- EnCap Energy Capital Fund XI, L.P.	77,737,425	(4,003,695)	27,846,770	101,580,499
- EnCap Flatrock Midstream Fund III, L.P.	34,621,947	(9,848,453)	9,243,134	34,016,627
- EnCap Flatrock Midstream Fund IV, L.P.	25,640,877	11,408,439	2,988,302	40,037,619
- Energy & Minerals Group Fund III, L.P.	46,344,777	(2,588,702)	2,275,934	46,032,009
- Energy Capital Partners II, L.P. <sup>2</sup>	246,242	(319,182)	72,940	-
- Energy Capital Partners III, L.P.	91,520,753	(67,499,316)	11,609,592	35,631,029
- EnerVest Energy Fund XII-A, L.P.	110,047	-	13,617	123,664
- EnerVest Energy Institutional Fund XIV-A, L.P.	56,040,898	(11,797,415)	14,280,724	58,524,207
- Equistone Partners Europe Fund V, L.P.	51,969,320	(16,967,908)	5,122,568	40,123,980
- Equistone Partners Europe Fund VI, L.P.	68,379,233	(18,798,134)	18,110,117	67,691,216
- European Private Equity Opportunities I, L.P.	48,868,572	(13,228,500)	10,623,416	46,263,487
- European Private Equity Opportunities II, L.P.	8,205,997	22,028,032	7,632,687	37,866,716
- Fairview Special Opportunities Fund, L.P.	561,420,274	(22,770,395)	(113,626,778)	425,023,101
- Fairview Special Opportunities Fund II, L.P.	252,321,033	(16,478,240)	(52,590,475)	183,252,319
- Falfurrias Capital Partners IV, L.P.	100,416,677	(26,516,348)	18,283,601	92,183,930
- Falfurrias Capital Partners V, L.P.	21,498,178	11,200,000	4,350,399	37,048,576
- First Reserve Fund XI, L.P.	101,754	-	(56,675)	45,079
- First Reserve Fund XII, L.P.	7,183,404	(1,232,119)	(5,707,336)	243,949
- Francisco Partners IV, L.P.	97,734,940	-	(21,581,411)	76,153,529
- Francisco Partners V, L.P.	99,120,482	4,725,000	5,518,109	109,363,591
- Francisco Partners VI, L.P.	49,774,989	40,700,000	5,097,897	95,572,886
- Francisco Partners VII, L.P.	-	3,197	(3,197)	-
- FS Equity Partners VII, L.P.	96,160,347	829,123	9,135,383	106,124,853
- FS Equity Partners VIII, L.P.	93,144,728	18,788,960	18,942,165	130,875,853
- FSBA AAM Strategic Fund I, L.P.	16,359,089	27,918,828	(404,782)	43,873,136
- Grove Street Partners Buyouts LLC	14,831,217	(3,007,645)	623,462	12,447,034
- Grove Street Partners Buyouts II, LLC	142,605,289	(39,476,709)	15,865,495	118,994,075
- Grove Street Partners Ventures II, LLC	307,028,707	(19,360,455)	(81,803,913)	205,864,339
- GS Partners Ventures III, L.P.	309,993,190	(38,130,205)	(44,198,117)	227,664,868
- Hahn & Company III, L.P.	21,254,365	10,748,661	7,852,451	39,855,477
- Hahn & Company III-S, L.P.	9,609,693	4,141,436	5,150,014	18,901,143
- Hellman & Friedman Capital Partners VII, L.P.	41,852,164	(1,339,674)	245,202	40,757,692
- Hellman & Friedman Capital Partners VIII, L.P.	316,952,883	(664,209)	(72,353,057)	243,935,617
- Hellman & Friedman Capital Partners IX, L.P.	308,409,540	3,598,123	19,598,120	331,605,783

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- Hellman & Friedman Capital Partners X, L.P.	138,290,142	43,634,800	640,064	182,565,006
- Hellman & Friedman Capital Partners XI, L.P. <sup>1</sup>	-	16,289	(16,289)	-
- Inflexion Buyout Fund IV, L.P.	31,394,050	(5,325,236)	10,394,892	36,463,706
- Inflexion Enterprise Fund IV, L.P.	21,017,024	(7,873,838)	6,334,780	19,477,966
- Inflexion Partnership Capital Fund I, L.P.	19,034,262	(13,368,696)	4,035,362	9,700,928
- Investindustrial VI, L.P.	64,381,641	(18,886,584)	5,249,723	50,744,779
- Investindustrial VII, L.P.	40,726,024	7,106,894	15,397,047	63,229,965
- Juniper Capital IV, L.P. <sup>1</sup>	-	72,694	(72,694)	-
- KKR Asia Fund II, L.P.	61,192,976	(237,027)	(18,020,259)	42,935,690
- KKR Asia Fund III (EEA) SCSp	194,036,748	(4,712,527)	(24,035,203)	165,289,018
- KPS Special Situations Fund III, L.P.	283,943	(400,482)	124,594	8,056
- KPS Special Situations Fund IV, L.P.	114,135,931	(73,081,308)	24,879,239	65,933,861
- KPS Special Situations Fund V, L.P.	147,488,780	(13,704,374)	21,284,840	155,069,246
- KPS Special Situations Mid Cap Fund, L.P.	31,544,140	3,083,282	6,385,634	41,013,056
- LCP FSBA Co-Invest Account L.P.	160,260,597	(13,711,734)	(8,738,510)	137,810,353
- Lexington Capital Partners V, L.P.	394,833	-	5	394,838
- Lexington Capital Partners VI-B, L.P.	967,114	(385,832)	(64,529)	516,753
- Lexington Capital Partners VII, L.P.	32,805,977	(7,197,774)	(2,872,938)	22,735,265
- Lexington Capital Partners VIII, L.P.	181,722,630	(19,159,557)	(13,785,211)	148,777,862
- Lexington Capital Partners IX, L.P.	223,216,415	31,008,079	(17,011,347)	237,213,147
- Lexington Capital Partners X, L.P. <sup>1</sup>	-	11,391,816	4,658,092	16,049,908
- Lexington Co-Investment Partners Pools III & IV, L.P.	6,911,072	-	(2,550,277)	4,360,795
- Lexington Co-Investment Partners 2005, L.P.	35,932,374	(24,203,519)	(388,665)	11,340,190
- Lexington Co-Investment Partners 2005 Pool III, L.P.	227,746,584	(13,918,380)	(21,088,157)	192,740,047
- Lexington Co-Investment Partners 2005 Pool IV, L.P.	614,000,009	(54,299,334)	(17,844,175)	541,856,500
- Lexington Co-Investment Partners V, L.P.	276,447,855	210,297,290	35,510,353	522,255,498
- Lexington CIP V-F-O, L.P.	90,235,343	49,302,000	10,044,485	149,581,828
- Lexington Co-Investment Partners VI-F, L.P. <sup>1</sup>	-	75,946	(75,946)	-
- Lexington Middle Market Investors III, L.P.	59,961,301	(11,354,403)	(776,955)	47,829,943
- Liberty Partners VII	3,445,346	(3,618,508)	700,558	527,396
- Liberty Partners Group II	(324)	1,774	(1,155)	295
- LightBay Capital Partners, L.P.	55,372,585	1,174,882	1,391,541	57,939,008
- LightBay Capital Partners II, L.P.	(360,080)	6,713,190	(1,002,620)	5,350,490
- Livingbridge Enterprises 3, L.P.	17,429,265	3,860,334	4,379,622	25,669,221
- Livingbridge Enterprises 7, L.P.	29,290,873	9,682,296	3,523,028	42,496,196
- MBK Partners V, L.P.	33,480,268	22,379,435	16,883,866	72,743,569
- Montagu Private Equity Fund IV, L.P.	11,964,517	(4,585,588)	(4,197,340)	3,181,588
- Montagu V, L.P.	101,514,859	(28,934,445)	7,454,356	80,034,770
- Montagu VI, L.P.	24,951,292	10,129,428	5,563,471	40,644,190
- New Mountain Partners II, L.P. <sup>2</sup>	281,749	(283,447)	1,698	-
- New Mountain Partners III, L.P.	5,997,986	(291,643)	(924,833)	4,781,510
- NIC Fund II, L.P.	5,832,609	2,142,676	551,932	8,527,217
- One Peak Growth III SCSp L.P. <sup>1</sup>	-	8,613,761	(2,548,981)	6,064,779
- OpCapita Consumer Opportunities Fund II, L.P.	46,032,308	1,769,222	3,555,121	51,356,651
- OpCapita Consumer Opportunities Fund III, L.P.	(566,201)	560,249	(755,022)	(760,974)
- OpenView Venture Partners IV, L.P.	35,447,524	(4,992,397)	(10,539,533)	19,915,594
- OpenView Venture Partners V, L.P.	79,173,674	68,514	(30,178,559)	49,063,629
- OpenView Venture Partners VI, L.P.	21,940,200	2,169,000	(3,846,855)	20,262,345
- OpenView Venture Partners VII, L.P.	-	2,055,228	(677,639)	1,377,590
- Pantheon Global Secondary Fund IV, L.P.	6,873,142	(478,691)	300,520	6,694,971
- Paragon Fund IV GmbH & Co., L.P. (The) <sup>1</sup>	-	156,890	(217,820)	(60,930)
- Peak Rock Capital II, L.P.	28,827,626	158,965	2,895,049	31,881,640
- Peak Rock Capital III, L.P.	37,042,804	4,498,222	7,758,818	49,299,844
- Peak Rock Capital Credit Fund II, L.P.	7,779,567	(4,382,086)	1,772,000	5,169,481
- Platinum Equity Capital Partners II, L.P.	11,811,590	(6,239,108)	(181,011)	5,391,471
- Platinum Equity Capital Partners III, L.P.	48,831,692	(1,373,853)	(9,963,589)	37,494,250
- Pomona Capital VI, L.P.	1,548,157	(317,461)	(108,090)	1,122,606
- Pomona Capital VII, L.P. <sup>2</sup>	50,841	(53,531)	2,690	-
- Post Oak Energy Partners II, L.P.	21,835,292	(2,190,821)	1,467,593	21,112,065
- Post Oak Energy Partners III, L.P.	30,668,999	(1,575,769)	8,307,838	37,401,068
- Post Oak Energy Partners IV, L.P.	41,866,796	10,521,837	8,069,882	60,458,515
- RCP Advisors Fund IV, L.P.	294,499	-	120,822	415,320
- RCP Advisors Fund V, L.P.	248,754	-	(60,305)	188,449
- RCP Advisors Fund VI, L.P.	13,421,998	(7,860,115)	(3,381,850)	2,180,033
- RCP Advisors Fund VII, L.P.	29,423,806	(4,585,420)	(993,951)	23,844,435
- RCP Advisors Fund VIII, L.P.	36,086,250	(6,654,024)	3,894,542	33,326,768
- RCP Advisors Fund IX, L.P.	52,007,937	(2,051,291)	1,076,073	51,032,720
- RCP Advisors Fund X, L.P.	60,785,520	(12,619,588)	9,470,870	57,636,802
- Rise Fund, L.P. (The)	26,785,024	466,677	(1,066,153)	26,185,548

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- Rise Fund II, L.P. (The)	40,697,180	7,022,505	3,925,016	51,644,701
- Rubicon Technology Partners, L.P.	24,534,772	469,741	(1,832,282)	23,172,231
- Rubicon Technology Partners II, L.P.	70,580,368	(552,216)	(2,357,007)	67,671,144
- Rubicon Technology Partners III, L.P.	81,847,484	17,210,209	(1,938,036)	97,119,657
- Rubicon Technology Partners IV, L.P.	-	13,033,467	(3,076,568)	9,956,900
- Searchlight Capital II, L.P.	51,742,931	10,231,613	(5,984,872)	55,989,672
- Searchlight Capital III, L.P.	128,942,527	(3,370,290)	5,496,470	131,068,707
- Silver Lake Partners IV, L.P.	187,621,151	(3,999,236)	(25,069,911)	158,552,004
- Silver Lake Partners V, L.P.	185,400,608	(7,703,714)	(18,103,319)	159,593,575
- Silver Lake Partners VI, L.P.	114,945,087	46,227,668	(11,404,848)	149,767,907
- Strategic Investors Fund XI, L.P. <sup>1</sup>	-	43,255	(43,255)	-
- Stride Consumer Fund I, L.P.	11,117,750	3,982,017	762,882	15,862,649
- Summa Equity Fund II AB	36,222,751	383,571	2,331,772	38,938,094
- Summa Equity Fund III, L.P.	(417,633)	9,071,686	(2,088,202)	6,565,851
- SVB Capital Partners III, L.P.	34,183,272	-	(17,434,542)	16,748,730
- SVB Capital Partners IV, L.P.	33,663,327	-	2,953,905	36,617,232
- SVB Capital Partners V, L.P.	31,300,892	1,035,000	(95,460)	32,270,432
- SVB Capital Partners VI, L.P. <sup>1</sup>	-	3,092,416	(59,467)	3,032,949
- SVB SIF-Ascension, L.P.	2,921,830	2,371,249	(762,895)	4,530,184
- SVB Strategic Investors Fund V-A, L.P.	254,859,002	(17,212,394)	(74,497,901)	163,148,707
- SVB Strategic Investors Fund V-A Opportunity, L.P.	192,232,334	(5,985,744)	(80,519,586)	105,727,004
- SVB Strategic Investors VI-A, L.P.	376,363,519	(10,856,206)	(61,997,771)	303,509,542
- SVB Strategic Investors Fund VII-A, L.P.	345,951,717	(28,833,546)	(62,526,201)	254,591,970
- SVB Strategic Investors Fund VIII-A, L.P.	250,710,497	(6,271,500)	(24,216,947)	220,222,050
- SVB Strategic Investors Fund IX-A, L.P.	113,543,114	4,207,500	(12,450,833)	105,299,781
- SVB Strategic Investors Fund X, L.P.	50,434,128	8,932,500	(6,245,747)	53,120,881
- Thoma Bravo Discover Fund, L.P.	31,775,651	-	(2,765,336)	29,010,315
- Thoma Bravo Discover Fund II, L.P.	104,364,899	-	(5,132,357)	99,232,541
- Thoma Bravo Discover Fund III, L.P.	90,560,230	16,566,436	(1,387,147)	105,739,518
- Thoma Bravo Discover Fund IV, L.P. <sup>1</sup>	-	33,340,714	981,007	34,321,721
- Thoma Bravo Fund XI, L.P.	152,401,647	(41,822,852)	(5,039,321)	105,539,474
- Thoma Bravo Fund XII, L.P.	219,721,717	(74,683,471)	12,144,119	157,182,365
- Thoma Bravo Fund XIII, L.P.	217,426,711	5,359,511	2,873,900	225,660,122
- Thoma Bravo Fund XIV, L.P.	190,384,809	8,723,961	(2,959,060)	196,149,709
- Thoma Bravo Fund XV, L.P.	24,898,925	76,920,342	(429,267)	101,390,000
- Thoma Bravo Special Opportunities Fund I, L.P.	30,003,550	(12,144,095)	(2,921,293)	14,938,162
- Thoma Bravo Special Opportunities Fund II, L.P.	60,372,256	(7,472,358)	681,580	53,581,478
- Tiger Iron Special Opportunities Fund, L.P.	420,283,679	(3,488,419)	(76,832,098)	339,963,162
- Tiger Iron Special Opportunities Fund II, L.P.	227,798,412	11,038,233	(33,705,279)	205,131,366
- Tiger Iron Special Opportunities Fund III, L.P.	8,458,513	8,654,074	(1,581,514)	15,531,073
- Top Tier Special Opportunities Fund, L.P.	1,901,389	(147,724)	(707,091)	1,046,574
- TowerBrook Investors III, L.P.	838,112	-	(348,139)	489,973
- TowerBrook Investors IV, L.P.	248,299,843	(44,624,273)	(25,488,799)	178,186,771
- TowerBrook Investors V, L.P.	124,035,695	52,753,641	15,849,836	192,639,172
- TowerBrook Investors VI, L.P. <sup>1</sup>	-	99,602	(99,602)	-
- TPG Growth III, L.P.	68,738,886	34,740	(1,664,716)	67,108,910
- TPG Growth IV, L.P.	103,973,554	242,130	2,696,888	106,912,572
- TPG Growth V, L.P.	83,889,511	27,473,152	10,695,038	122,057,701
- Trident VI, L.P.	76,197,180	(12,384,219)	13,869,190	77,682,151
- Trident VII, L.P.	121,789,375	(8,949,224)	8,841,663	121,681,814
- Trident VIII, L.P.	117,210,060	1,620,578	(5,095,999)	113,734,639
- Trident IX, L.P.	7,087,017	23,268,140	28,288	30,383,446
- Trive Capital Fund IV	18,632,942	13,828,022	(424,193)	32,036,771
- TrueBridge Blockchain I, L.P. <sup>1</sup>	-	6,730,693	(37,202)	6,693,491
- TrueBridge Capital FSA, LLC	331,974,833	(5,341,666)	(148,666,482)	177,966,684
- TrueBridge Capital FSA III, LLC <sup>1</sup>	-	4,797,057	(234,712)	4,562,345
- TrueBridge Capital Partners V, L.P.	241,848,227	1,000,000	(45,562,098)	197,286,129
- TrueBridge Capital Partners VI, L.P.	120,932,863	16,000,000	(17,102,239)	119,830,624
- TrueBridge Capital Partners VII, L.P.	13,247,975	9,899,413	(3,357,739)	19,789,649
- TrueBridge FSA II, L.P.	90,191,787	10,483,373	(16,505,741)	84,169,420
- TrueBridge/FLSBA Special Purpose, LLC	109,792,573	(5,211,142)	(44,365,692)	60,215,739
- Truebridge/FLSBA Special Purpose II, LLC	52,454,516	(4,767,642)	(13,790,130)	33,896,744
- TrueBridge-Kauffman Fellows Endowment Fund II, L.P.	218,665,949	(13,835,281)	(66,357,571)	138,473,097
- TrueBridge-Kauffman Fellows Endowment Fund III, L.P.	299,327,200	(13,814,867)	(59,966,571)	225,545,762
- TrueBridge-Kauffman Fellows Endowment Fund IV, L.P.	395,288,189	(10,336,643)	(99,389,929)	285,561,616
- Venture Overage Fund, L.P.	56,900,863	2,924,998	(953,511)	58,872,350
- W Capital Partners III, L.P.	26,699,629	(7,196,829)	(360,952)	19,141,848
- Warburg Pincus China, L.P.	87,920,913	693,600	(17,981,481)	70,633,032

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- Warburg Pincus China-Southeast Asia II, L.P.	24,894,668	10,883,400	(4,696,260)	31,081,808
- Warburg Pincus Private Equity IX, L.P.	122,709	(150,000)	56,414	29,123
- Warburg Pincus Private Equity X, L.P.	3,264,718	(603,000)	95,324	2,757,042
- Warburg Pincus Private Equity XI, L.P.	94,486,225	-	(9,125,427)	85,360,798
- Warburg Pincus Private Equity XII, L.P.	121,930,359	(29,659,950)	(5,293,958)	86,976,451
- Warren Equity Partners Fund IV, L.P. <sup>1</sup>	-	18,906,872	(3,453,572)	15,453,300
- Waterland Private Equity Fund VII, C.V.	109,025,349	8,267,028	6,134,610	123,426,987
- Waterland Private Equity Fund VIII, C.V.	51,103,643	33,300,239	5,116,895	89,520,777
- Waterland Private Equity Fund IX, C.V. <sup>1</sup>	-	247,680	(247,680)	-
- WindRose Health Investors V, L.P.	46,539,194	4,692,690	10,654,028	61,885,912
- WindRose Health Investors VI, L.P.	7,392,881	17,027,484	345,441	24,765,806
- WPEF VI Feeder Fund, L.P.	47,847,753	2,823,563	(30,583)	50,640,733
<b>Other:</b>				
- Private Equity Cash Expense	-	2,463,617	(2,463,617)	-
- Private Equity Transition <sup>3</sup>	-	-	-	-
<b>Total Private Equity</b>	<b>\$ 18,379,595,649</b>	<b>\$ 146,085,783</b>	<b>\$ (1,036,452,217)</b>	<b>\$ 17,489,229,214</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> Account assets sold or partnership interest sold during the fiscal year. Remaining balances reflect residual activity.

<sup>3</sup> Account inactive during the fiscal year.

• Private Equity market values are estimates of value which may or may not represent what would be actually realized in arm's-length sales transactions. The market values are self-reported by the external managers of these accounts and incorporate their estimate of the value of illiquid publicly traded securities and private market holdings.

• Totals may not foot due to rounding

### FRS PENSION PLAN – STRATEGIC INVESTMENTS CHANGE IN MARKET VALUE FOR FISCAL YEAR 2022-23

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
<b>Strategic-Investments:</b>				
- ABRY Advanced Securities Fund, L.P.	\$ 721,725	\$ -	\$ (564,270)	\$ 157,455
- ABRY Advanced Securities Fund II, L.P.	5,104,054	(300,212)	(2,550,599)	2,253,242
- ABRY Advanced Securities Fund III, L.P.	121,322,417	(26,203,382)	(4,520,320)	90,598,714
- ABRY Senior Equity III, L.P.	880,144	-	(594,357)	285,787
- ABRY Senior Equity IV, L.P.	11,082,207	(460,010)	(1,242,129)	9,380,069
- ABRY Senior Equity V, L.P.	69,864,400	(5,988,514)	2,286,047	66,161,933
- Actis Energy 5	(2,363,000)	47,464,989	(7,025,112)	38,076,877
- Aeolus Property Catastrophe Keystone PF Fund, L.P.	142,624,272	-	4,235,835	146,860,107
- Apollo Accord Fund IV, L.P. <sup>2</sup>	3,817,188	(3,844,118)	26,930	-
- Apollo Accord Fund V, L.P.	70,426,680	16,404,345	1,085,923	87,916,948
- AQR Managed Futures Fund II, L.P.	270,306,840	-	12,217,433	282,524,273
- AQR Style Premia Fund, L.P.	153,848,751	-	15,202,962	169,051,713
- Atalaya Special Opportunities Fund VI, L.P.	15,392,758	(8,519,571)	340,377	7,213,564
- Atalaya Special Opportunities Fund VII, L.P.	146,113,705	(32,254,770)	1,053,665	114,912,600
- Atalaya Special Opportunities Fund VIII, L.P.	40,516,031	32,602,650	8,305,357	81,424,038
- Audax Credit Opportunities, LLC	368,244,362	246,582	28,396,544	396,887,488
- Audax Mezzanine Fund IV-A, L.P.	43,885,129	(1,708,927)	6,600,780	48,776,981
- Audax Mezzanine Fund V-A, L.P.	8,713,295	34,438,699	1,926,635	45,078,629
- Bayview Opportunity Master Fund IVb, L.P.	14,632,689	(10,028,344)	89,821	4,694,166
- Benefit Street Debt Fund IV, L.P.	139,401,417	(21,673,928)	8,865,956	126,593,445
- BioPharma Credit Investments V, L.P.	66,200,000	5,890,593	8,437,847	80,528,440
- BlackRock Carbon Capital VI, L.P.	64,823,250	(9,202,862)	(12,222,595)	43,397,793
- BlackRock US CRE Debt Fund - C7, L.P.	40,996,619	53,840,367	4,285,087	99,122,073
- Blackstone Green Private Credit Fund III, L.P. <sup>1</sup>	-	3,726	(3,726)	-
- Blackstone/GSO Capital Solutions Fund, L.P. <sup>2</sup>	1,026,508	(1,006,821)	(19,687)	-
- Blackstone Tactical Opportunities Fund II, L.P.	52,144,985	(18,297,963)	53,073	33,900,096
- Blackstone Tactical Opportunities Fund - FD, L.P.	194,425,097	(10,895,627)	(1,697,087)	181,832,384
- Blackstone Tactical Opportunities Fund - FD, L.P.(Pool II). <sup>1</sup>	-	(758)	(499,428)	(500,186)
- Blantyre Special Situations Fund II, L.P.	90,744,896	36,955,232	4,506,623	132,206,750
- Blue Torch Credit Opportunities FSBA, L.P.	184,349,216	53,240,446	33,000,451	270,590,112

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- Boston Timber Opportunities LLC	346,004,619	(8,763,187)	13,301,814	350,543,246
- Bridgewater Pure Alpha Major Markets, LP PAMM	259,095,764	-	(25,586,123)	233,509,641
- Caerus DT Fund, LLC	666,613,954	-	22,466,125	689,080,078
- Canyon Value Realization Fund, L.P.	140,689,107	(69,017,796)	(890,121)	70,781,190
- Carlyle Aviation Leasing Fund, L.P.	24,696,675	59,219,025	3,692,160	87,607,860
- Carlyle Mezzanine Partners II, L.P.	565,000	-	-	565,000
- Castlelake Aviation II, L.P.	6,777,646	(4,846,977)	1,817,153	3,747,822
- Castlelake Aviation III Stable Yield, L.P.	117,698,477	(2,945,434)	(2,679,695)	112,073,348
- Castlelake III, L.P.	45,772,014	(11,592,498)	(1,603,058)	32,576,458
- Castlelake IV, L.P.	85,721,126	(13,416,257)	(785,109)	71,519,760
- Centerbridge Capital Partners III, L.P.	121,052,705	(13,559,261)	14,203,449	121,696,893
- Centerbridge Capital Partners IV, L.P.	141,966,106	62,423,890	57,870,705	262,260,701
- Cerberus FSBA Corporate Credit Fund, L.P.	137,214,538	39,408,371	(41,331,004)	135,291,905
- Cerberus FSBA Levered Loan Opportunities Fund, L.P.	249,417,868	67,597,632	23,189,341	340,204,841
- Cerberus Institutional RE Partners III, L.P.	63,450,016	(7,005,589)	(10,551,192)	45,893,236
- Cerberus Institutional RE Partners IV, L.P.	191,979,878	-	(19,821,700)	172,158,178
- Cerberus Institutional RE Partners V, L.P.	156,368,668	14,105,066	24,380,963	194,854,697
- Cerberus Institutional RE Partners VI, L.P. <sup>1</sup>	-	16,920,110	(2,659,761)	14,260,350
- Cevian Capital II, Ltd.	277,571,710	-	74,843,484	352,415,194
- Chambers Energy Capital III, L.P.	42,336,938	(10,788,161)	775,137	32,323,914
- Chambers Energy Capital IV, L.P.	142,307,390	(58,423,402)	25,464,388	109,348,376
- CL Forgotten Coast Fund, L.P. <sup>1</sup>	-	97,487	(97,487)	-
- Coastline Fund, L.P.	94,780,891	(17,865,313)	(4,667,638)	72,247,940
- Coastline Fund, L.P. Tranche II	233,775,148	(9,457,287)	1,065,894	225,383,756
- CRC Single Investor Fund XIX, LLC	109,441,824	37,015,000	14,387,282	160,844,107
- Crescent Credit Solutions VIII, L.P.	41,356,442	47,699,276	3,131,392	92,187,110
- Crescent Mezzanine Partners VI, L.P.	20,788,975	(3,827,099)	(157,694)	16,804,182
- Crescent Mezzanine Partners VII, L.P.	92,102,115	(10,555,061)	3,903,580	85,450,634
- CVI Credit Fund A V, L.P.	163,451,935	70,000,000	10,183,591	243,635,526
- CVI Credit Value Fund A, L.P. <sup>2</sup>	25,281	(27,699)	2,418	-
- CVI Credit Value Fund II A, L.P.	5,158,882	-	436,061	5,594,943
- CVI Credit Value Fund III A, L.P.	56,751,779	(17,097,701)	2,797,087	42,451,165
- CVI Credit Value Fund IV A, L.P.	160,385,613	(44,109,528)	11,036,747	127,312,832
- CVI Global Value Fund A, L.P. <sup>2</sup>	22,266	(24,218)	1,952	-
- DC Value Recovery Fund II, L.P.	3,425,986	(707,924)	135,780	2,853,842
- DC Value Recovery Fund III, L.P.	28,875,732	(12,493,079)	4,557,620	20,940,273
- DC Value Recovery Fund IV, L.P.	87,909,633	(41,869,965)	277,644	46,317,312
- Deerfield Private Design Fund IV, L.P.	120,230,699	3,500,000	(8,476,272)	115,254,427
- DoubleLine Opportunistic Income Fund, L.P.	312,658,402	-	(12,804,495)	299,853,907
- EFL Special Partners, L.P.	90,235,616	(36,572,847)	4,005,543	57,668,311
- EIG Energy Fund XVI, L.P.	62,791,182	(2,578,952)	(3,110,762)	57,101,469
- EIG Global Project Fund V, L.P.	77,432,303	59,770,364	9,139,764	146,342,431
- Elan Fund, L.P.	736,284,806	(532,033)	29,648,296	765,401,069
- EQMC Europe Development Capital Fund, PLC	158,755,206	-	16,331,636	175,086,842
- Falcon Strategic Partners III, L.P.	10,173,046	(3,033,206)	1,811,524	8,951,364
- Falcon Strategic Partners IV, L.P.	73,200,054	(7,348,640)	(2,220,753)	63,630,661
- Falko Regional Aircraft Opportunities Fund II, L.P.	87,646,054	4,624,908	12,113,372	104,384,333
- Florida Growth Fund, LLC	108,271,328	(29,508,805)	(11,907,259)	66,855,264
- Florida Growth Fund Credit Tranche, LLC	21,314,280	(9,724,180)	2,432,418	14,022,518
- Florida Growth Fund Tranche II, LLC	101,987,888	(34,139,076)	12,910,217	80,759,029
- Florida Growth Fund II, Tranche I, LLC	196,079,665	(10,483,293)	(11,320,085)	174,276,287
- Florida Growth Fund II, Tranche II, LLC	100,964,313	(17,937,177)	20,641,324	103,668,460
- Florida Sunshine State Fund, L.P.	102,408,931	(7,744,336)	10,160,017	104,824,611
- Florida Sunshine State Fund II, L.P. <sup>1</sup>	-	25,254,719	4,255,048	29,509,767
- Gallatin Point Capital Partners, L.P.	81,881,977	4,983,609	(3,143,569)	83,722,018
- Gallatin Point Capital Partners II, L.P.	51,490,275	13,944,583	5,555,271	70,990,129
- Garda Fixed Inc. Relative Value Opp Fd (Onshore) Ltd.	393,969,499	-	54,224,689	448,194,188
- GI Partners Fund III, L.P. <sup>3</sup>	43,307	(24,460)	3,773	22,620
- GI Partners Fund IV, L.P.	113,597,633	-	5,318,892	118,916,525
- Global Infrastructure Partners II, L.P.	72,970,493	(2,989,248)	2,867,005	72,848,251
- Global Infrastructure Partners III, L.P.	165,463,634	(22,924,772)	12,216,015	154,754,877
- Global Infrastructure Partners IV, L.P.	119,879,994	52,651,235	8,580,087	181,111,316
- Global Transport Income Fund	204,690,690	(17,459,279)	17,914,524	205,145,935

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- GOF II Feeder B, L.P.	166,301,058	15,000,000	(807,142)	180,493,916
- GOF III Feeder B, L.P.	-	15,000,359	32,256	15,032,615
- Grain Communications Opportunity Fund II, L.P.	91,772,602	11,431,214	25,815,303	129,019,119
- Grain Communications Opportunity Fund III, L.P.	39,646,236	25,057,947	684,158	65,388,341
- Grain Spectrum Holdings III, L.P.	78,821,125	880,564	30,445,694	110,147,383
- GSO Capital Opportunities Fund, L.P.	3,728,330	-	283,152	4,011,482
- GSO Capital Opportunities Fund II, L.P.	10,075,930	(3,338,809)	(1,288,005)	5,449,116
- GSO Capital Opportunities Fund III, L.P.	88,734,268	(52,467,246)	6,261,928	42,528,950
- GSO Capital Solutions Fund II, L.P.	17,403,146	(738,464)	(2,981,798)	13,682,884
- GSO Capital Solutions Fund III, L.P.	31,623,539	20,925,733	1,351,091	53,900,363
- GSO Energy Select Opportunities Fund, L.P.	10,791,851	(7,754,401)	5,744,935	8,782,385
- GSO Energy Select Opportunities Fund II, L.P.	38,047,067	3,171,878	3,097,850	44,316,795
- HBK Fund II, L.P.	214,911,827	(113,269,421)	13,573,006	115,215,412
- Healthcare Royalty Partners III, L.P.	30,334,028	(3,577,913)	790,241	27,546,355
- H.I.G. Whitehorse FSBA, L.P. <sup>1</sup>	-	22,749,042	1,214	22,750,256
- Highbridge Convertible Dislocation Fd (Delaware), L.P.	29,139,494	(8,929,306)	(2,180,099)	18,030,088
- Highbridge SPAC Opportunity Fund (Delaware), L.P.	66,987,492	(39,268,943)	(999,718)	26,718,831
- Highbridge Tactical Credit Fund, L.P.	249,369,676	(1,061,435)	20,601,465	268,909,706
- HPS Dislocated Energy Fund of One, L.P. <sup>4</sup>	-	-	-	-
- Hudson Bay Fund, L.P.	254,632,810	-	16,196,947	270,829,757
- Hull State Energy Partners II, L.P.	(695,440)	88,578,491	(2,862,483)	85,020,568
- ICE EM Credit Absolute Return Fund, L.P. <sup>2</sup>	53,867	(126,578)	72,711	-
- IFM Global Infrastructure (US), L.P.	688,938,261	(8,194,805)	66,365,372	747,108,828
- ILS Property & Casualty Fund II, L.P.	3,441,696	65,131	(775,462)	2,731,365
- Intermediate Capital Group Europe Fund VIII, SCSp	24,491,191	6,724,925	6,137,929	37,354,046
- ISAF III (USD) L.P. <sup>1</sup>	-	36,081,876	6,288,820	42,370,695
- ISQ Growth Markets Infrastructure Fund (UST) L.P.	22,970,472	29,201,094	12,247,510	64,419,076
- ITE Rail Fund, L.P.	270,732,921	-	26,496,619	297,229,540
- Jackson Timberland Opportunities, LLC	203,824,596	(6,936,717)	26,559,565	223,447,444
- Juniperus Insurance Opportunity Fund Ltd	250,281,386	-	(11,738,706)	238,542,680
- King Street Capital Fund, L.P.	16,638,330	(3,555,403)	(2,036,522)	11,046,406
- KLCP ERISA Fund E2 (US), L.P.	195,068,670	11,482,405	12,397,858	218,948,933
- KLCP ERISA Fund E III, L.P.	51,108,772	26,287,768	7,939,060	85,335,600
- KV Partners, LLC	677,302	-	29,510	706,812
- Lake Jackson, L.P.	103,772,310	(10,556,002)	(6,666,493)	86,549,815
- LCM Credit Opportunities Fund III(a), L.P.	57,002,981	(13,595,840)	4,899,762	48,306,904
- LCM Credit Opportunities Fund IV, SLP	52,347,267	41,530,876	8,193,303	102,071,445
- LCM Partners SOLO V, SLP	24,069,647	23,300,000	2,336,862	49,706,509
- Levine Leichtman Capital Partners IV, L.P.	8,983,087	-	488,580	9,471,667
- Levine Leichtman Capital Partners V, L.P.	160,567,640	(94,651,220)	1,803,411	67,719,831
- Levine Leichtman Capital Partners VI, L.P.	203,876,943	24,550,961	36,865,059	265,292,962
- Lexington GP Holdings, L.P.	119,426,497	(17,804,678)	108,825,366	210,447,185
- LLC Lower Middle Market Fund III, L.P.	15,945,697	18,788,523	4,082,390	38,816,609
- Luxor Capital Partners, L.P.	138,550,398	-	(23,310,398)	115,240,000
- Marathon European Credit Opp Fund II, L.P.	11,292,021	(8,566,641)	(663,606)	2,061,774
- MCP Private Capital Fund, III SCSp	66,935,029	4,588,747	22,061,482	93,585,259
- MCP Private Capital Fund IV SCSp	86,284,776	29,870,983	19,865,130	136,020,888
- Mill Road Capital III, L.P.	141,080,454	3,100,349	(6,567,108)	137,613,696
- Miravest ILS Credit Opportunities Fund I, L.P.	133,454,069	(27,484,448)	8,861,931	114,831,552
- Miravest ILS Credit Opportunities Fund II, L.P.	18,633,540	23,769,199	(402,345)	42,000,395
- Monashee Pure Alpha SPV I, L.P.	179,615,782	-	(2,042,400)	177,573,382
- MSD SBAFL Fund, L.P.	123,769,440	2,406,381	7,549,159	133,724,980
- MW Eureka (US) Fund	143,331,670	-	6,017,285	149,348,955
- NovaQuest Pharma Opportunities Fund V, L.P.	67,339,327	31,382,113	(13,556,663)	85,164,777
- Oaktree Opportunities Fund VIII, L.P.	985,801	(236,225)	(344,899)	404,677
- Oaktree Opportunities Fund VIIIb, L.P.	19,238,583	(8,450,000)	6,459,587	17,248,170
- Oaktree Opportunities Fund IX, L.P.	75,082,076	(18,400,000)	25,568,958	82,251,034
- Oaktree Opportunities Fund Xb, L.P.	177,988,335	30,000,000	13,680,298	221,668,633
- OCM Opportunities Fund VIIIb, L.P.	24,627	(14,332)	9,133	19,428
- OHA Tactical Investment Fund, L.P.	151,361,992	25,000,000	3,723,947	180,085,939
- Orion Energy Credit Opportunities Fund III, L.P.	43,057,946	54,155,774	6,579,907	103,793,627
- Orion Mine Finance Co-Investment Fund II, L.P.	44,484,736	3,815,245	3,352,605	51,652,586
- Orion Mine Finance Fund I, L.P.	51,799,751	(7,475,310)	(9,370,424)	34,954,017
- Orion Mine Finance Fund II, L.P.	97,493,945	(5,058,158)	4,955,912	97,391,700



Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- P2 Capital Fund, L.P.	379,700,315	-	21,423,265	401,123,580
- PAG Loan Fund IV, L.P.	83,972,302	6,355,394	(3,281,148)	87,046,548
- Patria Infrastructure Fund IV, L.P.	26,240,779	24,279,038	1,276,056	51,795,873
- Primary Wave Music IP Fund 1, L.P. <sup>2</sup>	48,792,324	(61,700,529)	12,908,205	-
- Primary Wave Music IP Fund 2, L.P.	169,049,999	(66,507,889)	13,123,601	115,665,711
- Primary Wave Music IP Fund 3, L.P.	137,668,101	22,737,802	14,480,799	174,886,702
- Principal RE Debt (SBAF Mortgage Fund), LLC	139,685,720	16,334,151	(44,237,937)	111,781,934
- Providence Debt Fund III, L.P.	51,987,822	(19,207,787)	(2,428,133)	30,351,902
- Providence Equity Global Group, LLC	168,561,582	(7,184,959)	(7,583,075)	153,793,548
- Red Hills Rail I	-	35,707	(35,707)	-
- Rubik Holdings Ltd.	156,589,383	-	(9,228,453)	147,360,930
- SASOF III, L.P.	7,767,102	-	519,343	8,286,445
- SASOF IV, L.P.	37,535,091	-	(1,219,411)	36,315,680
- SASOF V, L.P.	54,151,564	35,510,240	(14,126,080)	75,535,724
- Sculptor Domestic Partners II, L.P.	250,075,257	-	8,334,498	258,409,755
- Searchlight Opportunities Fund II, L.P.	94,752,353	(19,807,370)	7,982,049	82,927,032
- Silver Lake Waterman Fund III, L.P.	88,662,713	6,554,150	2,325,576	97,542,439
- Sixth Street TAO Partners, L.P.	144,942,801	(31,379,521)	385,114	113,948,394
- Special Situation Partners II, L.P.	47,118,123	(5,213,670)	(4,740,390)	37,164,063
- Sprott Private Resource Lending (US), L.P.	1,089,296	-	(690,256)	399,040
- Sprott Private Resource Lending II (US), L.P.	100,782,727	2,389,039	(5,583,068)	97,588,699
- Sprott Private Resource Lending III (US), L.P. <sup>1</sup>	-	11,675,011	(752,504)	10,922,507
- Square Mile Partners III, L.P. <sup>2</sup>	574,687	(584,937)	10,250	-
- Starboard Value and Opportunity Fund, LLC	559,818,116	(100,001,427)	25,794,996	485,611,685
- SVB Innovation Credit Fund VIII, L.P.	151,044,258	(10,805,411)	3,633,880	143,872,727
- Taconic Opportunity Fund, L.P.	345,444,249	(70,488,713)	(15,183,757)	259,771,779
- TCW Crescent Mezzanine Partners V, L.P.	575,086	-	228,022	803,108
- Tintoretto Partners, L.P.	256,072,217	(11,179,015)	10,631,576	255,524,778
- Torchlight Debt Fund VII, L.P.	77,896,269	50,000,000	8,173,740	136,070,009
- Torchlight Debt Fund VIII, L.P. <sup>1</sup>	-	18,802,526	(1,087,015)	17,715,511
- Tricon Housing Partners I US, L.P.	10,835,958	-	916,681	11,752,639
- Tricon Housing Partners II US, L.P.	12,920,897	(1,962,387)	1,561,986	12,520,496
- Trigate Property Partners II, L.P.	15,200,999	(5,863,247)	(2,695,616)	6,642,136
- Trigate Property Partners III, L.P.	45,108,468	(10,625,658)	1,614,801	36,097,612
- Trigate Property Partners IV, L.P.	44,729,462	21,021,722	5,352,067	71,103,251
- Varde Fund X, L.P.	6,164,960	(837,064)	(1,851,051)	3,476,845
- Varde Fund XI, L.P.	57,101,904	(15,199,800)	(7,796,442)	34,105,662
- Varde Fund XII (C), L.P.	134,933,561	(25,231,375)	(2,457,957)	107,244,229
- Vine Media Opportunities Fund III, L.P.	61,803,084	(3,889,556)	(22,450,788)	35,462,740
- Vine Media Opportunities Fund IV, L.P.	48,979,311	(4,110,163)	2,740,792	47,609,940
- VSS Structured Capital II, L.P.	3,397,004	(1,177,351)	(1,400,816)	818,837
- Wayzata Opportunities Fund II, L.P. <sup>2</sup>	101,236	(100,154)	(1,082)	-
- Wayzata Opportunities Fund III, L.P.	18,528,909	(6,376,598)	7,624,445	19,776,756
- Yiheng Capital Partners, L.P.	126,936,967	-	5,197	126,942,164
<b>Other:</b>				
- Strategic Investment Cash Expense	-	2,567,784	(2,567,784)	-
- Strategic Investments Transition Account	1,715,632	-	5,782,329	7,497,961
- Strategic Investments Transition Account II	74,250,000	(24,750,000)	-	49,500,000
<b>Total Strategic Investments</b>	<b>\$ 20,110,127,071</b>	<b>\$ 29,986,621</b>	<b>\$ 992,646,229</b>	<b>\$ 21,132,759,921</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> Account assets sold or partnership interest sold during the fiscal year. Remaining balances reflect residual activity.

<sup>3</sup> Account assets sold or partnership interest sold during a prior fiscal year. Balances and activity reflect residual activity.

<sup>4</sup> Account inactive during the fiscal year.

• For certain strategic investments accounts, market values are estimates of value which may or may not represent what would be actually realized in arm's-length sales transactions. In such cases the market values are self-reported by the external managers of these accounts and incorporate their estimate of the value of illiquid publicly traded securities and private market holdings.

• Totals may not foot due to rounding.

**FRS PENSION PLAN – REAL ESTATE  
CHANGE IN MARKET VALUE FOR FISCAL YEAR 2022-23**

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
<b>Pooled Funds:</b>				
- AEW Senior Housing Investors III, L.P.	\$ 42,774,737	\$ 1,165,049	\$ (4,108,931)	\$ 39,830,855
- AEW Value Investors Asia III, L.P.	65,773,358	(417,204)	(4,848,914)	60,507,239
- Bell Value Add Fund VIII <sup>1</sup>	-	518,768	(360,918)	157,849
- BlackRock Europe Property Fund IV	4,457,170	189,549	(279,351)	4,367,368
- BlackRock Europe Property Fund V	26,080,500	23,004,128	(3,956,539)	45,128,089
- Blackstone Real Estate Partners Asia I, L.P.	89,362,555	(18,863,138)	(4,605,274)	65,894,142
- Blackstone Real Estate Partners Asia III, L.P.	-	15,428,597	(2,455,264)	12,973,334
- Blackstone Real Estate Partners Europe V, L.P.	70,357,523	(1,012,203)	(9,689,534)	59,655,787
- Blackstone Real Estate Partners VI, L.P.	5,557,631	(1,348,483)	(1,297,844)	2,911,304
- Blackstone Real Estate Partners VII, L.P.	75,659,058	(10,900,357)	(8,618,300)	56,140,400
- Blackstone Real Estate Partners VIII, L.P.	84,571,035	(2,103,841)	(6,480,450)	75,986,744
- Blackstone Real Estate Partners IX, L.P.	92,631,790	25,886,869	(507,612)	118,011,047
- Brookfield-Fairfield US Multifamily Fund II, L.P.	15,242,282	-	(2,626,035)	12,616,247
- Brookfield Strategic Real Estate Partners IV L.P. <sup>1</sup>	-	108,612	(108,612)	-
- CapMan Nordic Real Estate Fund	9,387,964	(4,064,148)	(982,828)	4,340,988
- CapMan Nordic Real Estate II	43,973,666	(3,922,459)	963,340	41,014,547
- CapMan Nordic Real Estate III	22,431,602	11,671,844	2,273,341	36,376,787
- Carlyle Property Investors, L.P.	146,264,221	143,659,568	(141,133)	289,782,656
- Carlyle Realty Partners VI, L.P.	6,757,382	390,171	(230,056)	6,917,497
- Carlyle Realty Partners VII, L.P.	13,688,310	(1,306,648)	(314,838)	12,066,824
- Carlyle Realty Partners VIII, L.P.	54,696,210	(4,907,782)	3,748,872	53,537,300
- Carlyle Realty Partners IX, L.P.	(236,783)	9,922,014	(2,390,896)	7,294,335
- CBRE Asia Value Partners V	71,281,944	3,199,143	6,343,241	80,824,328
- CBRE Asia Value Partners V Japan Co-Investment	26,008,134	10,771,698	7,578,869	44,358,701
- CBRE Asia Value Partners VI	2,176,691	10,458,131	2,788,129	15,422,951
- CBRE US Logistics Partners	113,070,760	84,637,697	(4,676,454)	193,032,003
- CIM Fund VIII, L.P.	42,323,384	(154,912)	(7,012,154)	35,156,318
- Dead Deal Expenses <sup>2,3,5</sup>	-	-	-	-
- EMI Pooled Fund Expenses Account <sup>5</sup>	-	-	-	-
- Europa Fund IV, L.P.	14,889,038	(3,932,974)	4,211,856	15,167,920
- EQT Exeter Industrial Value Fund VI, L.P. <sup>1</sup>	-	111,089	(111,089)	-
- Exeter Europe Logistics Value Fund IV	13,479,179	5,514,750	(5,010,245)	13,983,684
- Fairfield US Multifamily Value Add Fund IV, L.P. <sup>1</sup>	-	209,236	(209,236)	-
- Heitman Global RE Partners II, L.P.	87,726,238	6,225,000	(1,119,357)	92,831,881
- Heitman Coinvest Red Arrow, L.P.	23,931,712	6,519,047	485,973	30,936,731
- Heitman Value Partners III, L.P.	392,903	(197,641)	(8,012)	187,250
- Heitman Value Partners IV, L.P.	64,412,941	(18,516,540)	1,663,294	47,559,694
- Heitman Value Partners V, L.P.	17,528,980	17,937,818	(816,908)	34,649,890
- Invesco Real Estate U.S. Fund IV <sup>1</sup>	-	43,567,172	(636,958)	42,930,214
- Invesco Strategic Opportunities III, L.P.	22,873,807	(7,955,443)	5,763,629	20,681,993
- Invesco Strategic Opportunities III LCP Co-Invest, L.P.	29,948,208	(12,334,687)	5,951,709	23,565,230
- Invesco Strategic Opportunities III PRS Co-Invest, L.P. <sup>1</sup>	-	10,380,034	(28,105)	10,351,929
- JP Morgan European Opportunistic Property Fund III	34,918,436	(21,989,238)	(440,608)	12,488,590
- JP Morgan European Opportunistic Property Fund IV	69,218,152	14,346,726	(772,729)	82,792,148
- JP Morgan European Opportunistic Property Fund V	-	4,418,812	(3,144,161)	1,274,651
- JP Morgan Special Situation Property Fund	153,675,025	(3,552,423)	(27,542,048)	122,580,554
- JP Morgan Strategic Property Fund	141,116,573	(3,173,039)	(15,287,913)	122,655,622
- Landmark Real Estate Fund VIII, L.P.	35,669,158	2,688,746	1,661,653	40,019,557
- Prime Property Fund, LLC	503,399,804	(19,168,070)	(34,966,339)	449,265,394
- Principal Digital Real Estate Fund, L.P.	10,430,911	23,376,532	(2,159,114)	31,648,329
- Principal US Property Fund	594,223,265	-	(61,893,597)	532,329,668
- Prologis USLF, L.P.	507,757,804	(8,716,107)	(1,891,181)	497,150,515

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
- Prudential PRISA	472,345,513	(11,064,572)	(44,047,189)	417,233,752
- Prudential PRISA Fund III, L.P.	258,303,194	(4,358,701)	5,075,128	259,019,621
- Rockpoint Real Estate Fund III, L.P.	2,891,382	-	(706,607)	2,184,775
- Rockpoint Real Estate Fund IV, L.P.	7,341,895	(1,186,921)	(146,057)	6,008,917
- Rockpoint Real Estate Fund V, L.P.	78,671,598	(4,254,578)	(15,014,146)	59,402,874
- Rockpoint Real Estate Fund VI, L.P.	19,271,653	1,571,664	382,660	21,225,977
- RREEF America REIT II Pooled Fund	411,452,829	(11,013,987)	(17,082,070)	383,356,772
- RREEF Core Plus Industrial Fund	409,708,697	(365,739)	9,240,019	418,582,978
- Starwood Distressed Opp. Fund IX Global, L.P.	32,070,248	(28,535,352)	4,225,613	7,760,509
- Starwood Distressed Opportunity Fund XII Global, L.P.	33,845,249	551	438,218	34,284,018
- Starwood Global Opportunity Fund X, L.P.	38,728,112	(6,546,941)	(793,404)	31,387,767
- Starwood Global Opportunity Fund XI, L.P.	68,890,785	(4,922,419)	(4,537,439)	59,430,927
- Starwood SFR Fund Co-Investment <sup>1,2</sup>	-	33,156	(33,156)	-
- Tristan EPISO 3, L.P.	21,255,401	-	232,398	21,487,799
- Tristan EPISO 4, L.P.	48,233,597	(357,616)	1,618,198	49,494,179
- UBS Pooled Fund, L.P.	50,312,793	(3,779,098)	(4,128,588)	42,405,106
<b>Principal Investments</b>	<b>13,317,176,561</b>	<b>645,305,351</b>	<b>(193,318,433)</b>	<b>13,769,163,478</b>
<b>Real Estate Investment Trusts (REITs):</b>				
- AEW Global REIT	415,101,857	-	(3,781,132)	411,320,725
- CohenSteers Global REIT	487,908,932	-	(11,428,172)	476,480,761
- FloridaRetSys CNSGlobalREITRecov <sup>4</sup>	409,765	(21,634)	(262,697)	125,435
- FloridaRetSys RREEFGlobalREITRecov	192,277,865	142,456	(5,139,654)	187,280,667
- Invesco Global REIT <sup>4</sup>	352,098	(245,910)	10,713	116,901
- RREEF Global REIT	507,464,701	-	(13,747,287)	493,717,415
<b>Other:</b>				
- Real Estate Cash Expense Account	-	570,895	(570,895)	-
- Real Estate Transition Account	(1,376)	3,032	(1,658)	(2)
<b>Total Real Estate Investments</b>	<b>\$20,323,896,608</b>	<b>\$ 898,743,097</b>	<b>\$ (471,811,269)</b>	<b>\$20,750,828,436</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> Preliminary due diligence fees incurred, but investment not purchased.

<sup>3</sup> Strategy terminated or account closed during the current fiscal year. Balances reflect residual activity.

<sup>4</sup> Strategy terminated or account closed during a prior fiscal year. Balances and activity reflect residual activity.

<sup>5</sup> Account inactive during the fiscal year.

• For certain real estate accounts, market values are estimates of value which may or may not represent what would be actually realized in arm's-length sales transactions. In such cases the market values are self-reported by the external managers of these accounts and incorporate their estimate of the value of illiquid publicly traded securities and private market holdings.

• Totals may not foot due to rounding.

**FRS PENSION PLAN – CASH/SHORT-TERM AND MISCELLANEOUS PORTFOLIOS  
CHANGE IN MARKET VALUE FOR FISCAL YEAR 2022-23**

Account Name	Market Value 6/30/22	Net Contributions and Transfers	Investment Gain (Loss)	Market Value 6/30/23
Cash Expense Account <sup>1</sup>	\$ -	\$ 72,449	\$ (72,449)	\$ -
Cash Securities Lending Account <sup>2</sup>	(16,289,324)	-	(423,403)	(16,712,727)
Central Cash/Short-Term	961,061,048	117,608,177	53,947,981	1,132,617,206
Centralized Cleared IM Collateral Account	173,576,274	-	5,031,909	178,608,183
Centralized MSFTA Collateral Account	141,377,630	-	5,490,488	146,868,119
Centralized Non-Cleared Cash Collateral	23,325,122	-	896,074	24,221,196
FRS Cash Enhanced	727,119,315	-	4,857,559	731,976,875
FRS Cash Transition <sup>3</sup>	-	-	-	-
Non-Cleared IM Collateral <sup>3</sup>	-	-	-	-
Private Equity Cash	131,366,161	(16,085,783)	3,388,246	118,668,624
Real Estate Cash	67,285,966	(45,536,289)	1,258,000	23,007,677
REPIMAC Borrower <sup>4</sup>	-	3,336,372	(3,336,372)	-
REPIMAC Lender <sup>4</sup>	-	67,820	1,901	69,720
Strategic Investments Cash	47,384,151	15,013,379	1,857,630	64,255,160
TF STIPFRS NAV Adjustment Account <sup>5</sup>	(1,629,510)	-	394,635	(1,234,875)
Total Fund Cash Expense Account <sup>1</sup>	-	59,432,967	(59,432,967)	-
<b>Total Cash/Short-Term</b>	<b>\$2,254,576,833</b>	<b>\$ 133,909,092</b>	<b>\$ 13,859,231</b>	<b>\$ 2,402,345,156</b>

<sup>1</sup> The Cash Expense Account and the Total Fund Cash Expense Account are used to pay various expenses (including SBA investment service charges and bank fees) on behalf of the Cash/Short-Term asset class or the entire FRS Pension Plan, respectively. Excluding these expenses, the reported investment gain (loss) would have been \$0 for each account.

<sup>2</sup> The Cash Securities Lending Account holds certain investments purchased in the securities lending program prior to the policy guidelines established in December 2008. These investments are generally being held to maturity. In fiscal year 2023, a realized loss of \$677,300 was recognized, while the overall net unrealized loss decreased by \$211,197. The account also earned \$42,700 in interest.

<sup>3</sup> Account inactive during the fiscal year.

<sup>4</sup> The REPIMAC Borrower and Lender accounts were opened during the fiscal year to implement the Credit Facility Program, which consists of one or more special-purpose entities that are wholly owned by the SBA. These special-purpose entities receive funds through secured revolving lines of credit with the purpose of providing downstream loans to real estate principal investments.

<sup>5</sup> The TF STIPFRS NAV Adjustment Account is used to record the difference between the net market value of the Short-Term Investment Pool (STIPFRS) that SBA utilizes to invest cash balances in the FRS Pension Plan and the total STIPFRS participant balances (carried at amortized cost) in all the individual portfolios that are invested in the pool. This can fluctuate and will be negative if the amortized cost of participant balances is higher than the net market value of the STIPFRS.

• Totals may not foot due to rounding.



State Flower: Orange Tree (*Citrus sinensis*) Blossom

# Actuarial Section



1455 SW Broadway, Suite 1600  
Portland, OR 97201  
Tel 503 227 0634

1301 Fifth Ave, Suite 3800  
Seattle, WA 98101  
Tel 206 504 5695

milliman.com

December 5, 2023

Members of the Florida Legislature and of the Florida Retirement System

**Re: Actuary's Statement Regarding FRS 2023 Pension Plan Actuarial Valuation**

Dear Florida Legislators and FRS Members:

Milliman has conducted an actuarial valuation as of July 1, 2023 for the Florida Retirement System (FRS) Pension Plan. Current Governmental Accounting Standards Board (GASB) rules necessitate two distinct sets of actuarial valuation calculations to fulfill two separate requirements:

- System funding calculations as of July 1, 2023, which assess system funded status and determine actuarially calculated contribution rates for the July 1, 2024 – June 30, 2025 plan year. The economic assumptions used in this valuation are unchanged from those used in the prior valuation as of July 1, 2022, including and investment return assumption of 6.70%. The demographic assumptions used in this valuation are unchanged from those used in the prior valuation as of July 1, 2022 with the exception of changes made to the DROP and retirement assumptions to reflect the provisions of Senate Bill 7024. Preliminary 2023 valuation results were presented by the actuary to the 2023 FRS Actuarial Assumption Conference held in October 2023. In my professional opinion, I believe the assumptions and methods used in the system funding valuation report for the purpose of developing actuarially calculated contribution rates are reasonable per Actuarial Standards of Practice.
- System GASB 67 financial reporting calculations as of June 30, 2023, which satisfy relevant accounting standards for annual financial reporting to interested parties. These calculations use demographic assumptions identical to those used in system funding calculations. The long-term average annual future investment return assumption of 6.70% used in the GASB calculations is the same assumption used in the system funding calculations. A 6.70% nominal investment return assumption can be compared to the combined effect of a median real (in excess of inflation) return of 4.20%, which is consistent with the 4.48% 50th percentile geometric average annual long-term future real return assumption developed by Aon's 2023 capital outlook model, and the 2.40% average annual future inflation assumption selected by the Conference. Geometrically combining those building blocks using the formula  $(1 + .0448) \times (1 + .024) - 1$  generates an expected nominal return of 6.99%. In my opinion, the 6.70% nominal return assumption is reasonable under Actuarial Standards of Practice.

The two sets of calculations were issued as distinct valuation reports under separate cover due to the differing purposes, as noted above and as discussed later in this letter.

### System Funding Calculations

On the smoothed Actuarial Value of Assets (AVA) basis used to determine actuarially calculated contribution rates, FRS Pension Plan funded status decreased from 81.9% (after reflecting the effects of SB 7024) as of July 1, 2022 to 81.4% as of this July 1, 2023 actuarial valuation date. On a Market Value of Assets (MVA) basis, FRS Pension Plan funded status calculated with the assumptions and methods used in the report for system funding purposes remained steady at 82.4% (after reflecting the effects of SB 7024).

The MVA is greater than the smoothed AVA used for funded status and contribution rate calculations by approximately \$2.1 billion as of July 1, 2023. That \$2.1 billion not yet recognized market investment gain will be systematically recognized as a sequence of actuarial investment gains in the UAL via recognition in the AVA.

The FRS Pension Plan-only actuarially calculated employer contribution rates derived in the funding valuation are combined with FRS Investment Plan contribution rates to create proposed blended statutory employer contribution rates. At a system-wide composite level, the blended employer contribution rate increased by 0.02% of payroll from 15.44% of payroll in the 2023-2024 plan year (after reflection of SB 7024) to 15.46% of payroll in the 2024-2025 plan year. Please note that the blended rate study is issued under separate cover shortly after the publication of the valuation report for funding purposes.

The FRS Pension Plan-only actuarially calculated contribution rates in the funding valuation are determined in a manner such that they would remain level as a percentage of projected payroll in future years if actual future experience follows the valuation's assumptions until system funded status nears 100%, with the exception of a) rate changes due to the effects of the not yet recognized market investment losses noted above and b) a decrease in the FRS Pension Plan normal cost rate as newly enrolling Tier II Pension Plan members replace currently active Tier I Pension Plan members as they leave FRS-covered employment.

For this valuation, a long-term average annual future investment return assumption of 6.70% was selected by the 2023 FRS Actuarial Assumption Conference. That assumption matches the assumption used in the previous valuation. In my professional opinion, the 6.70% assumption constitutes a reasonable assumption for the purpose of the measurement as defined by Actuarial Standard of Practice No. 27 (ASOP 27). More details on the return assumption are shown in our 2023 FRS Actuarial Assumption Conference presentation materials.

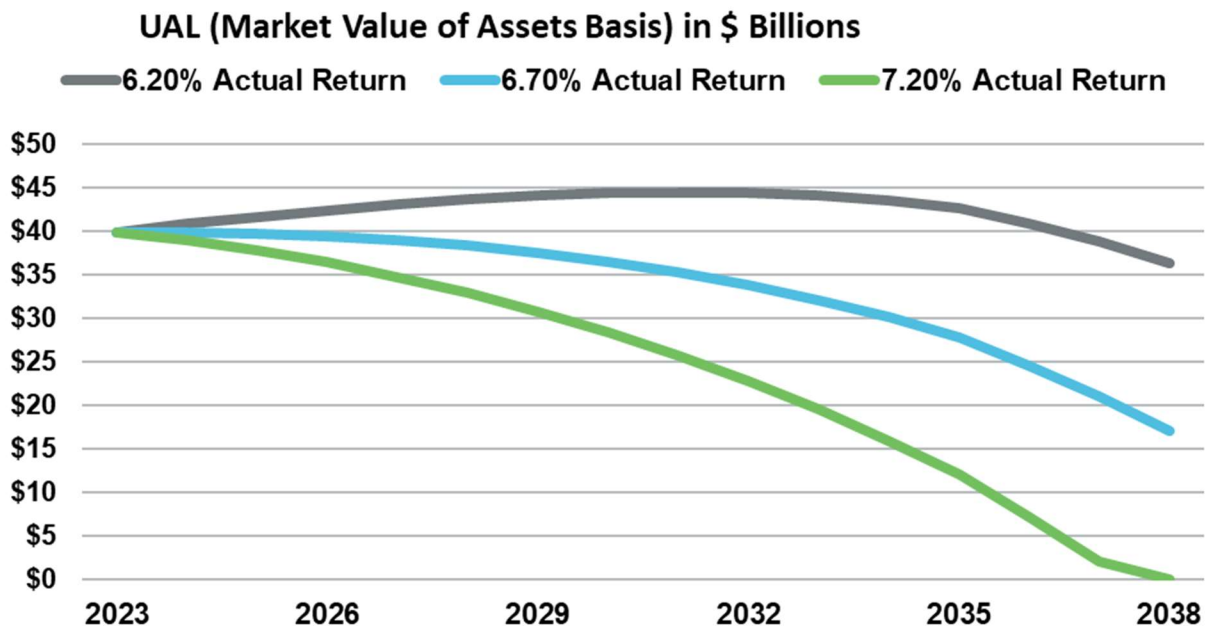
All else being equal, the lower the selected investment return assumption, the higher the likelihood the FRS Pension Plan will meet or exceed its assumed investment return in future years. A lower assumption would result in higher short-term actuarially calculated contribution rates for employers but would also serve to lessen the magnitude of actuarially calculated contribution rate increases if actual future investment performance fails to meet or exceed the assumption.

Actual future investment return experience for the FRS Pension Plan is not affected by the assumption used in the actuarial valuation. Applying the 6.70% valuation assumption, the

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following graph illustrates the UAL on a Market Value of Assets basis under three scenarios for steady actual future market investment returns:

- 6.70%, which is the assumption selected for the valuation for system funding purposes by the 2023 FRS Actuarial Assumption Conference
- 6.20%, which is 0.50% lower than the assumption selected by the 2023 FRS Actuarial Assumption Conference.
- 7.20%, which is 0.50% higher than the assumption selected by the 2023 FRS Actuarial Assumption Conference. It is also equal to the assumption selected by the 2019 FRS Actuarial Assumption Conference.



As illustrated in the graph, if actual future investment returns match the 6.70% assumption, the UAL on a market value of assets basis is projected to be fairly level (in non-inflation-dollars) over the next several years and then systematically decline as the amortization periods for the existing bases shorten. If actual market returns are 6.20% and thus underperform the 6.70% assumption by 0.50%, the UAL on a market value basis is projected to increase during the first several years and then start to decrease around the year 2032. After 15 years, the market value assets basis UAL is projected to be approximately \$3.5 billion lower than the current UAL. If actual market investment returns are 7.20% and thus overperform the 6.70% assumption by 0.50%, the UAL on a market value basis is projected to be approximately zero at the end of the 15-year projection period.

The individual entry age normal (individual EAN) actuarial cost allocation method was selected by the 2023 FRS Actuarial Assumption Conference for the system funding valuation. The actuarial cost allocation method divides the present value of total projected benefits for each active member between past service (actuarial liability, or AL) and future service (present value of future normal costs). The actuarial cost allocation method does not impact the calculation of



the present value of total projected benefits. In funding valuations prior to 2019, the ultimate entry age normal (Ultimate EAN) actuarial cost allocation method was used. The change in the actuarial cost allocation method increased the normal cost rate and decreased the actuarial liability and UAL rate when compared to the prior method. The individual EAN methodology is mandated by GASB for financial reporting calculations under GASB Statements Nos. 67 & 68, and has been used for GASB reporting in all years those two statements have been in effect.

### System GASB Financial Reporting Calculations

GASB Statement No. 67 is the governing standard for financial reporting of governmental pension systems. Our GASB 67 calculations differ from the methodology used for system funding calculations in that GASB 67 mandates use of fair market asset values for the calculation of unfunded liability, which is referred to as the fiduciary net position under GASB 67. The long-term expected rate of investment return assumption used in GASB calculations is 6.70%. The 6.70% nominal investment return assumption can be compared to the combined effect of a median real (in excess of inflation) return of approximately 4.48% 50<sup>th</sup> percentile geometric average annual long-term future real return assumption developed by Aon's 2023 capital outlook model, and an average inflation assumption of 2.40% selected by the Conference.

As of the date of this valuation, the effect of the difference in the asset valuation methodology caused the calculated unfunded liability for financial reporting calculations (the net pension liability, or NPL) to be lower than the unfunded liability determined for system funding calculations (the unfunded actuarial liability, or UAL). For FRS Pension Plan GASB 67 financial reporting calculations, the NPL as of June 30, 2023 is \$39.8 billion.

### Other Comments

Actuarial assumptions are needed to estimate the future economic and demographic experience of the system. Any deviations between actual and expected future experience will result in corresponding changes in the ongoing costs of the system. The economic assumptions were developed from both external economic forecasts and information and forecasts furnished by the Florida State Board of Administration. The demographic actuarial assumptions were developed both from recent experience of the system and from standard actuarial sources. The actuarial assumptions are based on Milliman's most recent review of the system's experience, which was for the observation period from July 1, 2013 through June 30, 2018. Additional details on that review of system experience can be located in our October 8, October 23, and October 28, 2019 presentation materials to the 2019 FRS Actuarial Assumption Conference and our formal 2019 Experience Study report, which was issued on December 20, 2019. The actuarial assumptions used in performing the July 1, 2023 system funding valuation were approved by the 2023 FRS Actuarial Assumption Conference. The demographic assumptions for all membership classes were updated effective July 1, 2023 to reflect plan changes enacted by Senate Bill 7024.

The methodology differences between the funding and GASB financial reporting calculations are identified above. The assumptions and methods used in performing the GASB calculations meet the parameters set by GASB Statement No. 67, *Financial Reporting for Pension Plans*.

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The results of the reports are dependent upon future experience conforming to these assumptions. Future actuarial measurements may differ significantly from the current measurements presented in the reports due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

In performing the valuations, we relied without audit upon the financial statements, membership data, and other cost and benefits provision information furnished by the Florida Department of Management Services, Division of Retirement. Although membership data was subjected to standard editing procedures and the other information was reviewed for reasonableness, Milliman does not assume responsibility for either its accuracy or its completeness.

In preparing our reports we relied, without audit, on information (some oral and some written) supplied by the Florida Department of Management Services, Division of Retirement. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of this data, we have found it to be reasonably consistent and comparable with data used for other purposes. Since valuation results are dependent on the integrity of the data supplied, results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

The reports have been prepared exclusively for the Florida Department of Management Services, Division of Retirement for specific and limited purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. The valuations are complex, technical analyses that assume a high level of knowledge concerning the Florida Retirement System's operations, and use data provided by the Florida Department of Management Services, Division of Retirement, which Milliman has not audited.

Milliman does not intend to benefit or create a legal duty to any third-party recipient of the reports. No third-party recipient of Milliman's work product should rely upon the reports. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsors. I am not aware of any relationship that would impair the objectivity of Milliman's work.

These actuarial valuations were prepared and completed by me and those under my direct supervision, and I acknowledge responsibility for the results. I hereby certify that the valuation reports are complete and accurate to the best of my knowledge. In my opinion the techniques and assumptions used are reasonable. In my opinion these valuations meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and Section 14, Article X of the Florida

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This work product was prepared solely for the Florida Department of Management Services for the purposes stated herein, and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

State Constitution. Section 216.136(10) of Florida Statutes indicates that the 2023 FRS Actuarial Assumption Conference holds the statutory authority to determine the investment return assumption for the system funding valuation, which differs from the long-term expected rate of return assumption used in GASB discount rate calculations. There is no benefit provision or related expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuations.

To the best of my knowledge, there were no known events that were not taken into account in the valuations. On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, the reports are complete and accurate and have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries.

I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'M. Larrabee', with a long horizontal flourish extending to the right.

Matt Larrabee, FSA, EA, MAAA  
Principal & Consulting Actuary



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## Florida Retirement System Pension Plan

**GASB 67 Disclosure as of June 30, 2023 Measurement Date**  
**Fiscal Year: July 1, 2022 to June 30, 2023**

Prepared by:

**Matt Larrabee, FSA, EA, MAAA**  
Principal and Consulting Actuary

**Kathryn M. Hunter, FSA, EA, MAAA**  
Consulting Actuary

**Daniel R. Wade, FSA, EA, MAAA**  
Principal and Consulting Actuary

1455 SW Broadway Street, Suite 1600  
Portland, OR 97201  
Tel 503 227 0634

1301 Fifth Avenue, Suite 3800  
Seattle, WA 98101  
Tel 206 624 7940

milliman.com

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November 29, 2023

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**GASB 67 Disclosure for Fiscal Year Ending June 30, 2023**

**Florida Retirement System Pension Plan**

This work product was prepared solely for the Florida Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

## Certification

Actuarial computations presented in this report under Statement No. 67 of the Governmental Accounting Standards Board are for purposes of assisting the Florida Department of Management Services in fulfilling its financial accounting requirements. No attempt is being made to offer any accounting opinion or advice. This report is for fiscal year July 1, 2022 to June 30, 2023. The reporting date for determining plan assets and obligations is June 30, 2023. The calculations enclosed in this report have been made on a basis consistent with our understanding of the plan provisions. Determinations for purposes other than meeting financial reporting requirements may be significantly different than the results contained in this report. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security or meeting employer funding requirements.

In preparing this report, we relied, without audit, on information as of June 30, 2022 and June 30, 2023 furnished by the Florida Department of Management Services. This information includes, but is not limited to, statutory provisions, member census data, and financial information. Please note that this report is based on the June 30, 2023 assets for the program as reported to us by the Florida State Board of Administration. Please see Milliman's funding valuation report to be published in December 2023 for more information on the plan's participant group as of July 1, 2023 as well as a summary of the plan provisions and a summary of the actuarial methods and assumptions used for funding purposes.

We performed a limited review of the census and financial information used directly in our analysis and have found them to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

This valuation report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurements.

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### **GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023**

#### **Florida Retirement System Pension Plan**

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## Certification

Milliman's work is prepared solely for the internal use and benefit of the Florida Department of Management Services. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to the Plan Sponsor's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Plan; and (b) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations and outputs for consistency, reasonableness, and appropriateness to the intended purpose and compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained



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Matt R. Larrabee, FSA, EA, MAAA  
Principal and Consulting Actuary



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Kathryn M. Hunter, FSA, EA, MAAA  
Consulting Actuary



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Daniel R. Wade, FSA, EA, MAAA  
Principal and Consulting Actuary

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### GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023 Florida Retirement System Pension Plan

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## Overview of GASB 67 and GASB 68

In 2012, the Governmental Accounting Standards Board (GASB) released GASB Statements No. 67 and 68 for public pension plans and participating employers.

GASB 67 applies to financial reporting for public pension plans. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for participating employers. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability will be immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

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### **GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023**

#### **Florida Retirement System Pension Plan**

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## Relationship Between Valuation Date and Measurement Date

### Relationship Between Valuation Date and Measurement Date

The Valuation Date is July 1, 2023. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2023.

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### GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023

#### Florida Retirement System Pension Plan

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## Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll <sup>1</sup>	Contribution as a % of Covered Payroll
2014	\$2,190,424,344	\$2,190,424,344	\$0	\$24,723,565,000	8.86%
2015	2,438,084,925	2,438,084,925	0	32,726,034,000	7.45%
2016	2,438,659,458	2,438,659,458	0	33,214,217,000	7.34%
2017	2,603,246,196	2,603,246,196	0	33,775,800,000	7.71%
2018	2,849,919,659	2,849,919,659	0	34,675,000,000	8.22%
2019	3,100,721,573	3,100,721,573	0	35,571,200,000	8.72%
2020	3,322,556,872	3,322,556,872	0	36,898,200,000	9.00%
2021	3,809,567,951	3,809,567,951	0	37,590,100,000	10.13%
2022	4,267,181,943	4,267,181,943	0	38,679,800,000	11.03%
2023	4,810,643,175	4,810,643,175	0	41,958,000,000	11.47%

<sup>1</sup> For the fiscal year ending 2014, covered payroll shown includes Pension Plan actives and members in DROP, but excludes the payroll for Investment Plan members and other payroll on which only statutory UAL rates are charged. For the fiscal years ending 2015 and later, covered payroll shown includes the payroll for Investment Plan members and other payroll on which only statutory UAL rates are charged.

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**GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023**

**Florida Retirement System Pension Plan**

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## Actuarial Methods and Assumptions Used for Funding Policy

The following actuarial methods and assumptions were used in the July 1, 2023 funding valuation. Please see the actuarial valuation report for funding purposes to be published in December 2023 for further details.

<b>Valuation Timing</b>	Actuarially determined contribution rates for a given plan year are calculated in the valuation conducted as of the beginning of the preceding plan year (e.g., rates for the 2024-2025 plan year are calculated in the 7/1/2023 actuarial valuation).
<b>Actuarial Cost Method</b>	Individual Entry Age
<b>Amortization Method</b>	
Level percent or level dollar	Level percent
Closed, open, or layered periods	Closed, layered
Amortization period	Effective July 1, 2021: New bases are amortized over 20 years Bases established prior to July 1, 2021: amortized over maximum of 20 years.
2019 actuarial cost method change	Amortized over 30 years as level percentage of Tier I pay
Payroll growth rate	3.25%
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Asymptotic
Corridor	80% - 120% of fair market value
<b>Inflation</b>	2.40%
<b>Salary Increases</b>	Varies by membership class and length of service; details in funding actuarial valuation report
<b>Investment Rate of Return</b>	6.70%
<b>Cost of Living Adjustments</b>	3% for pre-July 2011 benefit service; 0% thereafter
<b>Retirement Age</b>	Varies by tier, membership class, age, and sex; details in funding actuarial valuation report
<b>Turnover</b>	Varies by membership class, length of service, age, and sex; details in funding actuarial valuation report
<b>Mortality</b>	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018, details in funding actuarial valuation report

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**GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023**

**Florida Retirement System Pension Plan**

This work product was prepared solely for the Florida Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

## Statement of Fiduciary Net Position

	June 30, 2022	June 30, 2023
<b>Assets</b>		
Cash and cash equivalents	\$102,143,556	\$109,634,268
State treasury investment pool	101,320,716	120,444,559
Total cash and cash equivalents	203,464,272	230,078,827
Investments:		
Certificates of deposit	403,384,117	700,085,998
U.S. government and federally guaranteed obligations	11,684,982,876	12,409,772,768
Federal agencies	7,741,991,278	7,459,318,923
Commercial paper	5,305,755,453	2,345,295,166
Repurchase agreements	1,200,000,000	1,400,000,000
International bonds and notes	3,072,594,424	2,871,904,690
Bonds and Notes	9,550,417,674	8,986,547,464
Real estate contracts	16,722,305,412	16,137,411,842
Mutual Funds	0	0
Short-term investment funds	28,558,000	27,250,141
Domestic equity / domestic equity commingled	50,373,389,671	54,961,305,181
Alternative investments	40,680,622,223	42,147,124,177
International equity	35,024,199,924	37,434,739,441
Other Investments	41,727,558	43,325,168
Total investments	181,829,928,610	186,924,080,959
Receivables:		
Contributions receivable	363,428,869	464,250,830
Pending investment sales	859,606,579	814,912,044
Forward contracts receivable	0	0
Other receivables	680,624,852	852,854,717
Total receivables	1,903,660,300	2,132,017,591
Security lending collateral	943,509,221	444,639,418
Prepaid items; furniture & equipment net accumulated depreciation	9,564,340	(377,474)
Right-of-Use Lease	17,115,904	17,205,111
Total assets	184,907,242,647	189,747,644,432
Deferred outflows: other postemployment benefits	4,560,587	4,059,415
<b>Liabilities</b>		
Accrued DROP liability <sup>1</sup>	295,813,603	253,833,655
Obligations under security lending agreements	960,929,560	462,576,371
Pending investment purchases	2,970,691,029	1,942,475,105
Pending spot for trades payable	146,378,391	215,524,896
Lease Liability	16,284,596	15,669,781
Other liabilities and payables	267,813,568	495,370,559
Total liabilities	4,657,910,747	3,385,450,367
Deferred inflows: other postemployment benefits	6,380,602	8,887,512
Deferred inflows: pension amounts	21,107,078	0
<b>Fiduciary Net Position</b>		
Held in trust for pension benefits	\$180,226,404,807	\$186,357,365,968

<sup>1</sup> Per our understanding, the accrued DROP liability represents lump sum DROP exit payments made early in the subsequent plan year for members exiting the DROP on or shortly before the asset measurement date.

**GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023**  
**Florida Retirement System Pension Plan**

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## Statement of Changes in Fiduciary Net Position

	June 30, 2022	June 30, 2023
<b>Additions</b>		
Member contributions	\$769,227,774	\$788,862,819
Employer contributions	4,267,181,943	4,810,643,175
Total contributions	5,036,409,717	5,599,505,994
Transfers from the Investment Plan	111,923,645	68,745,863
Investment income (loss):		
Interest	767,130,564	1,068,640,460
Dividends	1,982,410,068	1,919,827,441
Net increase in fair value of investments	(21,104,646,474)	8,458,236,081
Securities lending income	24,032,150	42,840,515
Net real estate operating income	608,771,652	549,693,995
Other investment income	4,235,517,111	2,093,210,936
Less investment expenses:		
Direct investment expense	752,370,818	743,346,239
Securities lending expense	4,221,334	24,394,269
Net investment income	(14,243,377,081)	13,364,708,920
Other income	3,198,024	3,094,148
Total additions	(9,091,845,695)	19,036,054,925
<b>Deductions</b>		
Benefit payments <sup>1</sup>	11,944,986,866	12,252,171,171
Transfers to the Investment Plan	768,106,850	590,051,076
Refunds of member contributions	28,343,757	35,823,940
Administrative expenses	22,494,571	27,047,577
Total deductions	12,763,932,044	12,905,093,764
Net increase (decrease)	(\$21,855,777,739)	\$6,130,961,161

### Net position restricted for pensions

Beginning of year	\$202,082,182,546	\$180,226,404,807
End of year	\$180,226,404,807	\$186,357,365,968

<sup>1</sup> Includes transfers to other funds and general revenue-funded benefit payments net of general revenue contributions.

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#### GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023

##### Florida Retirement System Pension Plan

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## Money-Weighted Rate of Return

Fiscal Year Ending June 30	Net Money-Weighted Rate of Return
2014	17.57%
2015	3.77%
2016	0.57%
2017	13.59%
2018	9.28%
2019	5.98%
2020	3.35%
2021	30.41%
2022	-7.20%
2023	7.58%

### Calculation of Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows with Interest
Beginning value - July 1, 2022	\$180,226,404,807	12	1.00	\$193,888,037,946
Monthly net external cash flows:				
July	(603,070,159)	12	1.00	(648,784,455)
August	(603,070,159)	11	0.92	(645,003,139)
September	(603,070,159)	10	0.83	(640,775,494)
October	(603,070,159)	9	0.75	(637,040,856)
November	(603,070,159)	8	0.67	(633,327,985)
December	(603,070,159)	7	0.58	(629,176,865)
January	(603,070,159)	6	0.50	(625,509,828)
February	(603,070,159)	5	0.42	(621,864,163)
March	(603,070,159)	4	0.33	(617,788,182)
April	(603,070,159)	3	0.25	(614,187,521)
May	(603,070,159)	2	0.17	(610,607,846)
June	(603,070,159)	1	0.08	(606,605,644)
Ending value - June 30, 2023				186,357,365,968
Money-weighted plan rate of return			7.58% <sup>1</sup>	

<sup>1</sup>The money-weighted plan rate of this return is an estimate using estimated level monthly net external cash flows. It can differ from the more precise return calculated by the Florida State Board of Administration.

### GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023 Florida Retirement System Pension Plan

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## Long-Term Expected Rate of Return

The long-term expected rate of return assumption of 6.7% used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.4% as most recently adopted in October 2023 by the FRS Actuarial Assumption Conference; 2) an inferred real (in excess of inflation) return of 4.2%, which is consistent with the 4.48% real return from the capital market outlook model developed by Aon for 2023. Geometrically combining those building blocks using the formula  $(1 + .024) \times (1 + .042) - 1$  generates an expected nominal return of 6.7%. In our opinion, both building block components and the overall 6.7% return assumption are reasonable and appropriate per Actuarial Standards of Practice.

For reference, the table below contains a summary of return assumptions for various asset classes based on the long-term target asset allocation. The six specific asset classes displayed are per system request and are summarized results of a more detailed market outlook model with additional asset classes. Each asset class assumption is based on a consistent set of underlying real return assumptions from Milliman's model combined with the FRS Actuarial Assumption Conference's 2.4% inflation assumption. The Milliman assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Policy Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Annual Standard Deviation
Cash Equivalents	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
Assumed inflation - mean			2.4%	1.4%

\*Summarized current target allocation policy, as provided to us by Aon Hewitt Investment Consulting via email on October 9, 2023.

### GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023 Florida Retirement System Pension Plan

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## Depletion Date Projection

In order to determine if the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, we have prepared a depletion date projection using the following techniques and assumptions:

- Current active members contribute the required employee contribution amounts.
- The employer contributes the actuarially determined contribution amounts based on the 6.70% investment rate of return assumption selected by the 2023 FRS Actuarial Assumption Conference.
- Benefit payments are projected based on the actuarial assumptions and the current plan provisions.
- Members are assumed to receive pay increases, terminate, retire, become disabled, die, and so forth according to the actuarial assumptions used for the July 1, 2023 valuation.
- Terminating and retiring members are replaced in a manner such that new entrant payroll is allocated to each plan as follows:
  - Special Risk members: 75% elect or default into the Pension Plan, 25% into the Investment Plan.
  - Non-Special Risk members: 25% elect into the Pension Plan, 75% elect or default into the Investment Plan.
- All cash flows are assumed to occur on average halfway through the year.
- In the depletion date test's projections, the actual return achieved each year on invested assets is 6.70%.
- The funding policy used to determine actuarially determined contributions does not change.
- The actuarial assumptions do not change.
- Once the system is projected to reach a surplus position (smoothed actuarial value of assets greater than actuarial liability) the UAL Rate contribution is set to 0.00% for purposes of this exhibit, rather than modeling a contribution rate offset credit. Please note that this is projected to occur inside the 20-year period for amortizing unfunded liability that is current Conference policy.

The following pages show the first 30 years of the depletion date projection, which includes the entirety of the period in which statutory UAL rates are projected to be charged under the modeling assumptions. Subsequent years are omitted for brevity. Given that future service benefits are fully funded by normal cost contributions and that no UAL remains beyond 30 years under the modeling assumptions, no projected depletion occurs at any point.



## Projection of Payroll Measures (\$ millions)

Fiscal Year Ending June 30	Current Member Non-DROP PP Payroll	Future Member Non-DROP PP Payroll	Total Member Non-DROP PP Payroll	Payroll for Statutory UAL Rate Contributions	DROP PP Payroll
2024	\$26,347.9	\$236.5	\$26,584.4	\$43,350.2	\$2,443.2
2025	25,894.9	675.8	26,570.7	44,759.1	\$2,522.6
2026	25,336.1	1,308.9	26,645.0	46,213.8	\$2,604.6
2027	24,804.6	1,947.6	26,752.2	47,715.8	\$2,689.2
2028	24,267.5	2,603.8	26,871.3	49,266.5	\$2,776.6
2029	23,710.9	3,283.7	26,994.6	50,867.7	\$2,866.9
2030	23,123.6	3,994.5	27,118.1	52,520.9	\$2,960.0
2031	22,505.4	4,735.2	27,240.6	54,227.8	\$3,056.2
2032	21,846.0	5,514.1	27,360.1	55,990.2	\$3,155.6
2033	21,142.8	6,334.7	27,477.5	57,809.9	\$3,258.1
2034	20,413.1	7,187.0	27,600.1	59,688.7	\$3,364.0
2035	19,666.0	8,067.3	27,733.3	61,628.6	\$3,473.3
2036	18,912.4	8,969.3	27,881.7	63,631.5	\$3,586.2
2037	18,144.9	9,893.7	28,038.6	65,699.5	\$3,702.8
2038	17,358.1	10,844.9	28,203.0	67,834.8	\$3,823.1
2039	16,567.7	11,819.9	28,387.6	70,039.4	\$3,947.4
2040	15,775.5	12,825.6	28,601.1	72,315.7	\$4,075.7
2041	14,986.4	13,860.7	28,847.1	74,666.0	\$4,208.1
2042	14,187.2	14,932.3	29,119.5	77,092.6	\$4,344.9
2043	13,399.3	16,033.4	29,432.7	79,598.1	\$4,486.1
2044	12,630.1	17,160.4	29,790.5	82,185.0	\$4,631.9
2045	11,891.6	18,308.7	30,200.3	84,856.1	\$4,782.4
2046	11,138.4	19,497.5	30,635.9	87,613.9	\$4,937.8
2047	10,356.5	20,725.2	31,081.7	90,461.3	\$5,098.3
2048	9,535.9	21,997.9	31,533.8	93,401.3	\$5,264.0
2049	8,663.0	23,324.5	31,987.5	96,436.9	\$5,435.1
2050	7,775.2	24,674.8	32,450.0	99,432.5	\$5,473.1
2051	6,904.3	26,029.3	32,933.6	102,524.5	\$5,511.5
2052	6,061.0	27,388.5	33,449.5	105,716.0	\$5,550.0
2053	5,289.9	28,739.5	34,029.4	109,010.2	\$5,588.9

**GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023**

**Florida Retirement System Pension Plan**

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## Projection of Crossover Test-Eligible Contributions (\$ millions)

Fiscal Year Ending June 30	Current Non-DROP Member		UAL Contributions		DROP	Net NC	Total Test-Eligible Contributions
	Member Contributions	Employer Normal Cost Contributions	Blended Statutory UAL Rate	Statutory UAL Rate Contributions	Payroll Normal Cost Contributions	Contributions from Future Employees <sup>1</sup>	
2024	\$790.4	\$2,229.0	6.44%	\$2,791.8	\$199.9	\$0	\$6,011.1
2025	\$776.8	\$2,205.0	6.55%	\$2,931.7	\$213.4	0	\$6,126.9
2026	\$760.1	\$2,168.1	6.75%	\$3,119.4	\$221.8	0	\$6,269.4
2027	\$744.1	\$2,131.0	6.77%	\$3,230.4	\$230.2	0	\$6,335.7
2028	\$728.0	\$2,092.2	6.78%	\$3,340.3	\$238.7	0	\$6,399.2
2029	\$711.3	\$2,050.9	6.80%	\$3,459.0	\$247.4	0	\$6,468.6
2030	\$693.7	\$2,005.9	6.83%	\$3,587.2	\$256.3	0	\$6,543.1
2031	\$675.2	\$1,957.6	6.96%	\$3,774.3	\$265.5	0	\$6,672.6
2032	\$655.4	\$1,904.3	6.91%	\$3,868.9	\$275.0	0	\$6,703.6
2033	\$634.3	\$1,845.6	6.95%	\$4,017.8	\$284.8	0	\$6,782.5
2034	\$612.4	\$1,783.6	6.99%	\$4,172.2	\$294.8	0	\$6,863.0
2035	\$590.0	\$1,719.2	7.02%	\$4,326.3	\$305.1	0	\$6,940.6
2036	\$567.4	\$1,654.0	7.79%	\$4,956.9	\$315.8	0	\$7,494.1
2037	\$544.3	\$1,588.2	7.82%	\$5,137.7	\$326.8	0	\$7,597.0
2038	\$520.7	\$1,521.2	7.86%	\$5,331.8	\$338.3	0	\$7,712.0
2039	\$497.0	\$1,453.8	7.89%	\$5,526.1	\$350.2	0	\$7,827.1
2040	\$473.3	\$1,384.7	7.92%	\$5,727.4	\$362.6	0	\$7,948.0
2041	\$449.6	\$1,314.3	4.23%	\$3,158.4	\$375.5	0	\$5,297.8
2042	\$425.6	\$1,241.3	4.27%	\$3,291.9	\$388.8	0	\$5,347.6
2043	\$402.0	\$1,167.2	0.88%	\$700.5	\$402.6	0	\$2,672.3
2044	\$378.9	\$1,092.8	0.00%	\$0.0	\$416.8	0	\$1,888.5
2045	\$356.7	\$1,019.1	0.00%	\$0.0	\$431.5	0	\$1,807.3
2046	\$334.2	\$943.1	0.00%	\$0.0	\$446.7	0	\$1,724.0
2047	\$310.7	\$865.8	0.00%	\$0.0	\$462.4	0	\$1,638.9
2048	\$286.1	\$786.3	0.00%	\$0.0	\$479.0	0	\$1,551.4
2049	\$259.9	\$703.0	0.00%	\$0.0	\$496.4	0	\$1,459.3
2050	\$233.3	\$621.8	0.00%	\$0.0	\$501.9	0	\$1,357.0
2051	\$207.1	\$546.4	0.00%	\$0.0	\$507.7	0	\$1,261.2
2052	\$181.8	\$476.5	0.00%	\$0.0	\$513.8	0	\$1,172.1
2053	\$158.7	\$413.9	0.00%	\$0.0	\$520.1	0	\$1,092.7

<sup>1</sup> Net normal cost contributions exist if the interest rate assumption adopted by the Actuarial Assumption Conference for funding purposes differs from the GASB discount rate. For this year's valuation, the funding interest rate assumption and the GASB discount rate both equal 6.70%.

### GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023

#### Florida Retirement System Pension Plan

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## Projection of Fiduciary Net Position (\$ millions)

Fiscal Year Ending June 30	Projected Beginning Fiduciary Net Position	Projected Test-Eligible Contributions	Projected Payments for Current PP Members	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2024	\$186,357.4	\$6,011.1	\$12,677.1	\$27.0	\$12,266.1	\$191,930.5
2025	\$191,930.5	\$6,126.9	\$13,229.6	\$27.6	\$12,625.4	\$197,425.6
2026	\$197,425.6	\$6,269.4	\$13,807.0	\$28.1	\$12,979.1	\$202,839.0
2027	\$202,839.0	\$6,335.7	\$14,479.1	\$28.7	\$13,321.8	\$207,988.7
2028	\$207,988.7	\$6,399.2	\$15,065.7	\$29.3	\$13,649.6	\$212,942.5
2029	\$212,942.5	\$6,468.6	\$14,814.8	\$29.9	\$13,992.3	\$218,558.7
2030	\$218,558.7	\$6,543.1	\$15,263.1	\$30.5	\$14,356.1	\$224,164.3
2031	\$224,164.3	\$6,672.6	\$15,776.0	\$31.1	\$14,718.9	\$229,748.7
2032	\$229,748.7	\$6,703.6	\$16,306.0	\$31.7	\$15,076.7	\$235,191.3
2033	\$235,191.3	\$6,782.5	\$16,873.3	\$32.3	\$15,425.3	\$240,493.5
2034	\$240,493.5	\$6,863.0	\$17,427.9	\$33.0	\$15,764.9	\$245,660.5
2035	\$245,660.5	\$6,940.6	\$17,996.6	\$33.6	\$16,094.9	\$250,665.8
2036	\$250,665.8	\$7,494.1	\$18,559.2	\$34.3	\$16,429.8	\$255,996.2
2037	\$255,996.2	\$7,597.0	\$19,073.2	\$35.0	\$16,773.6	\$261,258.6
2038	\$261,258.6	\$7,712.0	\$19,536.7	\$35.7	\$17,114.7	\$266,512.9
2039	\$266,512.9	\$7,827.1	\$19,941.2	\$36.4	\$17,457.2	\$271,819.6
2040	\$271,819.6	\$7,948.0	\$20,328.2	\$37.1	\$17,803.9	\$277,206.2
2041	\$277,206.2	\$5,297.8	\$20,687.1	\$37.9	\$18,065.6	\$279,844.6
2042	\$279,844.6	\$5,347.6	\$20,990.7	\$38.6	\$18,234.1	\$282,397.0
2043	\$282,397.0	\$2,672.3	\$21,264.7	\$39.4	\$18,307.7	\$282,072.9
2044	\$282,072.9	\$1,888.5	\$21,483.8	\$40.2	\$18,253.2	\$280,690.6
2045	\$280,690.6	\$1,807.3	\$21,689.5	\$41.0	\$18,151.0	\$278,918.4
2046	\$278,918.4	\$1,724.0	\$21,823.9	\$41.8	\$18,025.0	\$276,801.7
2047	\$276,801.7	\$1,638.9	\$21,903.0	\$42.7	\$17,878.0	\$274,372.9
2048	\$274,372.9	\$1,551.4	\$21,933.8	\$43.5	\$17,711.1	\$271,658.1
2049	\$271,658.1	\$1,459.3	\$21,997.2	\$44.4	\$17,524.1	\$268,599.9
2050	\$268,599.9	\$1,357.0	\$22,038.8	\$45.3	\$17,314.6	\$265,187.4
2051	\$265,187.4	\$1,261.2	\$22,071.3	\$46.2	\$17,081.8	\$261,412.9
2052	\$261,412.9	\$1,172.1	\$22,095.0	\$47.1	\$16,825.3	\$257,268.2
2053	\$257,268.2	\$1,092.7	\$22,006.7	\$48.0	\$16,547.6	\$252,853.8

**GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023**

**Florida Retirement System Pension Plan**

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## Net Pension Liability

Net Pension Liability	June 30, 2022	June 30, 2023
Total pension liability	\$217,434,441,000	\$226,204,201,000
Fiduciary net position	180,226,404,807	186,357,365,968
Net pension liability	37,208,036,193	39,846,835,032
Fiduciary net position as a % of total pension liability	82.89%	82.38%
Covered payroll	38,679,800,000	41,958,000,000
Net pension liability as a % of covered payroll	96.20%	94.97%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method.

### Discount Rate

Discount rate	6.70%	6.70%
Long-term expected rate of return, net of investment expense	6.70%	6.70%
Municipal bond rate	N/A	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.7% rate of return assumption used in the June 30, 2023 calculations in Milliman's professional opinion is reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27).

### Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2023 were based on the results of an actuarial experience study for the July 1, 2013 - June 30, 2018 experience observation period.

Valuation date	July 1, 2022	July 1, 2023
Measurement date	June 30, 2022	June 30, 2023
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018*	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018*
Actuarial cost method	Individual Entry Age	Individual Entry Age

\* See July 1, 2023 Actuarial Valuation Report for funding purposes for details

### GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023

#### Florida Retirement System Pension Plan

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## Changes in Net Pension Liability

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2022	\$217,434,441,000	\$180,226,404,807	\$37,208,036,193
Changes for the year:			
Service cost	2,770,120,809		2,770,120,809
Interest on total pension liability	14,331,550,546		14,331,550,546
Effect of plan changes <sup>1</sup>	1,332,907,000		1,332,907,000
Effect of economic/demographic gains or losses	3,144,481,969		3,144,481,969
Effect of assumptions changes or inputs	0		0
Benefit payments <sup>2</sup>	(12,809,300,324)	(12,809,300,324)	0
Employer contributions		4,810,643,175	(4,810,643,175)
Member contributions		788,862,819	(788,862,819)
Net investment income		13,367,803,068	(13,367,803,068)
Administrative expenses		(27,047,577)	27,047,577
Balances as of June 30, 2023	226,204,201,000	186,357,365,968	39,846,835,032

<sup>1</sup> Amount shown reflects the effect of increasing the level of projected future benefits for some members as a result of Senate Bill 7024.

<sup>2</sup> Benefit payments shown above include outbound transfers to the Investment Plan and returns of contributions, net of \$68,745,863 inbound transfers from the Investment Plan, plus general revenue-funded benefit payments net of general revenue contributions.

### Sensitivity Analysis

The following presents the net pension liability of the Pension Plan, calculated using the discount rate of 6.70%, as well as what the Pension Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate.

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Total pension liability	\$254,423,874,000	\$226,204,201,000	\$202,595,068,000
Fiduciary net position	<u>186,357,365,968</u>	<u>186,357,365,968</u>	<u>186,357,365,968</u>
Net pension liability	68,066,508,032	39,846,835,032	16,237,702,032

#### GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023

##### Florida Retirement System Pension Plan

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**Schedule of Changes in Net Pension Liability and Related Ratios <sup>1</sup>**  
(in 1,000s)

	Fiscal Year Ending June 30			
	2023	2022	2021	2020
				2019
<b>Total Pension Liability</b>				
Service cost	\$2,770,121	\$2,635,672	\$2,648,469	\$2,647,456
Interest on total pension liability	14,331,551	14,012,135	13,713,166	13,458,929
Effect of plan changes	1,332,907	99,285	0	0
Effect of economic/demographic gains or (losses)	3,144,482	1,243,179	349,779	448,646
Effect of assumption changes or inputs	0	2,437,637	0	1,738,139
Benefit payments	(12,809,300)	(12,629,514)	(11,985,107)	(11,395,766)
Net change in total pension liability	8,769,760	7,798,395	4,726,307	6,897,405
Total pension liability, beginning	217,434,441	209,636,046	204,909,739	198,012,334
Total pension liability, ending (a)	226,204,201	217,434,441	209,636,046	204,909,739
<b>Fiduciary Net Position</b>				
Employer contributions	\$4,810,643	\$4,267,182	\$3,809,568	\$3,322,557
Member contributions	788,863	769,228	756,530	748,455
Investment income net of investment expenses	13,367,803	(14,240,179)	47,954,667	5,339,908
Benefit payments	(12,809,300)	(12,629,514)	(11,985,107)	(11,395,766)
Administrative expenses	(27,048)	(22,495)	(21,741)	(21,556)
Net change in plan fiduciary net position	6,130,961	(21,855,778)	40,513,917	(2,006,402)
Fiduciary net position, beginning	180,226,405	202,082,183	161,568,265	163,574,667 <sup>2</sup>
Fiduciary net position, ending (b)	186,357,366	180,226,405	202,082,183	161,568,265
Net pension liability, ending = (a) - (b)	\$39,846,835	\$37,208,036	\$7,553,863	\$43,341,474
Fiduciary net position as a % of total pension liability	82.38%	82.89%	96.40%	78.85%
Covered payroll <sup>3</sup>	\$41,958,000	\$38,679,800	\$37,590,100	\$36,898,200
Net pension liability as a % of covered payroll	94.97%	96.20%	20.10%	117.46%

<sup>1</sup> Amounts shown in exhibit are rounded to the nearest thousand. As such, sums may differ from amounts displayed due to rounding.

<sup>2</sup> There was a restatement of the fiduciary net position at June 30, 2019. The 2019 ending FNP is before restatement; the 2020 beginning FNP is after restatement.

<sup>3</sup> For the fiscal years ending 2015 and later, covered payroll shown includes the payroll for Investment Plan members and other payroll on which only statutory UAL rates are charged.

**GASB 67 Disclosure for Fiscal Year Ending June 30, 2023**

**Florida Retirement System Pension Plan**

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**Schedule of Changes in Net Pension Liability and Related Ratios <sup>1</sup>**  
(in 1,000s)

	Fiscal Year Ending June 30			
	2018	2017	2016	2015
<b>Total Pension Liability</b>				
Service cost	\$2,423,987	\$2,073,754	\$2,132,906	\$2,114,047
Interest on total pension liability	12,847,930	12,484,167	12,109,114	11,721,563
Effect of plan changes	0	92,185	32,310	0
Effect of economic/demographic gains or (losses)	554,811	1,412,462	980,192	1,620,863
Effect of assumption changes or inputs	2,235,654	10,398,344	1,030,667	0
Benefit payments	(10,377,575)	(9,859,319)	(10,624,925)	(10,201,501)
Net change in total pension liability	7,684,807	16,601,593	5,660,264	5,254,972
Total pension liability, beginning	183,632,592	167,030,999	161,370,735	156,115,763
Total pension liability, ending (a)	191,317,399	183,632,592	167,030,999	161,370,735
<b>Fiduciary Net Position</b>				
Employer contributions	\$2,849,920	\$2,603,246	\$2,438,659	\$2,438,085
Member contributions	746,370	744,839	710,717	698,304
Investment income net of investment expenses	13,955,233	18,801,917	820,582	5,523,287
Benefit payments	(10,377,575)	(9,859,319)	(10,624,925)	(10,201,501)
Administrative expenses	(20,178)	(18,340)	(18,507)	(18,074)
Net change in plan fiduciary net position	7,153,770	12,272,342	(6,673,473)	(1,559,898)
Fiduciary net position, beginning	154,043,110	141,780,921	148,454,394	150,014,292
Fiduciary net position, ending (b)	161,196,881 <sup>2</sup>	154,053,263 <sup>2</sup>	141,780,921	148,454,394
Net pension liability, ending = (a) - (b)	\$30,120,518	\$29,579,329 <sup>2</sup>	\$25,250,078	\$12,916,341
Fiduciary net position as a % of total pension liability	84.26%	83.89%	84.88%	92.00%
Covered payroll <sup>3</sup>	\$34,675,000	\$33,775,800	\$33,214,217	\$32,726,034
Net pension liability as a % of covered payroll	86.87%	87.58% <sup>2</sup>	76.02%	39.47%
				24.68%

<sup>1</sup> Amounts shown in exhibit are rounded to the nearest thousand. As such, sums may differ from amounts displayed due to rounding.

<sup>2</sup> There was a restatement of the fiduciary net position at June 30, 2017. The 2017 ending FNP is before restatement; the 2018 beginning FNP is after restatement.

<sup>3</sup> For the fiscal year ending 2014, covered payroll shown includes Pension Plan actives and members in DROP, but excludes the payroll for Investment Plan members and other payroll on which only statutory UAL rates are charged. For the fiscal years ending 2015 and later, covered payroll shown includes the payroll for Investment Plan members and other payroll on which only statutory UAL rates are charged.

**GASB 67 Disclosure for Fiscal Year Ending June 30, 2023**

**Florida Retirement System Pension Plan**

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## Glossary

<b>Actuarially Determined Contribution</b>	A target contribution to a defined benefit pension plan for the reporting period, determined based on the funding policy and the most recent actuarial measurement available when the contribution for the reporting period was adopted.
<b>Deferred Inflows/Outflows of Resources</b>	Portion of changes in net pension liability that is not immediately recognized in pension expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.
<b>Discount Rate</b>	Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of: <ol style="list-style-type: none"><li>1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return.</li><li>2) The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.</li></ol>
<b>Fiduciary Net Position</b>	Equal to market value of assets.
<b>Long-Term Expected Rate of Return</b>	Long-term expected rate of return on pension plan investments expected to be used to finance the payment of benefits, net of investment expenses.
<b>Money-Weighted Rate of Return</b>	The internal rate of return on pension plan investments, net of investment expenses.
<b>Municipal Bond Rate</b>	Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
<b>Net Pension Liability</b>	Total pension liability minus the plan's fiduciary net position.
<b>Projected Benefit Payments</b>	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and expected future service.
<b>Service Cost</b>	The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year by the cost allocation method.
<b>Total Pension Liability</b>	The portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the individual entry age cost allocation method based on the requirements of GASB 67 and 68.

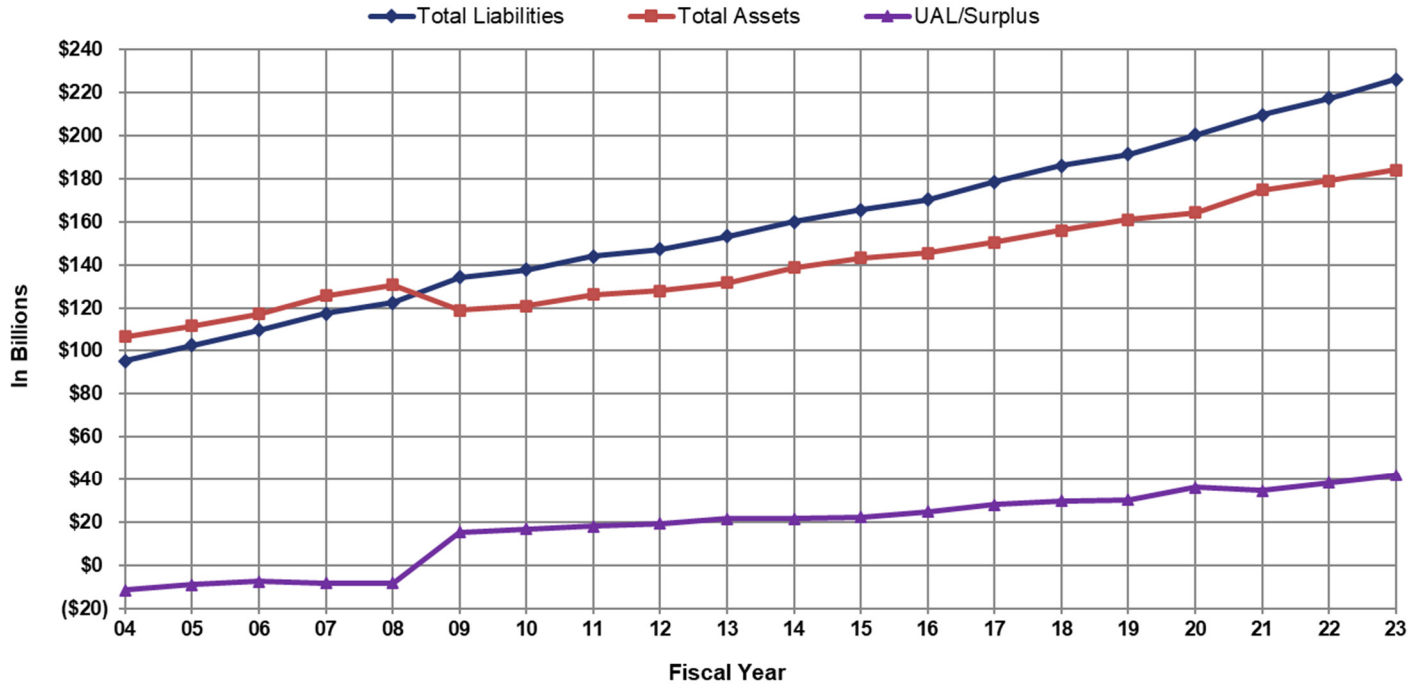
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**GASB 67 Disclosure for Plan Fiscal Year Ending June 30, 2023**  
**Florida Retirement System Pension Plan**

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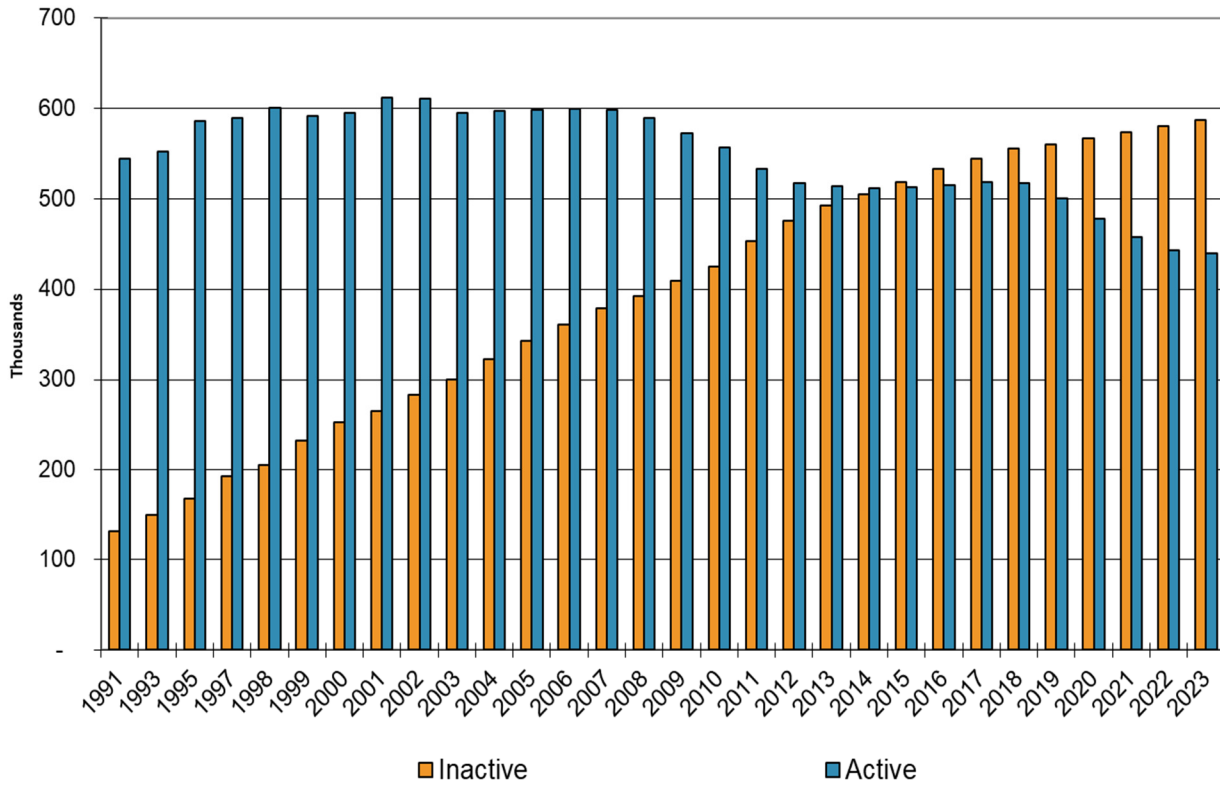


## HISTORY OF THE FRS PENSION PLAN UNFUNDED ACTUARIAL LIABILITY/SURPLUS WITH TOTAL LIABILITIES AND TOTAL ASSETS FROM 2004 THROUGH 2023



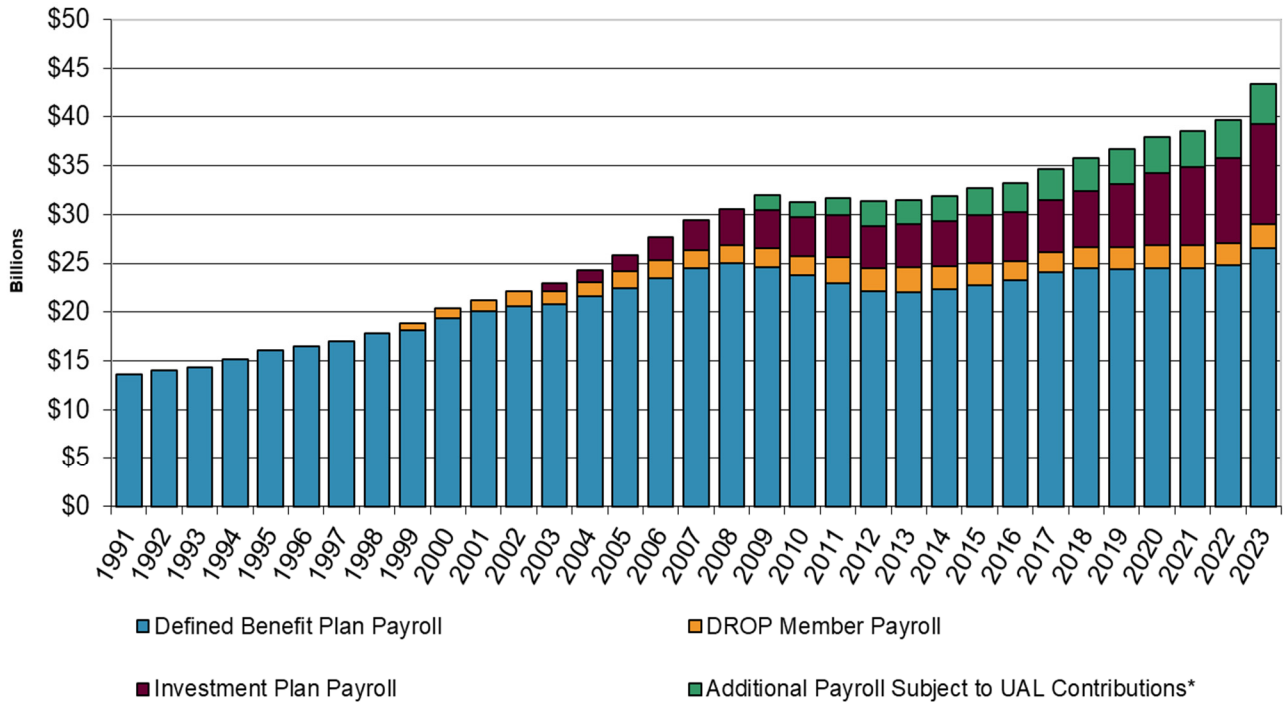
<b>FISCAL YEAR</b>	<b>TOTAL LIABILITIES (IN BILLIONS)</b>	<b>TOTAL ASSETS (IN BILLIONS)</b>	<b>UAL/(SURPLUS) (IN BILLIONS)</b>
2004	\$95.2	\$106.7	(\$11.5)
2005	\$102.5	\$111.5	(\$9.0)
2006	\$109.5	\$117.1	(\$7.6)
2007	\$117.4	\$125.6	(\$8.2)
2008	\$122.5	\$130.7	(\$8.2)
2009	\$134.2	\$118.8	\$15.4
2010	\$137.6	\$120.9	\$16.7
2011	\$144.1	\$126.1	\$18.0
2012	\$147.2	\$127.9	\$19.3
2013	\$153.3	\$131.7	\$21.6
2014	\$160.1	\$138.6	\$21.5
2015	\$165.5	\$143.2	\$22.3
2016	\$170.4	\$145.5	\$24.9
2017	\$178.6	\$150.6	\$28.0
2018	\$186.0	\$156.1	\$29.9
2019	\$191.3	\$161.0	\$30.3
2020	\$200.3	\$164.3	\$36.0
2021	\$209.6	\$174.9	\$34.7
2022	\$217.4	\$179.2	\$38.3
2023	\$226.2	\$184.2	\$42.0

## FRS PENSION PLAN MEMBERSHIP



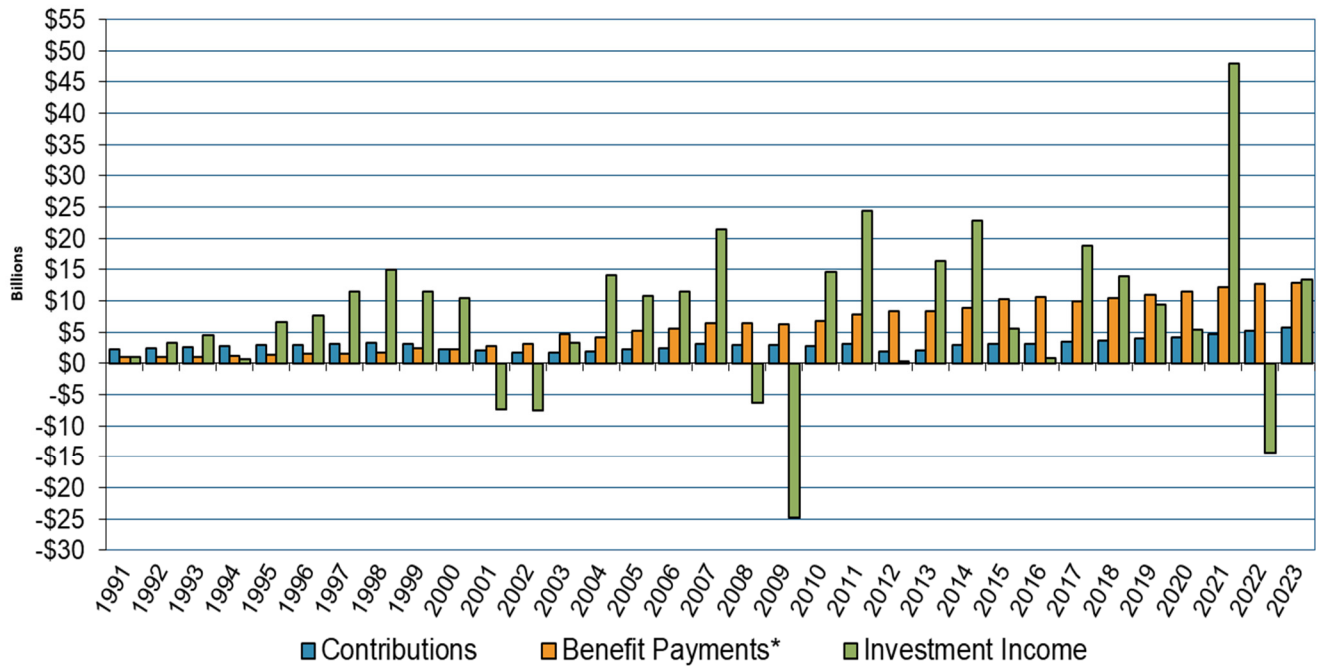
Inactive members include retirees, DROP participants and vested terminated pension plan members. Active members include only pension plan members.

## FRS PENSION PLAN PAYROLL



\*Includes payroll for participants in certain non-FRS defined contribution plans upon which UAL rate contributions to the FRS Pension Plan are made.

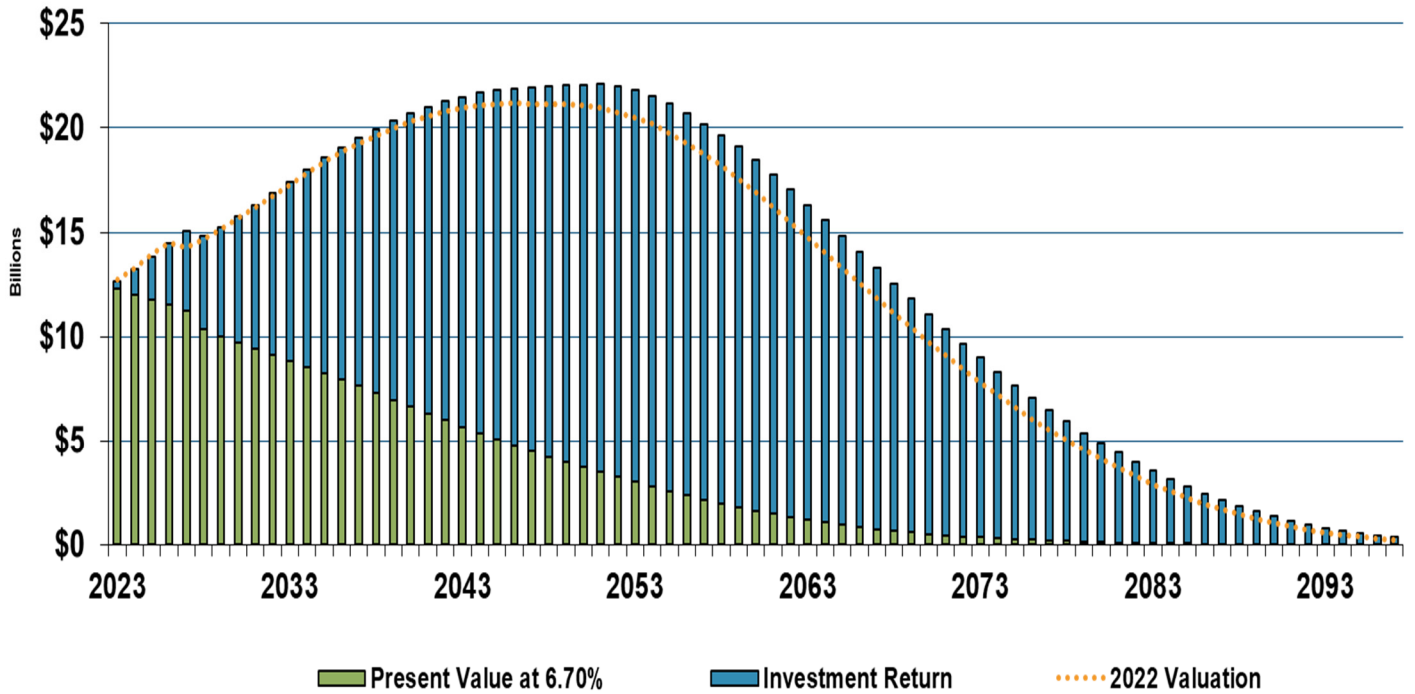
## FRS PENSION PLAN CASH FLOWS



\* Includes transfers to IP; Initial transfers in 2003 were \$353 Million.

## PROJECTED FRS PENSION PLAN BENEFIT PAYMENTS

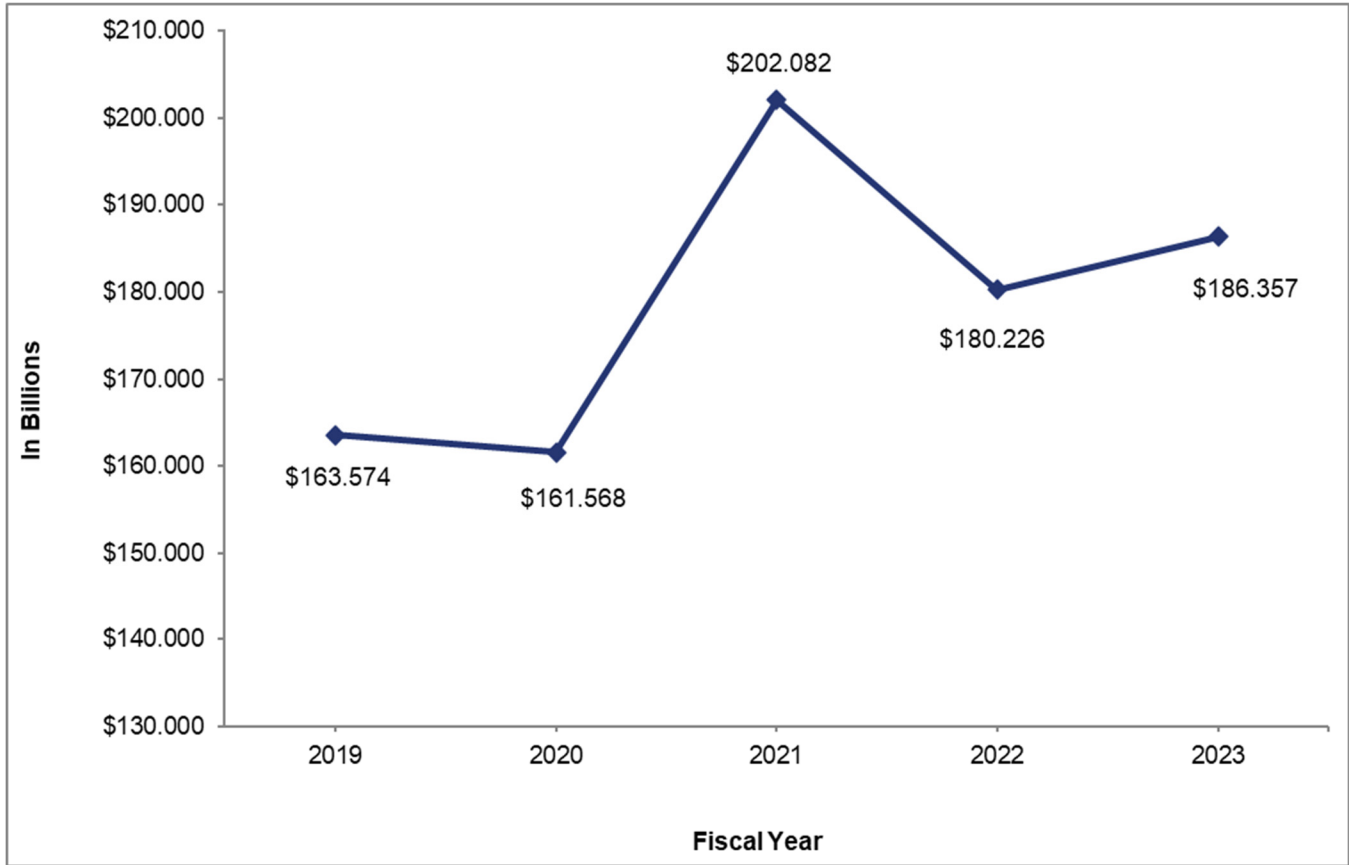
(Dates are as of July 1)



The chart represents the effect of the time-value of money on promised benefit payments to current and former members (no future hires). In each year, the total bar is equal to expected benefit payments (exclusive of transfers to the Investment Plan). The green portion represents each year's benefit payments, discounted at 6.70% to July 1, 2023 (ie., the value of benefit payments in "today's dollars"). The blue portion of each bar represents the difference in dollars between the total value to be paid that year less the value in today's dollars.

## FRS PENSION PLAN TRUST FUND ASSETS

As of June 30



## STATEMENT OF FUND BALANCE/FIDUCIARY NET POSITION

As of June 30

	<b>2022</b>	<b>2023</b>
Florida Retirement System Trust Fund	\$ 180,226,404,807	\$ 186,357,365,968
Health Insurance Subsidy Trust Fund	535,368,479	681,814,936
State University System Optional Retirement Program Trust Fund <sup>1</sup>	7,007,965	14,129,376
Senior Management Service Optional Annuity Program Trust Fund <sup>1</sup>	18,346	25,119
National Guard	-	-
Police Officers and Firefighters' Premium Tax Trust Fund	245,037,878	311,637,380
<b>Total Fund Balance/Fiduciary Net Position</b>	<b>\$ 181,013,837,475</b>	<b>\$ 187,364,972,779</b>

<sup>1</sup> Fund Balance represents residual funds pending transfer to individual member accounts with program provider companies.

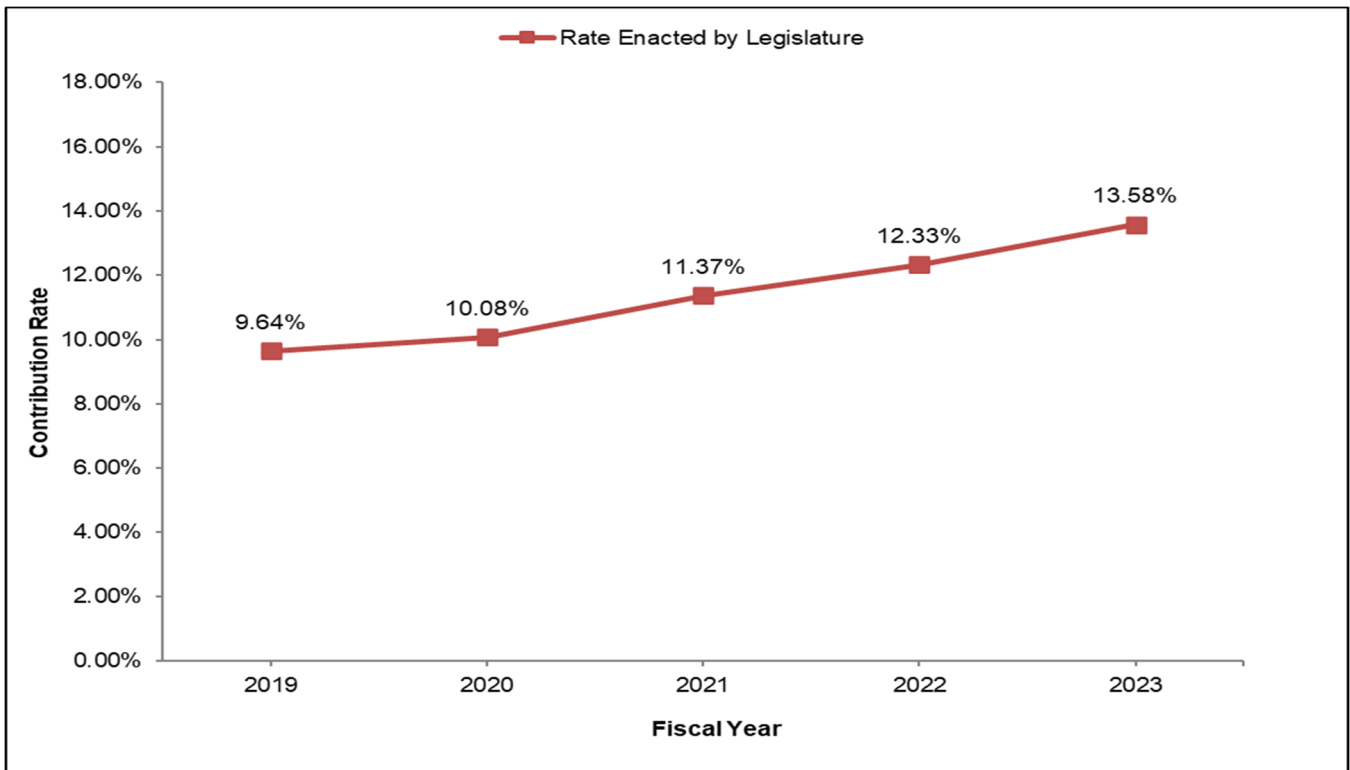
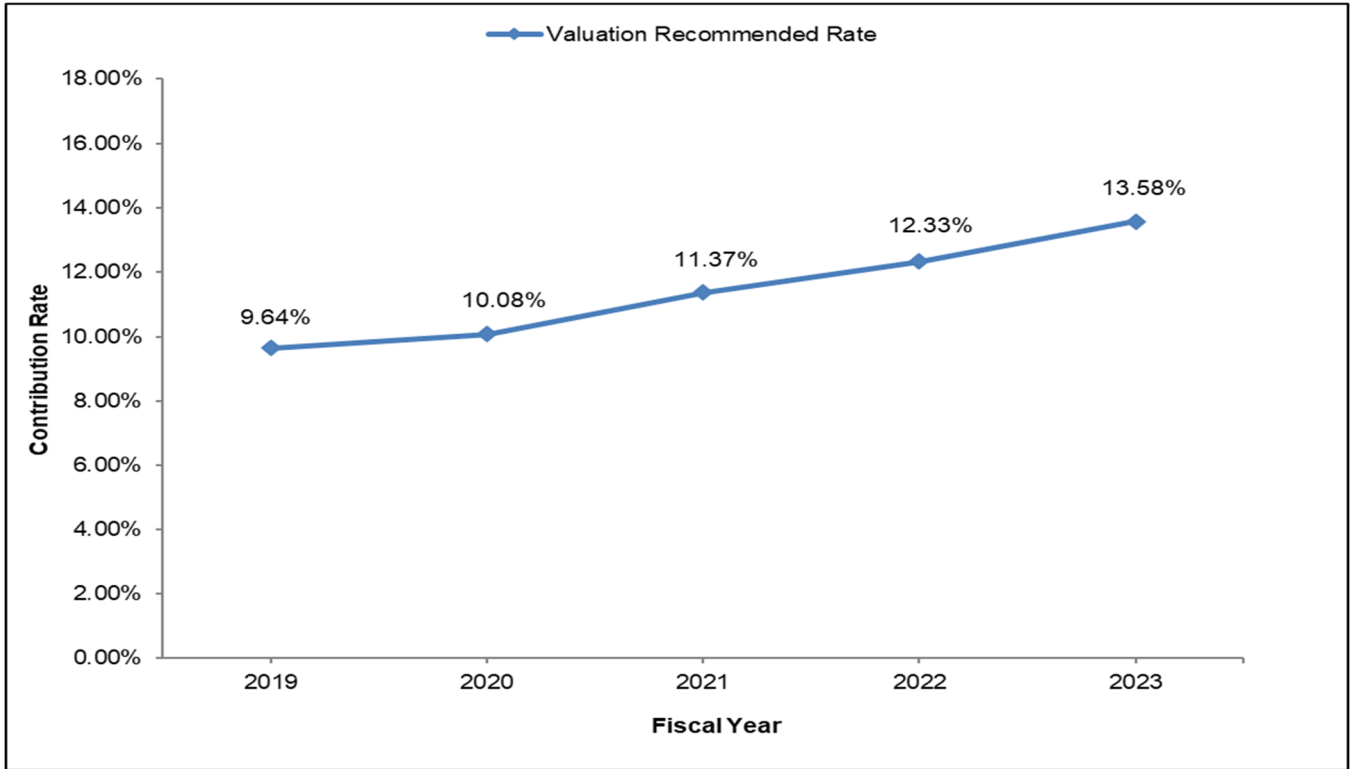
## FRS PENSION PLAN TOTAL ACTUARIAL ASSETS COMPARED TO TOTAL ACTUARIAL LIABILITIES

This chart illustrates the overall financial health of the FRS defined benefit plan. Annual benefit payments are identified as part of the total liabilities.



# TOTAL COMPOSITE BLENDED RATE

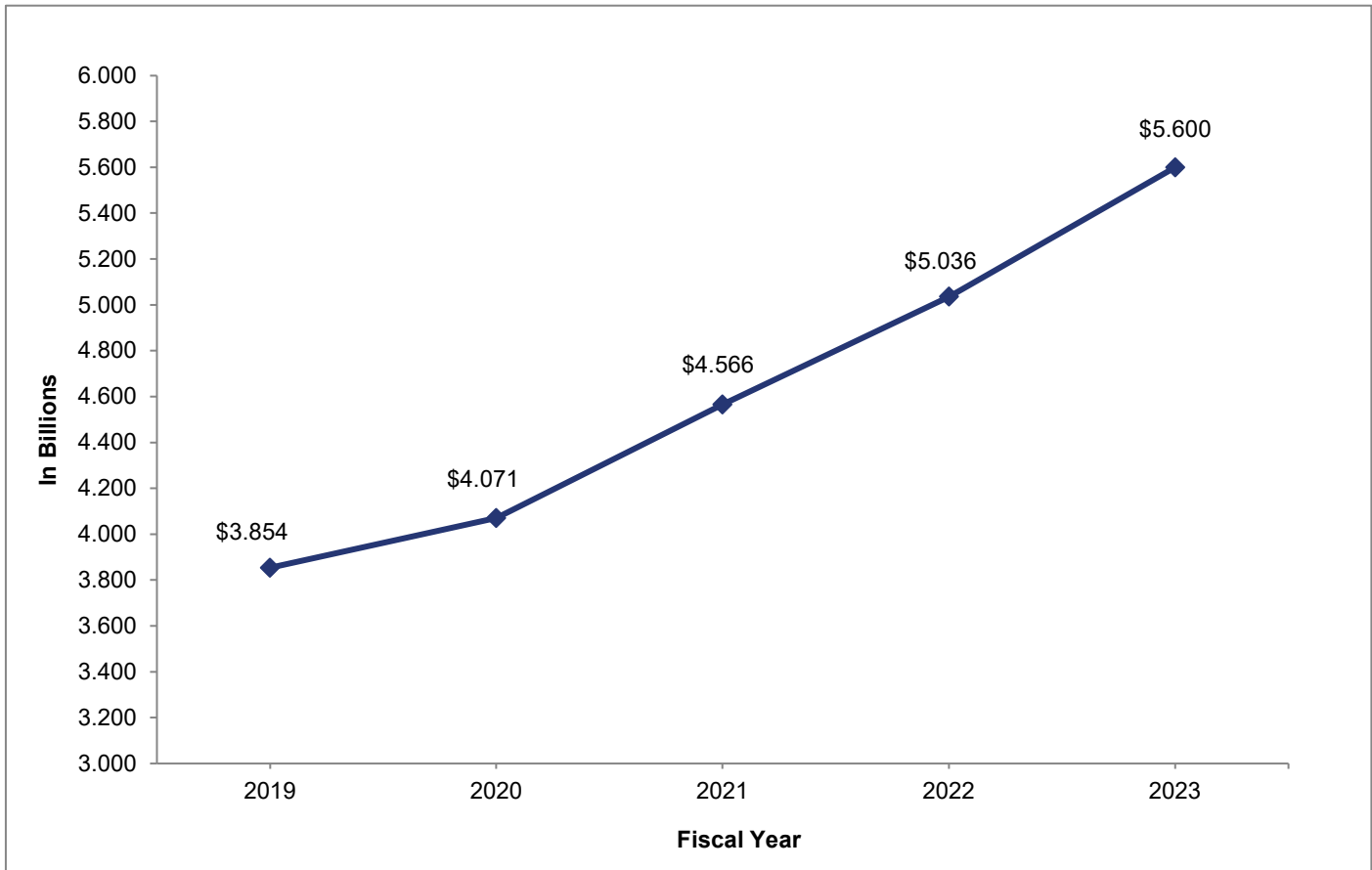
As of June 30



The valuation recommended rate and the rate enacted by the Legislature have been the same since 2017.

## FRS PENSION PLAN RETIREMENT CONTRIBUTIONS

As of June 30



All other disclosures and information not separately contained in this section may be found in the RSI, the Note disclosures, and the 2023 FRS Valuation dated Dec. 1, 2023.



## RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM Overview of GASB 67 and GASB 68

In 2012, the Governmental Accounting Standards Board (GASB) released GASB Statements Nos. 67 and 68 for public pension plans and participating employers. GASB Statements Nos. 67 and 68 substantially revised the accounting requirements previously mandated under GASB Statements Nos. 25 and 27. The Annual Required Contribution (ARC) has been eliminated under GASB 67 and 68 and is no longer relevant for financial reporting purposes.

GASB 67 applies to financial reporting for public pension plans. Based on discussions with the Division of Retirement, it is our understanding that this is the applicable accounting standard for the HIS program. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue stand-alone financial statements, but rather is considered a pension trust fund of a government, it is subject to GASB 67. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for participating employers. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability are immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

### Demographic Data

We received demographic census data from the Division of Retirement as of June 30, 2022. The following table summarizes the demographic census data we used in our valuation.

	<b>Total</b>
Active Members <sup>1</sup>	628,030
Retirees and Dependents <sup>2</sup>	408,669
Terminated Vested Members <sup>1 &amp; 3</sup>	176,949
Members in DROP <sup>1</sup>	30,664
	<u>1,244,312</u>

<sup>1</sup> Used to project future Health Insurance Subsidy benefit recipients.

<sup>2</sup> HIS benefit recipients identified by the Division; includes FRS Pension Plan and FRS Investment Plan retirees.

<sup>3</sup> Includes 56,992 terminated vested FRS Investment Plan members who are eligible for the HIS benefit, or will be eligible once they reach normal retirement age.

## Benefits

The benefits are described in §112.363 of the Florida Statutes. In general, an eligible retiree is entitled to a benefit of \$5 per month per year of service, with a minimum benefit of \$30 per month and a maximum benefit of \$150 per month. The retiree must apply for and provide certification of health insurance coverage to be eligible for the subsidy. The benefit is a cash payment without direct relationship to the member's health insurance cost or type of health coverage.

The projected year-by-year HIS benefit payments for the next forty years are shown on the table below<sup>1</sup>. The table is based on this valuation's demographic data and actuarial assumptions. It does not reflect the effects of projected benefits for individuals who join the FRS Pension Plan or the FRS Investment Plan subsequent to the actuarial valuation date.

<b>Projected Annual Benefit Payments</b>			
<b>Fiscal Year</b>	<b>(\$millions)</b>	<b>Fiscal Year</b>	<b>(\$millions)</b>
2022-2023	\$546	2042-2043	\$629
2023-2024	552	2043-2044	623
2024-2025	559	2044-2045	616
2025-2026	568	2045-2046	607
2026-2027	578	2046-2047	598
2027-2028	585	2047-2048	587
2028-2029	592	2048-2049	576
2029-2030	599	2049-2050	566
2030-2031	605	2050-2051	556
2031-2032	612	2051-2052	545
2032-2033	619	2052-2053	535
2033-2034	624	2053-2054	525
2034-2035	629	2054-2055	515
2035-2036	633	2055-2056	504
2036-2037	636	2056-2057	493
2037-2038	638	2057-2058	481
2038-2039	638	2058-2059	468
2039-2040	638	2059-2060	454
2040-2041	636	2060-2061	439
2041-2042	633	2061-2062	422

All other disclosures and information not separately contained in this section may be found in the RSI, the Note disclosures, and the 2022 HIS Valuation dated Nov. 29, 2022.

<sup>1</sup> Does not reflect the impact of SB 7024. See next page.



1455 SW Broadway, Suite 1600  
Portland, OR 97201  
Tel 503 227 0634

1301 Fifth Ave, Suite 3800  
Seattle, WA 98101  
Tel 206 504 5695

milliman.com

December 5, 2023

Members of the Florida Legislature and of the Health Insurance Subsidy (HIS) Program

**Re: Actuary's Statement Regarding HIS Program 2023 Actuarial Valuation**

Dear Florida Legislators and HIS Program Members:

Milliman has conducted an actuarial valuation as of June 30, 2023 for the Florida Health Insurance Subsidy (HIS) program to assess program assets and liabilities as of that date. Full actuarial valuations for the HIS program are conducted every other year. In intervening years actuarial valuation results are estimated based on results of the previous year's valuation, with adjustment to reflect the passage of time and pertinent market conditions that affect valuation calculations. The most recent full actuarial valuation for HIS was as of June 30, 2022. The valuation as of June 30, 2023 was an intervening year roll-forward valuation. Actuarial valuations of the HIS program serve two primary purposes:

- Compliance with standards mandated by the Governmental Accounting Standards Board (GASB) for program and participating employer financial reporting. These calculations are conducted annually in both the full and intervening year roll-forward valuations.
- Estimation of the employer program contribution rate necessary to provide complete funding of projected statutory benefits over the next five years on a pay-as-you-go basis if actual future program experience follows the demographic assumptions used in the valuation. These calculations are conducted every other year in the full actuarial valuation.

For GASB compliance, the relevant GASB standards are Statement No. 67 (for program financial reporting) and Statement No. 68 (for the financial reporting of participating employers). Under GASB 67 the unfunded liability of the program, which is referred to as the Net Pension Liability (NPL), was approximately \$15.9 billion as of June 30, 2023.

The Net Pension Liability increased by approximately \$5.3 billion compared to the prior measurement as of June 30, 2022. The measured liability as of June 30, 2023 was estimated and based on the results of the valuation conducted as of June 30, 2022, with adjustment to reflect the plan change provided by Senate Bill 7024 (SB 7024) which increased the level of projected future benefits for active and in-pay membership. **The year-over-year increase in NPL was primarily attributable to the plan change from SB 7024, which increased the NPL by approximately \$5.6 billion.** Annually the NPL is expected to increase due to service cost and interest cost and decrease due to contributions made to the program. This year the increase in the discount rate from 3.54% to 3.65% provided a modest decrease to the NPL. GASB standards mandate use of a market discount rate that reflects yields as of the measurement date on long-duration tax-exempt general obligation municipal bonds. In October 2023, the FRS Actuarial Assumption Conference formally re-adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index. The bond index used to set the discount rate increased from 3.54% to 3.65% between measurement dates. All else being equal, the higher the discount rate used in a measurement, the lower the calculated program liability.

Senate Bill 7024 modified the benefit levels and statutory contribution rate of the program effective July 1, 2023. The legislation increased the level of monthly benefits from \$5.00 times years of service to \$7.50, with an increased minimum of \$45.00 and maximum of \$225.00. The change applied to all years of service for both members currently in pay and members not yet in pay. The legislation also increased the statutory program contribution rate from 1.66% to 2.00% of employer payroll. The program is effectively funded on a pay-as-you-go basis. HIS-covered payroll for the plan year ending June 30, 2023 increased by approximately 8.7% over the prior year.

Actuarial assumptions are needed to estimate the future economic and demographic experience of the program. Any deviations between actual and assumed future experience will result in corresponding changes in the ongoing costs of the program. The 2023 valuation of the HIS program uses the same demographic and pay-related assumptions used in the FRS valuation as of July 1, 2022. Details on the development of FRS assumptions can be found in our October 8, October 23, and October 28, 2019 presentation materials to the 2019 FRS Actuarial Assumption Conference and also in the formal 2019 FRS Experience Study report, which reviewed FRS Pension Plan experience for the five-year observation period ending June 30, 2018 and was published on December 20, 2019. Subsequently, demographic assumptions for Special Risk Class members were updated to be consistent with FRS Pension Plan assumptions which reflect plan changes enacted in 2019 and 2022. Note that modifications to expected retirement behavior and eligibility as a result of the changes to the FRS Pension Plan in SB 7024 will be reflected in the next full actuarial valuation report for HIS. The next full actuarial valuation for HIS will be as of July 1, 2024, and will additionally reflect any assumption changes applicable to HIS adopted in response to the experience study of the FRS for the period July 1, 2018 – June 30, 2023, which will be conducted in the coming months.

Additionally, the HIS valuation uses coverage election assumptions specific to the HIS program, which were developed based on recent experience of the program and standard actuarial sources. The 2023 valuation of the HIS program uses the same coverage election assumptions used in the July 1, 2022 full valuation of the HIS. The actuarial assumptions used in performing the July 1, 2022 full valuation of the HIS were approved by the 2022 FRS Actuarial Assumption Conference.

We believe the assumptions used are reasonable, and that the assumptions and methods used in performing the GASB calculations meet the parameters set by GASB Statement No. 67, *Financial Reporting for Pension Plans*.

The results of the valuation report are dependent upon future experience conforming to the valuation's assumptions. Future actuarial measurements may differ significantly from the current measurements presented in the valuation report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in program provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

In performing the actuarial valuation, we relied without audit upon the financial statements, membership data, and other cost and benefit provisions information furnished by the Florida Department of Management Services, Division of Retirement. Although membership data was

**Milliman**

December 5, 2023

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subjected to standard editing procedures and the other information was reviewed for reasonableness, Milliman does not assume responsibility for either its accuracy or its completeness.

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Florida Department of Management Services, Division of Retirement. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of this data, we have found it to be reasonably consistent and comparable with data used for other purposes. Since valuation results are dependent on the integrity of the data supplied, results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

The valuation report was prepared exclusively for the Florida Department of Management Services, Division of Retirement for a specific and limited purpose. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. It is a complex, technical analysis that assumes a high level of knowledge concerning the program's operations, and uses data provided by the Florida Department of Management Services, Division of Retirement, which Milliman has not audited.

The valuation results were developed and rolled forward using models intended for valuations that use standard actuarial techniques.

Milliman does not intend to benefit or create a legal duty to any third-party recipient of the valuation report. No third-party recipient of Milliman's work product should rely upon the valuation report. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsors. I am not aware of any relationship that would impair the objectivity of Milliman's work.

The actuarial valuation report was prepared and completed by me and those under my direct supervision, and I acknowledge responsibility for the results. I hereby certify that the valuation report is complete and accurate to the best of my knowledge. In my opinion the techniques and assumptions used are reasonable. There is no benefit provision or related expense to be provided by the program and/or paid from the program's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation report.

To the best of my knowledge, there were no known events that were not taken into account in the valuation report. On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, the valuation report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. I am a member of the American

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December 5, 2023  
Page 4

Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,



Matt Larrabee, FSA, EA, MAAA  
Principal & Consulting Actuary

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# FLORIDA NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN

## Overview of GASB 67 and GASB 68

In 2012, the Governmental Accounting Standards Board (GASB) released GASB Statements Nos. 67 and 68 for public pension plans and participating employers.

GASB 67 applies to financial reporting for public pension plans. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue stand-alone financial statements, but rather is considered a pension trust fund of a government, it is subject to GASB 67. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for a sponsoring employer. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability will be immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

### Demographic Data

We received demographic census data from the Division of Retirement as of June 30, 2022. The following table summarizes the demographic census data we used in our valuation.

	<b>Total</b>
Active Members <sup>1</sup>	12,222
Retirees	736
Terminated Vested Members <sup>2</sup>	470
Total	<u>13,428</u>

<sup>1</sup> Used to project future National Guard Benefit recipients.

<sup>2</sup> Former employees who have met the service requirement for the benefit, but are not yet receiving benefits. Most have not met the age requirements to commence receipt.

## Benefits

The benefits are described in §250.22 of the Florida Statutes. In general, an eligible retiree is entitled to a benefit equal to 50% of the base military salary for the highest rank attained, less any federal retirement benefit derived from military service. Eligibility for the benefit is met when service members have completed at least 30 years of service in the Florida National Guard. Benefits may start as early as age 60<sup>1</sup>.

In 2018, the federal military retirement benefit was changed by the implementation of the Uniform Services Blended Retirement System (BRS). The BRS applies to all new entrants after January 1, 2018 and eligible existing service members who opt-in to the new system. The BRS combines a defined contribution component with a defined benefit annuity component based on a lower multiplier than the legacy federal military retirement benefit. Since the Florida National Guard benefit is offset by the defined benefit component of the federal military retirement benefit, a reduction in the federal benefit offset will result in an increase to the Florida National Guard benefit, absent statutory changes.

This valuation models all new entrants hired on or after January 1, 2018 as participants of the BRS. Existing service members hired between January 1, 2006 and December 31, 2017 were given the opportunity to elect into the BRS during an election window that closed December 31, 2018. The demographic census data provided to us for this valuation does not identify whether a member opted into the BRS or elected to stay in the legacy federal military retirement system. For purposes of this actuarial valuation, we have assumed that all members hired between January 1, 2006 and December 31, 2017 elected to stay in the legacy federal military retirement system. As such, only new entrants hired on or after January 1, 2018 were valued as participating in the BRS.

Members participating in the BRS will not commence receiving benefits for 16 or more years into the future, which means, absent a statutory change to the Florida National Guard benefit, the impact of the federal military retirement benefit change on projected Florida National Guard benefit payments will emerge gradually over time.

The projected year-by-year National Guard benefit payments for the next 40 years are shown in the table below. The table is based on this valuation's demographic data and actuarial assumptions. It does not reflect the effects of projected benefits for individuals who join the Florida National Guard subsequent to the actuarial valuation date.

<b>Projected Annual Benefit Payments</b>			
Fiscal Year (\$millions)		Fiscal Year (\$millions)	
2022-2023	\$17.5	2042-2043	\$28.7
2023-2024	18.0	2043-2044	29.5
2024-2025	18.7	2044-2045	30.4
2025-2026	19.8	2045-2046	31.3
2026-2027	20.6	2046-2047	32.1
2027-2028	21.8	2047-2048	33.0
2028-2029	22.5	2048-2049	33.9
2029-2030	22.9	2049-2050	35.2
2030-2031	23.6	2050-2051	36.3
2031-2032	24.0	2051-2052	37.8
2032-2033	24.3	2052-2053	39.2
2033-2034	24.8	2053-2054	40.3
2034-2035	25.0	2054-2055	41.2
2035-2036	25.4	2055-2056	42.1
2036-2037	25.7	2056-2057	42.8
2037-2038	26.1	2057-2058	43.4
2038-2039	26.5	2058-2059	44.0
2039-2040	26.9	2059-2060	44.5
2040-2041	27.5	2060-2061	44.9
2041-2042	27.9	2061-2062	45.1

<sup>1</sup> The benefit is unreduced at age 62; an Early Retirement Factor applies to benefits paid as early as age 60.





1455 SW Broadway, Suite 1600  
Portland, OR 97201  
Tel 503 227 0634

1301 Fifth Ave, Suite 3800  
Seattle, WA 98101  
Tel 206 504 5695

milliman.com

December 5, 2023

Members of the Florida Legislature and of the Florida National Guard

**Re: Actuary's Statement Regarding Florida National Guard Supplemental Retirement Benefit 2023 Actuarial Valuation**

Dear Florida Legislators and Florida National Guard Members:

Milliman has conducted an actuarial valuation as of June 30, 2023 for the Florida National Guard Supplemental Retirement Benefit program. The first full actuarial valuation for the program was conducted as of June 30, 2014, and full valuations for the program are conducted every other year. In intervening years actuarial valuation results are estimated based on results for the previous year's valuation, with adjustment to reflect pertinent market conditions that affect valuation calculations. The valuation as of June 30, 2023 was an intervening year valuation.

The program is funded on a pay-as-you-go basis, so rather than program funding, the sole purpose of the actuarial valuation is for compliance with standards mandated by the Governmental Accounting Standards Board (GASB) for program financial reporting. For GASB compliance, the relevant GASB standards are Statement No. 67 (for program financial reporting) and Statement No. 68 (for financial reporting by the sponsoring employer). Under GASB 67 the unfunded liability of the program, which is referred to as the Net Pension Liability (NPL), was approximately \$609 million as of June 30, 2023.

The Net Pension Liability (NPL) increased by approximately \$8 million compared to the prior measurement as of June 30, 2022. (As noted above, the measured liability as of June 30, 2023 was estimated and based on the results of the valuation conducted as of June 30, 2022.) This year-over-year increase was caused by expected increases in the NPL due to service cost and interest cost. Those increases were largely offset by the decrease in NPL resulting from benefit payments made from the plan and the increase in the discount rate from 3.54% to 3.65%. GASB standards mandate use of a market discount rate that reflects yields as of the measurement date on long-duration tax-exempt general obligation municipal bonds. In October 2023, the FRS Actuarial Assumption Conference formally re-adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index. The bond index used to set the discount rate increased from 3.54% to 3.65% between measurement dates. All else being equal, the higher the discount rate used in a measurement, the lower the calculated program liability.

Actuarial assumptions are needed to estimate the future economic and demographic experience of the program. Any deviations between actual and expected future experience will result in corresponding changes in the ongoing costs of the program. The demographic actuarial assumptions were developed from recent turnover, retirement and promotion experience for National Guard personnel, from mortality experience for FRS Pension Plan members, and from standard actuarial sources.

This work product was prepared solely for the Florida Department of Management Services for the purposes stated herein, and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

We believe the assumptions used are reasonable, and that the assumptions and methods used in performing the GASB calculations meet the parameters set by GASB Statement No. 67, *Financial Reporting for Pension Plans*.

The results of the valuation report are dependent upon future experience conforming to these assumptions. Future actuarial measurements may differ significantly from the current measurements presented in the valuation report due to many factors, including: program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in program provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

In performing the valuation, we relied without audit upon the financial statements, membership data, and other cost and benefits provision information furnished by the Florida Department of Management Services, Division of Retirement. Although membership data, some of which was provided to the Division of Retirement by the Florida Department of Military Affairs, was subjected to standard editing procedures and was reviewed for reasonableness, Milliman does not assume responsibility for either its accuracy or its completeness.

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Florida Department of Management Services, Division of Retirement. This information includes, but is not limited to, statutory provisions, program membership census, and financial information. In our examination of this data, we have found it to be reasonably consistent and comparable with data used for other purposes. Since valuation results are dependent on the integrity of the data supplied, results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

The valuation report was prepared exclusively for the Florida Department of Management Services, Division of Retirement for a specific and limited purpose. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. It is a complex, technical analysis that assumes a high level of knowledge concerning the program's operations, and uses data provided by the Florida Department of Management Services, Division of Retirement, which Milliman has not audited.

The valuation results were developed and rolled forward using models intended for valuations that use standard actuarial techniques.

Milliman does not intend to benefit or create a legal duty to any third-party recipient of the valuation report. No third party recipient of Milliman's work product should rely upon the valuation report. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

**Milliman**

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December 5, 2023

Page 3

The signing actuary is independent of the plan sponsors. I am not aware of any relationship that would impair the objectivity of Milliman's work.

The actuarial valuation was prepared and completed by me and those under my direct supervision, and I acknowledge responsibility for the results. I hereby certify that the valuation report is complete and accurate to the best of my knowledge. In my opinion the techniques and assumptions used are reasonable. There is no benefit provision or related expense to be provided by the program and/or paid from the program's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation.

To the best of my knowledge, there were no known events that were not taken into account in the valuation. On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, the valuation report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,



Matt Larrabee, FSA, EA, MAAA  
Principal & Consulting Actuary

**Milliman**

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# Statistical Section

## MEMBERSHIP AND PAYROLL

As of June 30

### TOTAL FRS MEMBERSHIP

	<u>2022<sup>1</sup></u>	<u>2023<sup>1</sup></u>	<u>% Change</u>
Members	629,073	646,277	2.73
Annual Payroll <sup>2</sup>	\$ 36,196,252,275	\$ 39,397,350,166	8.84
Average Annual Salary	\$ 52,412	\$ 56,250	7.32

### FRS INVESTMENT PLAN MEMBERSHIP

	<u>2022<sup>1</sup></u>	<u>2023<sup>1</sup></u>	<u>% Change</u>
Members	184,923	204,461	10.57
Annual Payroll <sup>2</sup>	\$ 11,162,690,298	\$ 12,829,788,244	14.93
Average Annual Salary	\$ 46,824	\$ 50,170	7.15

### FRS PENSION PLAN MEMBERSHIP

	<u>2022<sup>1</sup></u>	<u>2023<sup>1</sup></u>	<u>% Change</u>
Members	444,150	441,816	(0.53)
Annual Payroll <sup>2</sup>	\$ 25,033,561,976	\$ 26,567,561,922	6.13
Average Annual Salary	\$ 54,739	\$ 59,063	7.90

## ANNUITANTS AND BENEFIT PAYMENTS FOR THE FRS PENSION PLAN

As of June 30

The increase in benefit payments is the result of several factors: (1) an increase in the number of new retirees; (2) higher salaries; and (3) cost-of-living adjustments to retirees. The figures below include disability payments, IFAS, General Revenue, and TRS-SB, but do not include refunds of member contributions.

	<u>2022<sup>1</sup></u>	<u>2023<sup>1</sup></u>	<u>% Change</u>
Annuitants <sup>3</sup>	448,846	455,601	1.50
Benefit Payments (Annualized)	\$ 11,226,457,708	\$ 11,702,730,031	4.24
Average Benefits (Annualized)	\$ 25,012	\$ 25,686	2.69

### DISABLED RETIREES

	<u>2022<sup>1</sup></u>	<u>2023<sup>1</sup></u>	<u>% Change</u>
Disabled Retirees	14,858	14,499	(2.42)
Benefit Payments (Annualized)	\$ 265,058,001	\$ 266,820,220	0.66
Average Benefits (Annualized)	\$ 17,839	\$ 18,403	3.16

### DROP PARTICIPANTS

	<u>2022</u>	<u>2023</u>	<u>% Change</u>
DROP Participants	28,827	27,767	(3.68)
Annual Payroll	\$ 2,015,167,601	\$ 2,081,810,006	3.31
DROP Accrued Liability	\$ 2,414,504,188	\$ 2,491,841,580	3.20

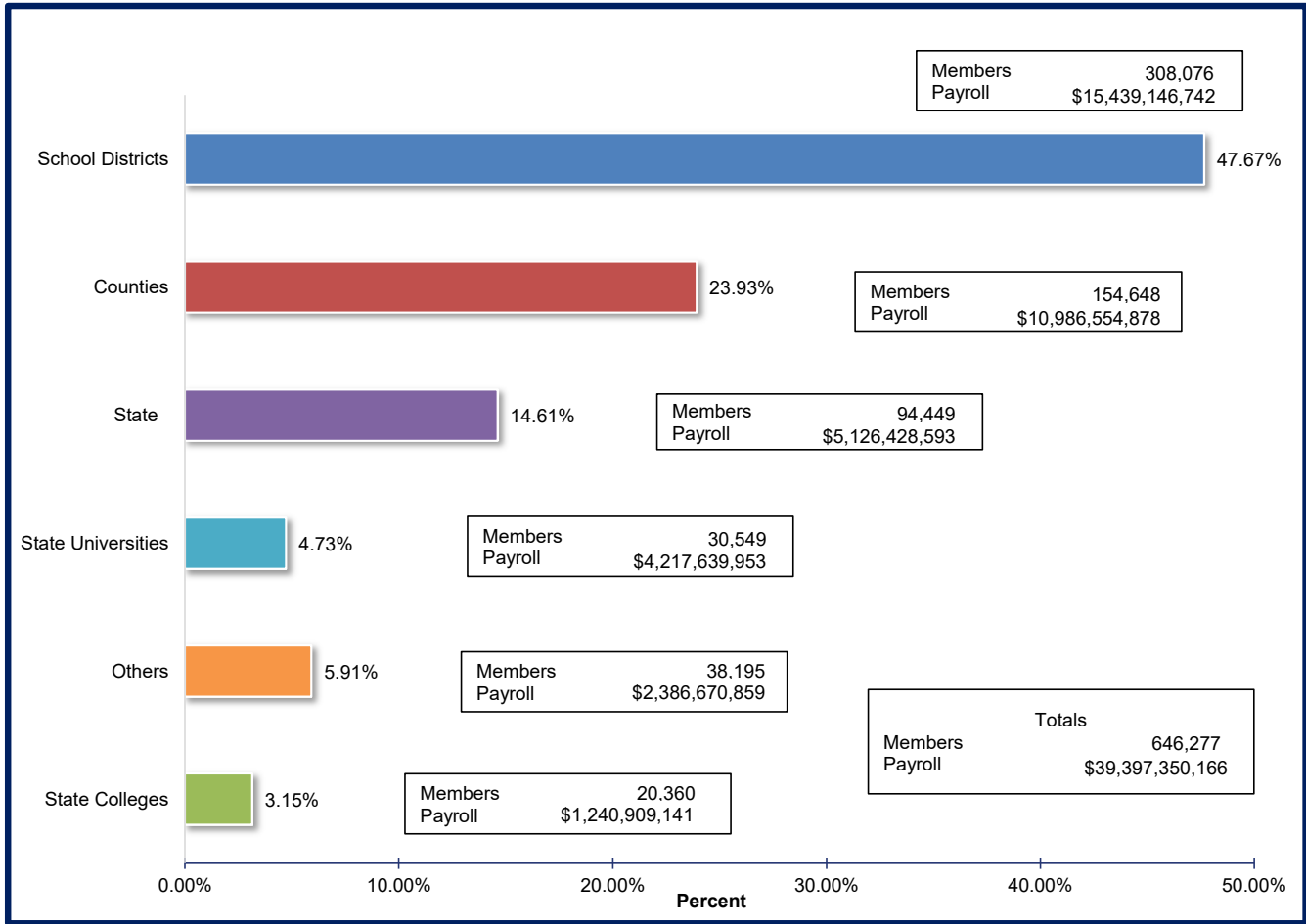
<sup>1</sup> Excludes DROP participants.

<sup>2</sup> Totals include non-member funding payroll.

<sup>3</sup> Total annuitants include disabled retirees.

**SOURCE OF FRS MEMBERSHIP<sup>1</sup> AND COVERED PAYROLL<sup>2</sup>  
BY EMPLOYER GROUP<sup>3</sup> FOR FISCAL YEAR 2022-23**

% = Percent of Total Active Members



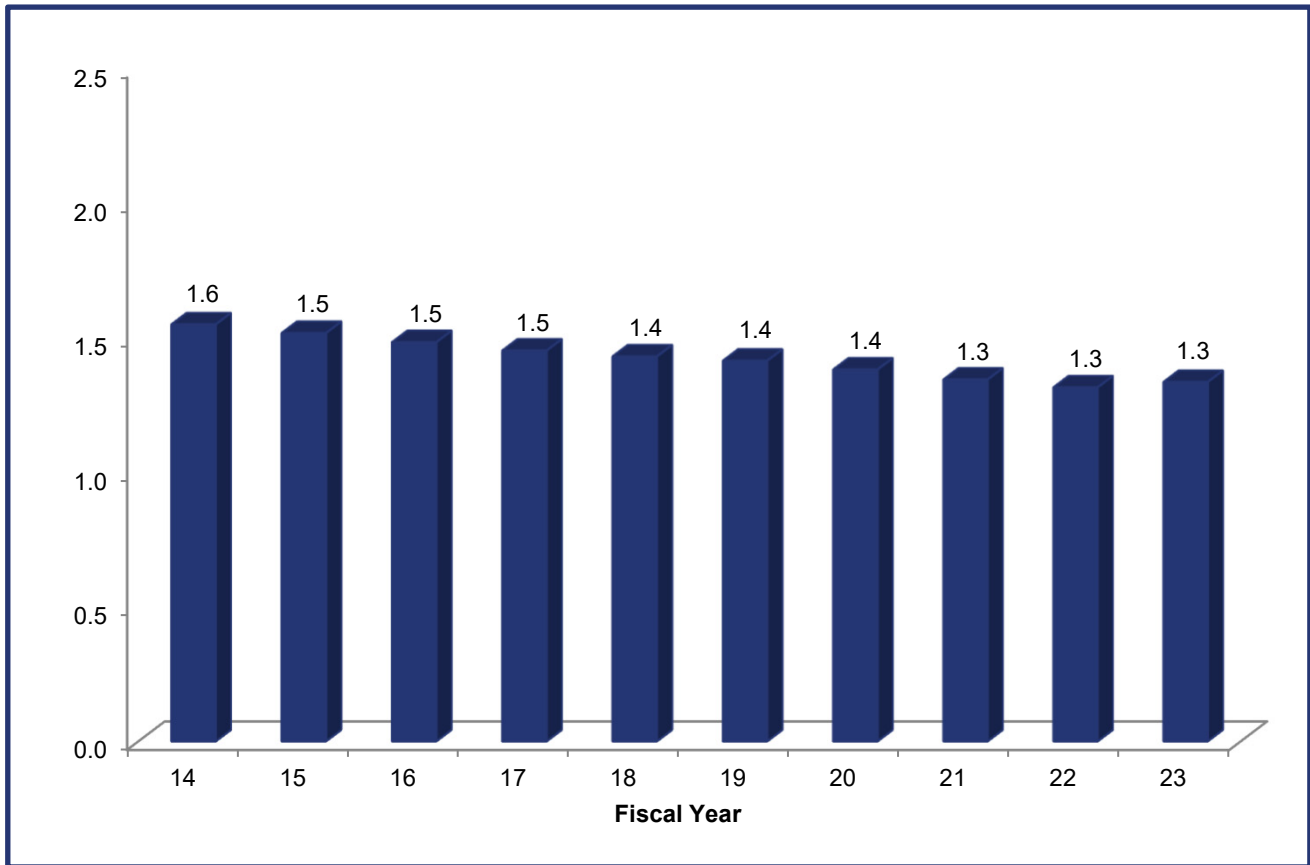
<sup>1</sup> Includes both FRS Pension Plan and Investment Plan members and excludes DROP participants.

<sup>2</sup> Includes non-member funding payroll.

<sup>3</sup> Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

# RATIO OF FRS ACTIVE MEMBERS TO RETIREES<sup>1</sup>

2014-2023



<sup>1</sup> Includes DROP participants.



## ACTIVE FRS MEMBERS BY SYSTEM/CLASS<sup>1</sup>

As of June 30

System/Class	2019	2020	2021	2022	2023
FRS Regular	554,631	550,053	541,698	537,128	550,931
FRS Senior Management Service	7,767	7,771	7,875	7,610	7,714
FRS Special Risk	74,274	75,161	74,355	72,925	75,495
FRS Special Risk Adm. Sup.	100	107	98	104	93
FRS Elected Officers'	2,088	2,040	2,095	2,075	2,105
<b>Renewed Membership</b>					
Regular	7,629	7,691	7,645	7,806	8,433
Senior Management Service	214	209	220	210	227
Special Risk	1,112	1,182	1,163	1,100	1,168
Special Risk Adm. Sup.	1	1	1	1	1
Elected Officers'	112	113	110	109	106
<b>Subtotal</b>	<b>647,928</b>	<b>644,328</b>	<b>635,260</b>	<b>629,068</b>	<b>646,273</b>
TRS	9	8	5	4	4
IFAS	5	2	1	1	-
<b>Subtotal</b>	<b>14</b>	<b>10</b>	<b>16</b>	<b>5</b>	<b>4</b>
<b>Grand Total</b>	<b>647,942</b>	<b>644,338</b>	<b>635,266</b>	<b>629,073</b>	<b>646,277</b>

## ANNUAL FRS PAYROLL BY SYSTEM/CLASS<sup>1,2</sup>

As of June 30

System/Class	2019	2020	2021	2022	2023
FRS Regular	\$ 26,909,126,076	\$ 27,905,141,463	\$ 28,325,850,890	\$ 29,126,383,663	\$ 31,462,703,901
FRS Senior Management Service	751,396,287	772,870,192	803,329,129	824,335,420	918,163,496
FRS Special Risk	4,863,620,171	5,040,982,910	5,278,947,000	5,451,709,307	6,153,256,877
FRS Special Risk Adm. Sup.	4,637,891	5,302,775	5,408,200	5,381,322	5,805,097
FRS Elected Officers'	196,819,213	196,978,069	203,963,996	211,724,251	228,688,322
<b>Renewed Membership</b>					
Regular	372,634,716	399,720,462	412,394,739	437,565,988	504,255,812
Senior Management Service	22,952,898	23,412,748	24,059,273	24,318,099	25,892,578
Special Risk	57,278,419	64,739,131	69,947,086	104,628,642	87,464,920
Special Risk Adm. Sup.	29,208	13,253	42,666	42,745	99,073
Elected Officers'	7,950,186	8,685,376	9,351,824	9,548,193	10,511,927
<b>Subtotal</b>	<b>33,186,445,065</b>	<b>34,417,846,379</b>	<b>35,133,294,804</b>	<b>36,195,637,631</b>	<b>39,396,842,003</b>
TRS	1,123,473	810,322	521,214	470,955	427,361
IFAS	1,322,166	414,829	180,724	143,689	80,801
<b>Subtotal</b>	<b>2,445,639</b>	<b>1,225,151</b>	<b>701,938</b>	<b>614,644</b>	<b>508,163</b>
<b>Grand Total</b>	<b>\$ 33,188,890,704</b>	<b>\$ 34,419,071,531</b>	<b>\$ 35,133,996,743</b>	<b>\$ 36,196,252,275</b>	<b>\$ 39,397,350,166</b>
<b>Average</b>	<b>\$ 46,870</b>	<b>\$ 48,784</b>	<b>\$ 50,395</b>	<b>\$ 52,412</b>	<b>\$ 56,250</b>

## MEMBERS' REQUIRED CONTRIBUTIONS BY SYSTEM/CLASS<sup>1,2</sup>

As of June 30

System/Class	2019	2020	2021	2022	2023
FRS Regular	\$ 797,769,738	\$ 827,310,597	\$ 840,074,711	\$ 863,713,215	\$ 932,618,808
FRS Senior Management Service	21,709,274	22,315,205	23,130,184	23,780,431	26,519,865
FRS Special Risk	145,024,158	150,272,170	157,086,156	163,284,693	183,356,574
FRS Special Risk Adm. Sup.	139,182	9,603	162,246	161,439	174,153
FRS Elected Officers'	5,737,120	5,727,263	5,907,094	6,114,157	6,594,088
<b>Renewed Membership</b>					
Regular	11,089,573	11,900,608	12,280,15	13,027,885	15,028,569
Senior Management Service	654,519	668,835	701,846	720,177	759,482
Special Risk	1,718,222	1,941,278	2,096,091	2,186,125	2,623,915
Special Risk Adm. Sup.	878	398	1,280	1,282	2,972
Elected Officers'	238,352	260,560	280,554	286,445	315,360
<b>Subtotal</b>	<b>984,081,016</b>	<b>1,020,406,516</b>	<b>1,041,720,178</b>	<b>1,073,275,850</b>	<b>1,167,993,786</b>
TRS	70,216	50,645	32,576	29,435	26,714
IFAS	-	-	-	-	-
<b>Subtotal</b>	<b>70,216</b>	<b>50,645</b>	<b>32,576</b>	<b>29,435</b>	<b>26,714</b>
<b>Grand Total</b>	<b>\$ 984,151,232</b>	<b>\$ 1,020,457,161</b>	<b>\$ 1,041,752,754</b>	<b>\$ 1,073,305,285</b>	<b>\$ 1,168,020,500</b>

<sup>1</sup> Includes both FRS Pension Plan and Investment Plan members and excludes DROP participants.

<sup>2</sup> Totals include non-member funding payroll.

## PROFILE OF ACTIVE FRS MEMBERS

As of June 30, 2023

Years of Service	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	34,108	24,730	58,838	8,104	5,585	13,689	26,004	19,145	45,149
1 - 5	124,684	74,665	199,349	17,485	11,705	29,190	107,199	62,960	170,159
6 - 9	66,515	41,914	108,429	8,961	6,288	15,249	57,554	35,626	93,180
10 - 19	104,201	60,773	164,974	12,634	8,761	21,395	91,567	52,012	143,579
20 - 29	64,864	33,630	98,494	7,524	4,965	12,489	57,340	28,665	86,005
30 or More Years	10,405	5,788	16,193	1,459	978	2,437	8,946	4,810	13,756
<b>Total</b>	<b>404,777</b>	<b>241,500</b>	<b>646,277</b>	<b>56,167</b>	<b>38,282</b>	<b>94,449</b>	<b>348,610</b>	<b>203,218</b>	<b>551,828</b>

Age Range	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	49,937	34,827	84,764	9,528	7,036	16,564	40,409	27,791	68,200
30 - 39	85,621	55,104	140,725	13,130	9,578	22,708	72,491	45,526	118,017
40 - 49	106,454	57,358	163,812	13,280	8,315	21,595	93,174	49,043	142,217
50 - 59	112,992	60,354	173,346	13,941	8,689	22,630	99,051	51,665	150,716
60 - 69	44,604	28,528	73,132	5,680	4,040	9,720	38,924	24,488	63,412
70 and Over	5,169	5,329	10,498	608	624	1,232	4,561	4,705	9,266
<b>Total</b>	<b>404,777</b>	<b>241,500</b>	<b>646,277</b>	<b>56,167</b>	<b>38,282</b>	<b>94,449</b>	<b>348,610</b>	<b>203,218</b>	<b>551,828</b>

Average Age	45.20	44.76	45.04	43.47	43.05	43.30	45.48	45.08	45.33
Average Years of Service	10.85	10.31	10.65	9.77	9.73	9.75	11.03	10.42	10.80
Average Annual Salary	\$51,324	\$64,505	\$56,250	\$50,037	\$58,638	\$53,523	\$51,532	\$65,610	\$56,716
Percentage Entitled to a Benefit if Terminated June 30, 2023	74.7%	68.3%	72.3%	66.3%	62.8%	64.9%	76.0%	69.3%	73.5%

<sup>1</sup> Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

## PROFILE OF ACTIVE FRS INVESTMENT PLAN MEMBERS

As of June 30, 2023

Years of Service	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	7,797	5,261	13,058	1,781	1,066	2,847	6,016	4,195	10,211
1 - 5	80,349	39,275	119,624	10,001	5,361	15,362	70,348	33,914	104,262
6 - 9	15,644	8,616	24,260	2,150	1,537	3,687	13,494	7,079	20,573
10 - 19	21,825	11,807	33,632	2,736	1,890	4,626	19,089	9,917	29,006
20 - 29	6,468	4,258	10,726	999	800	1,799	5,469	3,458	8,927
30 or More Years	1,814	1,347	3,161	290	252	542	1,524	1,095	2,619
<b>Total</b>	<b>133,897</b>	<b>70,564</b>	<b>204,461</b>	<b>17,957</b>	<b>10,906</b>	<b>28,863</b>	<b>115,940</b>	<b>59,658</b>	<b>175,598</b>

Age Range	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	26,715	12,779	39,494	4,133	2,084	6,217	22,582	10,695	33,277
30 - 39	31,374	15,769	47,143	4,610	2,830	7,440	26,764	12,939	39,703
40 - 49	31,064	14,329	45,393	3,781	2,226	6,007	27,283	12,103	39,386
50 - 59	27,480	14,984	42,464	3,373	2,189	5,562	24,107	12,795	36,902
60 - 69	14,734	9,964	24,698	1,815	1,315	3,130	12,919	8,649	21,568
70 and Over	2,530	2,739	5,269	245	262	507	2,285	2,477	4,762
<b>Total</b>	<b>133,897</b>	<b>70,564</b>	<b>204,461</b>	<b>17,957</b>	<b>10,906</b>	<b>28,863</b>	<b>115,940</b>	<b>59,658</b>	<b>175,598</b>

Average Age	42.92	44.71	43.54	41.59	43.21	42.20	43.13	44.99	43.76
Average Years of Service	6.68	7.22	6.87	6.74	7.76	7.13	6.67	7.13	6.82
Average Annual Salary	\$46,378	\$57,365	\$50,170	\$48,552	\$57,428	\$51,906	\$46,041	\$57,353	\$49,884
Percentage Entitled to a Benefit if Terminated June 30, 2023	94.2%	92.5%	93.6%	90.1%	90.2%	90.1%	94.8%	93.0%	94.2%

<sup>1</sup> Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

## PROFILE OF ACTIVE FRS PENSION PLAN MEMBERS

As of June 30, 2023

Years of Service	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	26,311	19,469	45,780	6,323	4,519	10,842	19,988	14,950	34,938
1 - 5	44,335	35,390	79,725	7,484	6,344	13,828	36,851	29,046	65,897
6 - 9	50,871	33,298	84,169	6,811	4,751	11,562	44,060	28,547	72,607
10 - 19	82,376	48,966	131,342	9,898	6,871	16,769	72,478	42,095	114,573
20 - 29	58,396	29,372	87,768	6,525	4,165	10,690	51,871	25,207	77,078
30 or More Years	8,591	4,441	13,032	1,169	726	1,895	7,422	3,715	11,137
<b>Total</b>	<b>270,880</b>	<b>170,936</b>	<b>441,816</b>	<b>38,210</b>	<b>27,376</b>	<b>65,586</b>	<b>232,670</b>	<b>143,560</b>	<b>376,230</b>

Age Range	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	23,222	22,048	45,270	5,395	4,952	10,347	17,827	17,096	34,923
30 - 39	54,247	39,335	93,582	8,520	6,748	15,268	45,727	32,587	78,314
40 - 49	75,390	43,029	118,419	9,499	6,089	15,588	65,891	36,940	102,831
50 - 59	85,512	45,370	130,882	10,568	6,500	17,068	74,944	38,870	113,814
60 - 69	29,870	18,564	48,434	3,865	2,725	6,590	26,005	15,839	41,844
70 and Over	2,639	2,590	5,229	363	362	725	2,276	2,228	4,504
<b>Total</b>	<b>270,880</b>	<b>170,936</b>	<b>441,816</b>	<b>38,210</b>	<b>27,376</b>	<b>65,586</b>	<b>232,670</b>	<b>143,560</b>	<b>376,230</b>

Average Age	46.32	44.78	45.73	44.35	42.99	43.79	46.65	45.12	46.07
Average Years of Service	12.92	11.58	12.40	11.19	10.51	10.90	13.20	11.79	12.66
Average Annual Salary	\$53,769	\$67,453	\$59,063	\$50,736	\$59,119	\$54,235	\$54,268	\$69,042	\$59,905
Percentage Entitled to a Benefit if Terminated June 30, 2023	65.0%	58.3%	62.4%	55.1%	51.9%	53.8%	66.6%	59.5%	63.9%

<sup>1</sup> Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

**PROFILE OF ACTIVE FRS PENSION PLAN MEMBERS  
INITIALLY ENROLLED BEFORE JULY 1, 2011**

As of June 30, 2023

Years of Service	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	241	132	373	64	25	89	177	107	284
1 - 5	4,056	1,920	5,976	702	354	1,056	3,354	1,566	4,920
6 - 9	7,216	3,249	10,465	1,034	527	1,561	6,182	2,722	8,904
10 - 19	68,695	39,849	108,544	8,343	5,688	14,031	60,352	34,161	94,513
20 - 29	58,393	29,364	87,757	6,525	4,165	10,690	51,868	25,199	77,067
30 or More Years	8,591	4,441	13,032	1,169	726	1,895	7,422	3,715	11,137
<b>Total</b>	<b>147,192</b>	<b>78,955</b>	<b>226,147</b>	<b>17,837</b>	<b>11,485</b>	<b>29,322</b>	<b>129,355</b>	<b>67,470</b>	<b>196,825</b>

Age Range	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	7	6	13	-	1	1	7	5	12
30 - 39	12,301	8,137	20,438	1,496	1,234	2,730	10,805	6,903	17,708
40 - 49	47,446	26,280	73,726	5,535	3,594	9,129	41,911	22,686	64,597
50 - 59	63,337	30,717	94,054	7,719	4,427	12,146	55,618	26,290	81,908
60 - 69	22,062	12,065	34,127	2,780	1,946	4,726	19,282	10,119	29,401
70 and Over	2,039	1,750	3,789	307	283	590	1,732	1,467	3,199
<b>Total</b>	<b>147,192</b>	<b>78,955</b>	<b>226,147</b>	<b>17,837</b>	<b>11,485</b>	<b>29,322</b>	<b>129,355</b>	<b>67,470</b>	<b>196,825</b>

Average Age	51.33	51.03	51.22	51.57	51.35	51.48	51.29	50.97	51.18
Average Years of Service	19.46	19.31	19.41	19.11	19.21	19.15	19.51	19.33	19.45
Average Annual Salary	\$60,773	\$79,574	\$67,337	\$57,130	\$69,123	\$61,827	\$61,275	\$81,353	\$68,158
Percentage Entitled to a Benefit if Terminated June 30, 2023	97.1%	97.4%	97.2%	95.7%	96.7%	96.1%	97.3%	97.5%	97.4%

<sup>1</sup> Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

## PROFILE OF ACTIVE FRS PENSION PLAN MEMBERS INITIALLY ENROLLED ON OR AFTER JULY 1, 2011

As of June 30, 2023

Years of Service	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 1 Year	26,070	19,337	45,407	6,259	4,494	10,753	19,811	14,843	34,654
1 - 3	23,821	20,383	44,204	4,270	3,852	8,122	19,551	16,531	36,082
4 - 7	40,591	29,540	70,131	5,848	4,448	10,296	34,743	25,092	59,835
8 - 19	33,203	22,713	55,916	3,996	3,097	7,093	29,207	19,616	48,823
20 - 32	3	8	11	-	-	-	3	8	11
33 or More Years	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>123,688</b>	<b>91,981</b>	<b>215,669</b>	<b>20,373</b>	<b>15,891</b>	<b>36,264</b>	<b>103,315</b>	<b>76,090</b>	<b>179,405</b>

Age Range	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 30	23,215	22,042	45,257	5,395	4,951	10,346	17,820	17,091	34,911
30 - 39	41,946	31,198	73,144	7,024	5,514	12,538	34,922	25,684	60,606
40 - 49	27,944	16,749	44,693	3,964	2,495	6,459	23,980	14,254	38,234
50 - 59	22,175	14,653	36,828	2,849	2,073	4,922	19,326	12,580	31,906
60 - 69	7,808	6,499	14,307	1,085	779	1,864	6,723	5,720	12,443
70 and Over	600	840	1,440	56	79	135	544	761	1,305
<b>Total</b>	<b>123,688</b>	<b>91,981</b>	<b>215,669</b>	<b>20,373</b>	<b>15,891</b>	<b>36,264</b>	<b>103,315</b>	<b>76,090</b>	<b>179,405</b>

Average Age	40.37	39.42	39.96	38.04	36.96	37.56	40.83	39.93	40.45
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Average Years of Service	5.14	4.94	5.05	4.25	4.23	4.24	5.31	5.09	5.22
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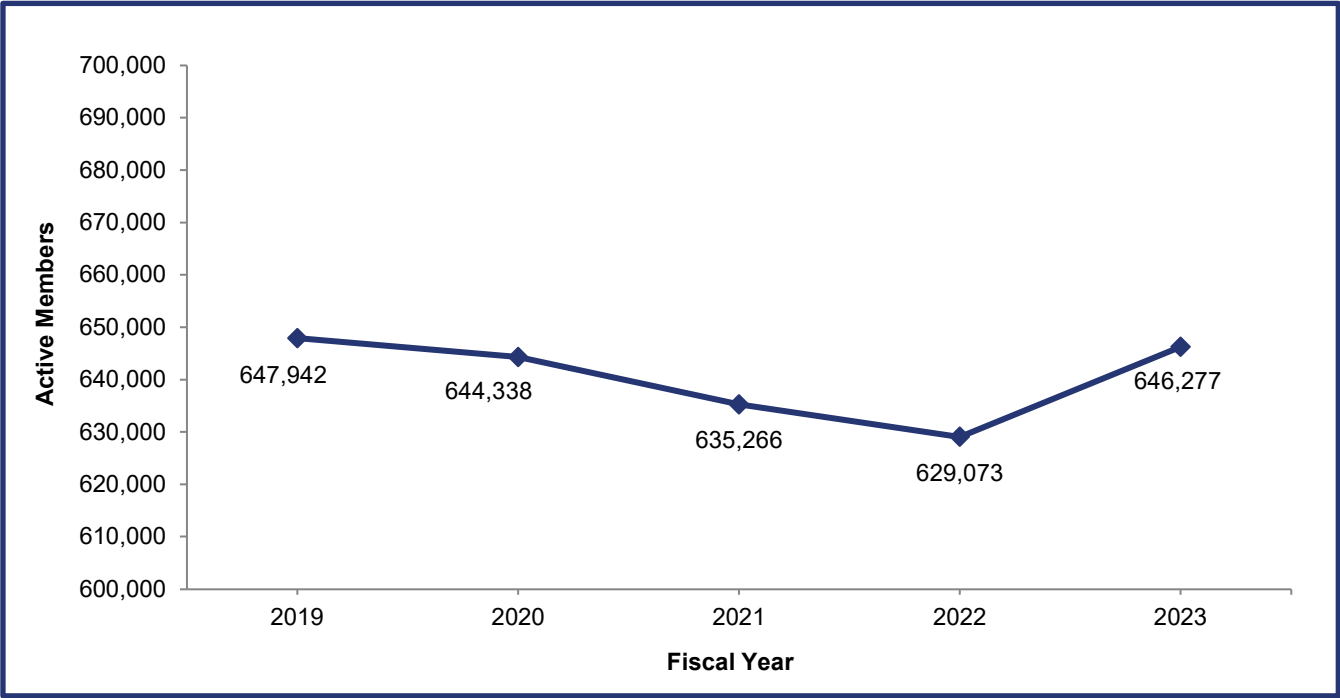
Average Annual Salary	\$45,435	\$57,048	\$50,388	\$45,137	\$51,889	\$48,096	\$45,494	\$58,125	\$50,851
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Percentage Entitled to a Benefit if Terminated June 30, 2023	26.8%	24.7%	25.9%	19.6%	19.5%	19.6%	28.3%	25.8%	27.2%
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<sup>1</sup> Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

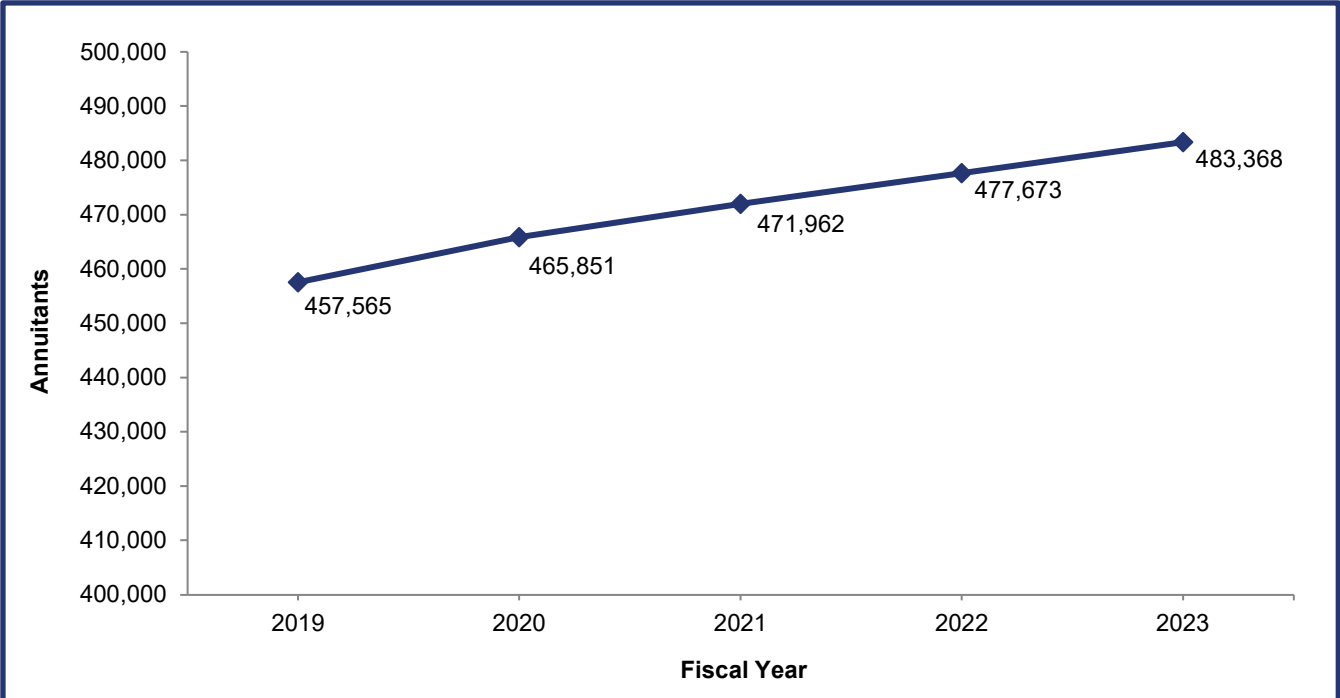
### ACTIVE FRS MEMBERS 2019-2023 <sup>1</sup>

as of June 30



### GROWTH OF FRS ANNUITANTS — ALL SYSTEMS 2019-2023 <sup>2</sup>

as of June 30



<sup>1</sup> Includes both FRS Pension Plan and Investment Plan members and excludes DROP participants.

<sup>2</sup> Includes DROP participants.

## FRS PENSION PLAN REFUNDS ISSUED BY TYPE

As of June 30

Type of Refund	2019	2020	2021	2022	2023
Separated Members	5,305	5,161	5,081	6,003	6,925
Surviving Beneficiaries	306	183	409	481	419
Other	38	73	53	59	51
<b>Total</b>	<b>5,649</b>	<b>5,417</b>	<b>5,543</b>	<b>6,480</b>	<b>7,395</b>

## FRS PENSION PLAN TOTAL REFUND PAYMENTS BY TYPE

As of June 30

Type of Refund	2019	2020	2021	2022	2023
Separated Members	\$ 16,840,353	\$ 17,831,645	\$ 18,937,392	\$ 25,456,839	\$ 32,525,023
Surviving Beneficiaries	1,273,703	759,778	2,246,371	2,493,663	2,570,140
Other	142,292	203,115	105,874	188,389	386,976
<b>Total</b>	<b>\$ 18,256,348</b>	<b>\$ 18,794,538</b>	<b>\$ 21,289,637</b>	<b>\$ 28,138,891</b>	<b>\$ 35,482,139</b>



## ACTIVE FRS PENSION PLAN DROP PARTICIPANTS BY SYSTEM/CLASS

As of June 30, 2023

System/Class	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
FRS Regular	23,889	26.84	\$ 60,295	\$ 26,005	\$ 28,509
FRS Senior Management Service	506	29.04	116,068	57,289	62,942
FRS Special Risk	3,202	25.28	101,534	71,429	78,348
FRS Special Risk Adm. Sup.	6	25.76	50,149	30,415	33,018
FRS Elected Officers	164	26.43	138,453	86,819	94,741
<b>Total/Average</b>	<b>27,767</b>	<b>26.70</b>	<b>\$ 66,526</b>	<b>\$ 32,173</b>	<b>\$ 35,276</b>

## PROFILE OF ACTIVE FRS PENSION PLAN DROP PARTICIPANTS

As of June 30, 2023

By Monthly Benefit Range	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Less Than \$250	80	9.60	\$ 17,014	\$ 2,314	\$ 2,378
\$250 – \$499	648	13.96	22,999	4,554	4,764
\$500 – \$999	2,586	18.62	32,692	8,718	9,295
\$1,000 – \$1,999	7,330	24.47	46,415	16,685	18,099
\$2,000 – \$2,999	6,670	28.89	61,863	27,293	29,904
\$3,000 – \$3,999	4,762	30.58	76,084	37,594	41,431
\$4,000 – \$4,999	2,294	30.77	92,424	48,436	53,322
\$5,000 or More	3,397	28.02	123,416	80,420	88,443
<b>Total/Average</b>	<b>27,767</b>	<b>26.70</b>	<b>\$ 66,526</b>	<b>\$ 32,173</b>	<b>\$ 35,276</b>

By Option Selection <sup>1</sup>	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Lifetime Benefit (1)	14,202	26.53	\$ 63,857	\$ 31,532	\$ 34,560
Benefit with a Guarantee (2)	4,001	26.40	61,044	29,573	32,416
Member with a Joint Annuitant (3)	8,919	27.11	72,040	33,653	36,919
Reduced Benefit on 1st Death (4)	645	26.83	83,056	41,955	46,036
<b>Total/Average</b>	<b>27,767</b>	<b>26.70</b>	<b>\$ 66,526</b>	<b>\$ 32,173</b>	<b>\$ 35,276</b>

By Employer Group	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
State	4,359	27.35	\$ 57,169	\$ 28,198	\$ 30,912
State Universities	911	26.44	63,365	27,330	29,885
Counties	6,680	26.03	85,792	47,943	52,559
School Boards	13,959	26.90	59,269	26,006	28,535
State Colleges	746	25.33	68,980	28,007	30,517
Others <sup>2</sup>	1,112	26.85	79,513	37,207	40,774
<b>Total/Average</b>	<b>27,767</b>	<b>26.70</b>	<b>\$ 66,526</b>	<b>\$ 32,173</b>	<b>\$ 35,276</b>

By Years of DROP Participation	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Less Than 1 Year	3,833	26.75	\$ 67,134	\$ 31,221	\$ 33,946
1 – 2	13,624	26.58	67,260	32,658	35,614
3 – 4	9,877	26.81	64,671	31,365	34,635
5 – 6	421	27.58	80,541	44,050	51,295
7 or More Years	12	28.69	74,384	34,050	41,014
<b>Total/Average</b>	<b>27,767</b>	<b>26.70</b>	<b>\$ 66,526</b>	<b>\$ 32,173</b>	<b>\$ 35,276</b>

<sup>1</sup> Option selections for existing systems have been included in the FRS options outlined even though they are different.

<sup>2</sup> Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

## PROFILE OF ACTIVE FRS PENSION PLAN DROP PARTICIPANTS

As of June 30, 2023

Years of Service	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
6 – 9	131	91	222	33	17	50	98	74	172
10 – 14	819	512	1,331	136	62	198	683	450	1,133
15 – 19	2,049	1,102	3,151	225	113	338	1,824	989	2,813
20 – 24	2,701	1,346	4,047	359	184	543	2,342	1,162	3,504
25 – 29	2,654	2,669	5,323	411	408	819	2,243	2,261	4,504
30 – 34	8,498	3,909	12,407	1,471	742	2,213	7,027	3,167	10,194
35 or More Years	915	371	1,286	160	38	198	755	333	1,088
<b>Total</b>	<b>17,767</b>	<b>10,000</b>	<b>27,767</b>	<b>2,795</b>	<b>1,564</b>	<b>4,359</b>	<b>14,972</b>	<b>8,436</b>	<b>23,408</b>

Age Range	Total Membership			State Membership			Non-State Membership <sup>1</sup>		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Less Than 50	36	179	215	6	21	27	30	158	188
50 – 54	833	1,203	2,036	130	151	281	703	1,052	1,755
55 – 59	4,322	2,913	7,235	770	462	1,232	3,552	2,451	6,003
60 – 64	8,869	4,016	12,885	1,399	673	2,072	7,470	3,343	10,813
65 – 69	3,577	1,621	5,198	486	252	738	3,091	1,369	4,460
70 – 74	115	54	169	4	5	9	111	49	160
75 – 79	15	13	28	–	–	–	15	13	28
80 and Over	–	1	1	–	–	–	–	1	1
<b>Total</b>	<b>17,767</b>	<b>10,000</b>	<b>27,767</b>	<b>2,795</b>	<b>1,564</b>	<b>4,359</b>	<b>14,972</b>	<b>8,436</b>	<b>23,408</b>

Average Age	61.47	60.03	60.95	61.08	60.24	60.78	61.54	59.99	60.98
Average Years of Service	26.94	26.29	26.70	27.50	27.10	27.35	26.83	26.14	26.58
Average AFC	\$ 59,338	\$ 79,297	\$ 66,526	\$ 51,469	\$ 67,355	\$ 57,169	\$ 60,807	\$ 81,511	\$ 68,268
Average Annual Initial Benefit	\$ 27,112	\$ 41,164	\$ 32,173	\$ 24,284	\$ 35,192	\$ 28,198	\$ 27,640	\$ 42,271	\$ 32,913
Average Annual Current Benefit	\$ 29,724	\$ 45,138	\$ 35,276	\$ 26,621	\$ 38,580	\$ 30,912	\$ 30,304	\$ 46,354	\$ 36,088

<sup>1</sup> Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

• Totals may not foot due to rounding.

## FRS PENSION PLAN DROP ACCRUED BENEFITS AND INTEREST BY SYSTEM/CLASS

As of June 30, 2023

System/Class	Total Membership		
	Females	Males	Total
FRS Regular	\$ 1,147,064,821	\$ 555,891,547	\$ 1,702,956,368
FRS Senior Management Service	37,431,981	42,820,086	80,252,067
FRS Special Risk	109,126,387	555,449,383	664,575,770
FRS Special Risk Adm. Sup.	257,334	163,913	421,247
FRS Elected Officers	16,353,744	27,282,383	43,636,128
<b>Total</b>	<b>\$ 1,310,234,267</b>	<b>\$ 1,181,607,312</b>	<b>\$ 2,491,841,580</b>

System/Class	State Membership		
	Females	Males	Total
FRS Regular	\$ 154,211,189	\$ 71,670,015	\$ 225,881,203
FRS Senior Management Service	13,344,639	14,836,179	28,180,818
FRS Special Risk	18,659,502	52,268,902	70,928,404
FRS Special Risk Adm. Sup.	257,334	57,488	314,822
FRS Elected Officers	10,826,584	21,899,116	32,725,700
<b>Total</b>	<b>\$ 197,299,248</b>	<b>\$ 160,731,700</b>	<b>\$ 358,030,948</b>

System/Class	Non-State Membership <sup>1</sup>		
	Females	Males	Total
FRS Regular	\$ 992,853,633	\$ 484,221,533	\$ 1,477,075,165
FRS Senior Management Service	24,087,342	27,983,906	52,071,249
FRS Special Risk	90,466,884	503,180,481	593,647,365
FRS Special Risk Adm. Sup.	–	106,425	106,425
FRS Elected Officers	5,527,161	5,383,267	10,910,428
<b>Total</b>	<b>\$ 1,112,935,020</b>	<b>\$ 1,020,875,612</b>	<b>\$ 2,133,810,632</b>

<sup>1</sup> Non-State Membership: School Boards, Counties, State Universities, State Colleges, Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

• Totals may not foot due to rounding.

## TERMINATED FRS PENSION PLAN DROP PARTICIPANTS BY SYSTEM/CLASS<sup>1</sup>

From July 1, 2022 – June 30, 2023

System/Class	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
FRS Regular	7,463	26.15	\$ 56,963	\$ 23,838	\$ 25,814
FRS Senior Management Service	141	28.29	113,855	55,316	59,632
FRS Special Risk	798	25.07	91,680	63,856	68,326
FRS Special Risk Adm. Sup.	3	25.72	56,941	33,117	36,091
FRS Elected Officers	31	25.27	128,042	83,698	90,562
<b>Total/Average</b>	<b>8,436</b>	<b>26.08</b>	<b>\$ 61,459</b>	<b>\$ 28,373</b>	<b>\$ 30,642</b>

## PROFILE OF TERMINATED FRS PENSION PLAN DROP PARTICIPANTS<sup>1</sup>

From July 1, 2022 – June 30, 2023

By Monthly Benefit Range	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Less Than \$250	39	9.31	\$ 15,850	\$ 2,195	\$ 2,289
\$250 – \$499	219	13.38	23,918	4,484	4,690
\$500 – \$999	959	18.27	33,250	8,663	9,156
\$1,000 – \$1,999	2,638	24.78	45,911	16,777	17,982
\$2,000 – \$2,999	2,101	28.84	62,034	27,544	29,767
\$3,000 – \$3,999	1,241	30.27	76,568	37,660	41,081
\$4,000 – \$4,999	525	30.03	91,906	48,721	52,887
\$5,000 or More	714	27.85	120,462	77,777	83,864
<b>Total/Average</b>	<b>8,436</b>	<b>26.08</b>	<b>\$ 61,459</b>	<b>\$ 28,373</b>	<b>\$ 30,642</b>

### By Option Selection<sup>2</sup>

Lifetime Benefit (1)	4,314	25.80	\$ 59,632	\$ 28,123	\$ 30,359
Benefit with a Guarantee (2)	1,253	26.02	57,375	26,930	29,094
Member with a Joint Annuitant (3)	2,665	26.54	65,387	28,743	31,067
Reduced Benefit on 1st Death (4)	204	26.32	73,877	37,687	40,602
<b>Total/Average</b>	<b>8,436</b>	<b>26.08</b>	<b>\$ 61,459</b>	<b>\$ 28,373</b>	<b>\$ 30,642</b>

### By Employer Group

State	1,342	26.71	\$ 53,552	\$ 24,990	\$ 27,077
State Universities	299	25.68	58,391	25,042	27,175
Counties	2,005	25.86	76,115	40,190	43,232
School Boards	4,183	26.08	55,821	23,662	25,622
State Colleges	214	24.74	63,204	24,900	26,958
Others <sup>3</sup>	393	26.12	75,096	34,194	36,668
<b>Total/Average</b>	<b>8,436</b>	<b>26.08</b>	<b>\$ 61,459</b>	<b>\$ 28,373</b>	<b>\$ 30,642</b>

### By Gender

Female	5,504	26.22	\$ 55,886	\$ 24,771	\$ 26,769
Male	2,932	25.81	71,921	35,133	37,914
<b>Total/Average</b>	<b>8,436</b>	<b>26.08</b>	<b>\$ 61,459</b>	<b>\$ 28,373</b>	<b>\$ 30,642</b>

<sup>1</sup> Terminated DROP participants are also included with the statistics of total annuitants on pages 204-211.

<sup>2</sup> Option selections for existing systems have been included in the FRS options outlined even though they are different.

<sup>3</sup> Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

• Totals may not foot due to rounding.

# PROFILE OF TERMINATED FRS PENSION PLAN DROP PARTICIPANTS<sup>1</sup>

From July 1, 2022 – June 30, 2023

By Years of Service	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
6 – 9	103	8.38	\$ 39,077	\$ 5,165	\$ 5,288
10 – 14	503	12.86	45,759	9,765	10,279
15 – 19	1,017	17.62	49,938	14,879	15,753
20 – 24	1,253	22.50	55,785	21,980	23,411
25 – 29	1,699	27.00	69,759	38,054	40,769
30 – 34	3,581	30.85	65,282	32,317	35,242
35 or More Years	280	36.50	65,891	38,765	42,720
<b>Total/Average</b>	<b>8,436</b>	<b>26.08</b>	<b>\$ 61,459</b>	<b>\$ 28,373</b>	<b>\$ 30,642</b>

By Age Range	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Less than 50	40	25.42	\$ 90,703	\$ 66,100	\$ 67,484
50 – 54	317	27.65	90,372	61,044	64,522
55 – 59	1,171	29.06	74,652	42,718	45,842
60 – 64	3,138	28.65	62,581	29,431	31,883
65 – 69	3,644	22.97	53,465	19,812	21,556
70 – 74	116	20.65	59,895	22,405	24,758
75 – 79	10	18.86	62,614	18,568	19,583
80 and Over	–	–	–	–	–
<b>Total/Average</b>	<b>8,436</b>	<b>26.08</b>	<b>\$ 61,459</b>	<b>\$ 28,373</b>	<b>\$ 30,642</b>

By Cause of Termination	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Deceased	61	26.40	\$ 61,714	\$ 28,260	\$ 29,532
Termination	8,375	26.08	61,458	28,373	30,650
<b>Total/Average</b>	<b>8,436</b>	<b>26.08</b>	<b>\$ 61,459</b>	<b>\$ 28,373</b>	<b>\$ 30,642</b>

Average length of participation – 3.15 years

<sup>1</sup> Terminated DROP participants are also included with the statistics of total annuitants on pages 204-211.

• Totals may not foot due to rounding.

## TOTAL ANNUITANTS BY SYSTEM/CLASS<sup>1</sup>

As of June 30

System/Class	2019	2020	2021	2022	2023
FRS Pension Plan					
Regular	372,909	379,017	385,567	392,785	398,516
Senior Management Service	5,043	5,294	5,628	5,943	6,162
Special Risk	39,649	40,897	42,220	43,523	44,513
Special Risk Adm. Sup.	166	170	168	165	164
Elected Officers'	2,590	2,576	2,692	2,655	2,685
<b>Subtotal</b>	<b>420,357</b>	<b>427,954</b>	<b>436,275</b>	<b>445,071</b>	<b>452,040</b>
TRS	3,035	2,869	2,663	2,468	2,308
TRS-SB	283	260	238	214	193
SCOERS	259	223	199	170	154
Highway Patrol	17	15	14	14	9
JRS	2	2	2	2	2
IFAS	172	175	175	168	158
<b>Subtotal</b>	<b>3,768</b>	<b>3,544</b>	<b>3,291</b>	<b>3,036</b>	<b>2,824</b>
<b>Total</b>	<b>424,125</b>	<b>431,498</b>	<b>439,566</b>	<b>448,107</b>	<b>454,864</b>
<b>General Revenue</b>					
Noncontributory (s. 112.05, F.S.)	6	4	2	1	-
National Guard	753	745	728	727	726
Judicial Retirement	11	11	11	11	11
<b>Total</b>	<b>770</b>	<b>760</b>	<b>741</b>	<b>739</b>	<b>737</b>
<b>Grand Total</b>	<b>424,895</b>	<b>432,258</b>	<b>440,307</b>	<b>448,846</b>	<b>455,601</b>

## AVERAGE BENEFITS BY SYSTEM/CLASS

As of June 30

System/Class	2019	2020	2021	2022	2023
FRS Pension Plan					
Regular	\$ 19,968	\$ 20,473	\$ 20,972	\$ 21,465	\$ 21,995
Senior Management Service	51,871	52,903	53,888	55,134	56,196
Special Risk	44,861	46,369	47,879	49,381	50,994
Special Risk Adm. Sup.	41,609	41,873	43,365	44,148	44,630
Elected Officers'	56,737	58,522	60,401	61,933	63,728
TRS	44,276	46,056	48,155	50,181	52,223
TRS-SB	1,885	1,884	1,887	1,886	1,885
SCOERS	15,389	16,196	16,570	17,997	18,581
Highway Patrol	17,058	17,764	18,779	19,343	21,089
JRS	17,118	17,631	18,160	18,705	19,266
IFAS	13,709	14,609	14,997	15,347	15,670
<b>Average</b>	<b>\$ 23,064</b>	<b>\$ 23,715</b>	<b>\$ 24,378</b>	<b>\$ 24,894</b>	<b>\$ 25,692</b>
<b>General Revenue</b>					
Noncontributory (s. 112.05, F.S.)	\$ 18,830	\$ 20,571	\$ 23,696	\$ 19,641	\$ -
National Guard	19,855	20,557	21,471	21,089	21,041
Judicial Retirement	94,623	97,173	99,794	102,488	105,257
<b>Average</b>	<b>\$ 20,915</b>	<b>\$ 21,666</b>	<b>\$ 22,640</b>	<b>\$ 22,299</b>	<b>\$ 22,298</b>
<b>Average All Annuitants</b>	<b>\$ 23,060</b>	<b>\$ 23,712</b>	<b>\$ 24,375</b>	<b>\$ 25,012</b>	<b>\$ 25,686</b>

<sup>1</sup>Total Annuitants include General Revenue and TRS-SB annuitants and exclude DROP participants.

• Totals may not foot due to rounding.

## TOTAL ANNUAL BENEFITS BY SYSTEM/CLASS

As of June 30

System/Class	2019	2020	2021	2022	2023
FRS Pension Plan					
Regular	\$ 7,446,408,210	\$ 7,759,693,724	\$ 8,086,200,027	\$ 8,431,219,359	\$ 8,765,226,913
Senior Management Service	261,584,594	280,067,481	303,282,228	327,659,694	346,281,535
Special Risk	1,778,711,538	1,896,349,013	2,021,441,341	2,139,187,633	2,269,898,998
Special Risk Adm. Sup.	6,907,046	7,118,422	7,285,259	7,284,354	7,319,293
Elected Officers'	146,947,993	150,751,499	162,598,826	164,431,365	171,110,194
<b>Subtotal</b>	<b>\$ 9,640,559,381</b>	<b>\$10,093,980,139</b>	<b>\$10,580,807,681</b>	<b>\$11,079,782,405</b>	<b>\$11,559,836,933</b>
TRS	\$ 134,378,452	\$ 132,133,455	\$ 128,236,137	\$ 123,846,966	\$ 120,530,272
TRS-SB	533,354	489,854	449,040	403,620	363,720
SCOERS	3,985,678	3,611,762	3,297,501	3,059,450	2,861,514
Highway Patrol	289,979	266,464	262,912	270,799	189,798
JRS	34,235	35,262	36,320	37,410	38,532
IFAS	2,357,944	2,556,609	2,624,412	2,578,341	2,475,907
<b>Subtotal</b>	<b>141,579,642</b>	<b>139,093,406</b>	<b>134,906,322</b>	<b>130,196,585</b>	<b>126,459,742</b>
<b>Total</b>	<b>\$ 9,782,139,023</b>	<b>\$10,233,073,545</b>	<b>\$10,715,714,003</b>	<b>\$11,209,978,991</b>	<b>\$11,686,296,675</b>
<b>General Revenue</b>					
Noncontributory (s. 112.05), F.S.	\$ 112,981	\$ 82,285	\$ 47,392	\$ 19,641	\$ -
National Guard	14,950,802	15,315,335	15,630,910	15,331,708	15,275,528
Judicial Retirement	1,040,857	1,068,905	1,097,735	1,127,368	1,157,828
<b>Total</b>	<b>16,104,640</b>	<b>16,466,525</b>	<b>16,776,037</b>	<b>16,478,717</b>	<b>16,433,357</b>
<b>Grand Total</b>	<b>\$ 9,798,243,663</b>	<b>\$10,249,540,070</b>	<b>\$10,732,490,040</b>	<b>\$11,226,457,708</b>	<b>\$11,702,730,031</b>

## TOTAL DISABILITY BENEFITS BY SYSTEM/CLASS

As of June 30

System/Class	Number of Retirees		Total Annual Benefits		Average Annual Benefits	
	2022	2023	2022	2023	2022	2023
FRS Pension Plan						
Regular	12,551	12,186	\$ 191,018,512	\$ 189,833,483	\$ 15,219	\$ 15,578
Senior Management Service	44	45	1,557,382	1,580,433	35,395	35,121
Special Risk	1,576	1,571	54,674,340	56,526,217	34,692	35,981
Special Risk Adm. Sup.	2	2	58,326	60,076	29,163	30,038
Elected Officers'	8	7	383,072	381,576	47,884	54,511
FRS Investment Plan						
Regular	460	466	7,655,033	7,987,801	16,641	17,141
Senior Management Service	2	2	59,144	60,458	29,572	30,229
Special Risk	160	173	7,651,218	8,481,741	47,820	49,027
Special Risk Adm. Sup.	1	1	57,415	59,138	57,415	59,138
TRS	37	30	735,719	626,475	19,884	20,883
SCOERS	6	5	80,471	64,994	13,412	12,999
General Revenue	11	11	1,127,368	1,157,828	102,488	105,257
<b>Total/Average</b>	<b>14,858</b>	<b>14,499</b>	<b>\$ 265,058,001</b>	<b>\$ 266,820,220</b>	<b>\$ 17,839</b>	<b>\$ 18,403</b>

• Totals may not foot due to rounding.

## PROFILE OF TOTAL ANNUITANTS BY SYSTEM/CLASS<sup>1</sup>

As of June 30, 2023

System/Class	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
FRS Pension Plan					
Regular	398,044	21.20	\$ 42,989	\$ 15,053	\$ 22,000
Senior Management Service	6,160	24.36	101,307	41,099	56,205
Special Risk	44,307	21.17	60,875	36,633	50,999
Special Risk Adm. Sup.	163	24.85	49,074	25,411	44,541
Elected Officers'	2,683	20.24	80,270	44,473	63,717
FRS Investment Plan <sup>2</sup>					
Regular	472	16.52	44,946	14,188	17,166
Senior Management Service	2	14.12	93,247	25,176	30,229
Special Risk	206	18.15	62,652	41,828	49,898
Special Risk Adm. Sup.	1	32.91	49,487	39,288	59,138
Elected Officers'	2	17.92	162,850	69,838	78,238
TRS	2,308	30.56	42,975	27,027	52,223
TRS-SB	193	–	–	2,433	1,885
Judicial Retirement System	2	11.28	20,906	11,618	19,266
Highway Patrol	9	24.77	15,183	13,063	21,089
SCOERS	154	25.03	17,608	9,220	18,581
IFAS	158	–	–	11,062	15,670
General Revenue	737	32.76	1,841	14,451	22,298
<b>Total/Average</b>	<b>455,601</b>	<b>21.28</b>	<b>\$ 45,642</b>	<b>\$ 17,743</b>	<b>\$ 25,686</b>

## PROFILE OF FRS ANNUITANTS<sup>3</sup>

As of June 30, 2023

By Years of Service	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
40 or More Years	1,792	42.67	\$ 67,486	\$ 46,793	\$ 63,639
35 – 39	8,757	36.68	56,920	35,454	54,630
30 – 34	111,425	30.86	56,162	28,268	42,862
25 – 29	62,237	26.92	57,423	29,890	41,606
20 – 24	64,735	22.32	46,606	16,677	23,385
15 – 19	73,706	17.36	40,510	11,096	15,428
10 – 14	91,224	12.25	33,123	6,490	9,148
5 – 9	40,332	7.88	32,489	4,309	5,796
Less Than 5 Years	463	2.02	15,435	11,133	19,113
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

By Age Range	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Under 40	1,075	18.10	\$ 46,167	\$ 9,842	\$ 11,214
40 – 44	602	17.42	43,864	13,852	15,249
45 – 49	1,354	18.05	52,294	21,076	21,182
50 – 54	5,423	20.85	60,456	30,571	32,024
55 – 59	18,449	22.22	58,515	28,834	32,700
60 – 64	51,840	21.98	51,857	21,892	26,295
65 – 69	96,079	21.54	48,721	18,701	24,063
70 – 74	106,992	21.31	47,252	17,526	25,580
75 – 79	84,735	20.96	43,569	15,887	26,225
80 – 84	48,712	20.57	38,108	13,908	25,124
85 and Older	39,411	21.00	32,117	12,614	25,403
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

<sup>1</sup> Total annuitants include General Revenue and TRS-SB annuitants and exclude DROP participants.

<sup>2</sup> FRS Investment Plan disability retirees.

<sup>3</sup> FRS Annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.



## PROFILE OF FRS ANNUITANTS<sup>1</sup>

As of June 30, 2023

By Option Selection <sup>2</sup>	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Lifetime Benefit (1)	260,525	20.64	\$ 43,405	\$ 16,852	\$ 24,608
Benefit with a Guarantee (2)	69,902	21.94	44,332	17,771	26,832
Member with a Joint Annuitant (3)	108,117	22.16	50,924	19,088	26,830
Reduced Benefit on First Death (4)	16,127	22.59	54,581	23,340	30,916
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

By Monthly Benefit Range	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Less Than \$250	21,642	10.10	\$ 15,812	\$ 1,833	\$ 2,070
\$250 – \$499	51,872	11.96	23,457	3,641	4,530
\$500 – \$999	86,468	15.32	32,284	6,787	8,819
\$1,000 – \$1,999	108,775	20.94	42,232	12,926	17,465
\$2,000 – \$2,999	69,380	26.19	52,177	21,130	29,670
\$3,000 – \$3,999	52,522	28.88	59,593	27,815	41,549
\$4,000 – \$4,999	28,278	29.86	67,933	34,515	53,357
\$5,000 or More	35,734	29.46	88,925	54,527	83,794
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

By Benefit Recipient	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Member Deceased	33,050	20.37	\$ 42,273	\$ 16,620	\$ 21,370
Member Living	421,621	21.34	46,003	17,844	26,042
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

By Retirement Date	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Before 12/1970	14	17.64	\$ 5,738	\$ 2,357	\$ 7,215
12/1970 – 6/2000	63,026	23.35	35,436	15,320	31,166
7/2000 – 6/2005	70,731	22.10	41,449	16,648	29,380
7/2005 – 6/2010	87,441	21.43	46,806	18,295	27,974
7/2010 – 6/2015	105,102	20.62	49,148	18,695	24,752
7/2015 – 6/2020	91,910	20.74	49,856	18,946	21,347
7/2020 – 6/2021	13,320	19.29	48,834	17,592	18,177
7/2021 – 6/2022	13,391	18.78	48,650	16,727	16,944
7/2022 – 6/2023	9,736	18.55	49,837	16,992	16,932
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

By Employer	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
State	87,376	21.06	\$ 41,718	\$ 16,168	\$ 23,710
State Universities	20,855	22.01	50,401	18,835	27,395
Counties	103,839	20.27	53,408	22,933	31,660
School Boards	211,877	21.92	42,249	15,634	23,393
State Colleges	14,561	20.73	49,748	17,497	25,789
Others <sup>3</sup>	16,163	19.89	54,127	19,713	26,198
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

<sup>1</sup> FRS annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

<sup>2</sup> Option selections for existing systems have been included in the FRS options outlined even though they are different.

<sup>3</sup> Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.

## PROFILE OF FRS ANNUITANTS<sup>1</sup>

As of June 30, 2023

By Gender	Count	Average Service	Average AFC	Average Annual Initial Benefit	Average Annual Current Benefit
Female	296,424	21.34	\$ 41,909	\$ 15,805	\$ 22,543
Male	158,247	21.14	52,893	21,409	31,620
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

By Type of Retirement					
Line of Duty Death	687	13.22	\$ 47,357	\$ 22,878	\$ 36,032
Not Line of Duty Death	9,303	17.59	39,476	8,249	13,009
Line of Duty Disability	3,153	15.08	35,470	17,454	27,036
Not Line of Duty Disability	11,336	17.64	35,335	10,907	15,921
Early	105,599	16.83	37,914	10,394	15,105
Normal	324,593	23.03	48,914	20,654	29,820
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

By Duration of Benefit Payments to Date					
Less Than 5 years	64,889	19.39	\$ 49,169	\$ 17,503	\$ 18,240
5 – 9	104,491	20.73	49,513	18,919	22,409
10 – 14	105,017	21.16	49,315	19,181	27,092
15 – 19	77,166	21.63	43,986	17,126	27,946
20 – 24	67,725	23.07	40,501	17,142	32,152
25 – 29	22,773	22.53	34,183	14,071	28,841
30 – 34	8,574	22.67	29,341	12,517	27,664
35 – 39	2,975	21.93	22,409	9,761	23,527
40 or More Years	1,061	19.77	15,127	6,201	16,690
<b>Total/Average</b>	<b>454,671</b>	<b>21.27</b>	<b>\$ 45,732</b>	<b>\$ 17,755</b>	<b>\$ 25,702</b>

Average duration of benefit payments in years – 13.14 years

By Duration of Benefit Payments - Deaths in Current Year					
Less Than 1 year	232	19.91	\$ 58,492	\$ 17,077	\$ 17,261
1 – 2	227	20.13	47,723	15,319	15,611
3 – 4	188	21.60	54,358	20,548	21,354
5 – 9	755	20.73	47,193	16,905	18,475
10 – 14	606	21.48	51,309	20,728	24,228
15 – 19	562	21.29	49,410	21,885	27,205
20 – 24	719	24.28	46,296	24,959	32,680
25 – 29	298	23.97	40,277	22,816	31,070
30 – 34	99	28.84	43,527	33,159	48,816
35 – 39	39	26.78	29,111	18,245	27,425
40 or More Years	8	22.64	18,960	12,226	18,500
<b>Total/Average</b>	<b>3,733</b>	<b>22.12</b>	<b>\$ 48,219</b>	<b>\$ 20,831</b>	<b>\$ 25,258</b>

Average duration of benefit payments in years – 13.93 years

<sup>1</sup> FRS annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

**FRS RETIREES AND BENEFICIARIES<sup>1</sup>  
BY AGE AT RETIREMENT**

As of June 30, 2023

<b>By Retirement Age</b>	<b>Retirees</b>	<b>Retirees' Total Annual Benefits</b>	<b>Beneficiaries</b>	<b>Beneficiaries' Total Annual Benefits</b>
Under 40	849	\$ 14,799,928	317	\$ 6,700,011
40 – 44	2,762	67,381,501	786	11,026,701
45 – 49	17,856	722,232,324	2,474	44,838,618
50 – 54	70,375	2,639,480,725	5,709	138,161,271
55 – 59	103,429	3,076,899,135	7,971	192,825,337
60 – 64	177,258	3,656,321,580	10,732	220,961,970
65 – 69	37,336	621,538,461	3,405	65,358,351
70 – 74	8,644	136,067,635	1,091	19,121,167
75 – 79	2,419	35,207,963	394	5,353,804
80 – 84	568	8,145,070	115	1,246,310
85 and Older	125	1,571,604	56	693,487
<b>Total</b>	<b>421,621</b>	<b>\$ 10,979,645,927</b>	<b>33,050</b>	<b>\$ 706,287,028</b>

**FRS RETIREES AND BENEFICIARIES<sup>1</sup>  
BY YEARS OF SERVICE AT RETIREMENT**

As of June 30, 2023

<b>By Years of Service</b>	<b>Retirees</b>	<b>Retirees' Total Annual Benefits</b>	<b>Beneficiaries</b>	<b>Beneficiaries' Total Annual Benefits</b>
Less Than 5 Years	294	\$ 5,208,931	169	\$ 3,640,267
5 – 9	37,523	216,585,217	2,809	17,199,055
10 – 14	83,423	769,536,845	7,801	65,006,844
15 – 19	67,598	1,051,732,250	6,108	85,416,519
20 – 24	59,391	1,401,776,727	5,344	112,078,347
25 – 29	57,966	2,446,112,594	4,271	143,332,840
30 – 34	106,224	4,567,915,309	5,201	207,955,246
35 – 39	7,709	423,767,568	1,048	54,627,202
40 or More Years	1,493	97,010,484	299	17,030,708
<b>Total</b>	<b>421,621</b>	<b>\$ 10,979,645,927</b>	<b>33,050</b>	<b>\$ 706,287,028</b>

<sup>1</sup> FRS retirees and beneficiaries exclude General Revenue and TRS-SB retirees and beneficiaries and exclude DROP participants.

## TOTAL FRS ANNUITANTS BY TYPE OF RETIREMENT<sup>1</sup>

As of June 30

Type of Retirement	2019	2020	2021	2022	2023
Line of Duty Death	567	581	613	667	687
Not Line of Duty Death	9,145	9,129	9,142	9,130	9,303
Line of Duty Disability	3,394	3,327	3,247	3,201	3,153
Not Line of Duty Disability	12,379	12,175	11,881	11,647	11,336
Early	104,784	105,251	105,179	105,443	105,599
Normal	293,573	300,775	309,266	317,805	324,593
<b>Total</b>	<b>423,842</b>	<b>431,238</b>	<b>439,328</b>	<b>447,893</b>	<b>454,671</b>

## TOTAL FRS ANNUAL BENEFITS BY TYPE OF RETIREMENT

As of June 30

Type of Retirement	2019	2020	2021	2022	2023
Line of Duty Death	\$ 18,388,498	\$ 19,244,463	\$ 21,171,469	\$ 23,345,846	\$ 24,754,148
Not Line of Duty Death	108,923,959	111,383,970	113,463,462	116,487,172	121,021,661
Line of Duty Disability	78,297,575	79,919,929	80,611,798	82,833,578	85,243,707
Not Line of Duty Disability	177,713,523	179,118,908	179,491,440	181,158,664	180,481,934
Early	1,404,653,598	1,454,808,160	1,498,403,150	1,547,019,792	1,595,082,582
Normal	7,993,628,517	8,388,108,261	8,822,123,643	9,258,730,318	9,679,348,924
<b>Total</b>	<b>\$ 9,781,605,670</b>	<b>\$ 10,232,583,691</b>	<b>\$ 10,715,264,962</b>	<b>\$ 11,209,575,370</b>	<b>\$ 11,685,932,955</b>

## TOTAL FRS ANNUITANTS ADDED DURING FISCAL YEAR BY TYPE OF RETIREMENT<sup>1</sup>

As of June 30

Type of Retirement	2019	2020	2021	2022	2023
Line of Duty Death	6	12	33	45	17
Not Line of Duty Death	107	126	169	300	204
Line of Duty Disability	31	36	29	45	52
Not Line of Duty Disability	319	261	270	336	209
Early	2,905	2,528	2,628	2,748	2,602
Normal	6,960	6,589	7,994	9,091	6,652
<b>Total</b>	<b>10,328</b>	<b>9,552</b>	<b>11,123</b>	<b>12,565</b>	<b>9,736</b>

## TOTAL ANNUAL BENEFITS OF FRS ANNUITANTS ADDED DURING FISCAL YEAR BY TYPE OF RETIREMENT

As of June 30

Type of Retirement	2019	2020	2021	2022	2023
Line of Duty Death	\$ 177,514	\$ 435,209	\$ 1,288,066	\$ 1,767,697	\$ 638,558
Not Line of Duty Death	1,295,236	1,574,235	2,306,903	3,742,855	2,619,892
Line of Duty Disability	1,081,317	1,368,929	1,000,380	1,528,774	2,145,890
Not Line of Duty Disability	4,092,355	3,735,893	3,876,802	4,891,297	3,125,073
Early	32,232,487	28,076,626	31,664,901	34,117,231	32,663,368
Normal	115,120,186	111,290,731	137,727,014	167,849,882	123,652,756
<b>Total</b>	<b>\$ 153,999,095</b>	<b>\$ 146,481,623</b>	<b>\$ 177,864,066</b>	<b>\$ 213,897,736</b>	<b>\$ 164,845,537</b>

<sup>1</sup>Total annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

## SCHEDULE OF AVERAGE FRS BENEFITS

As of June 30

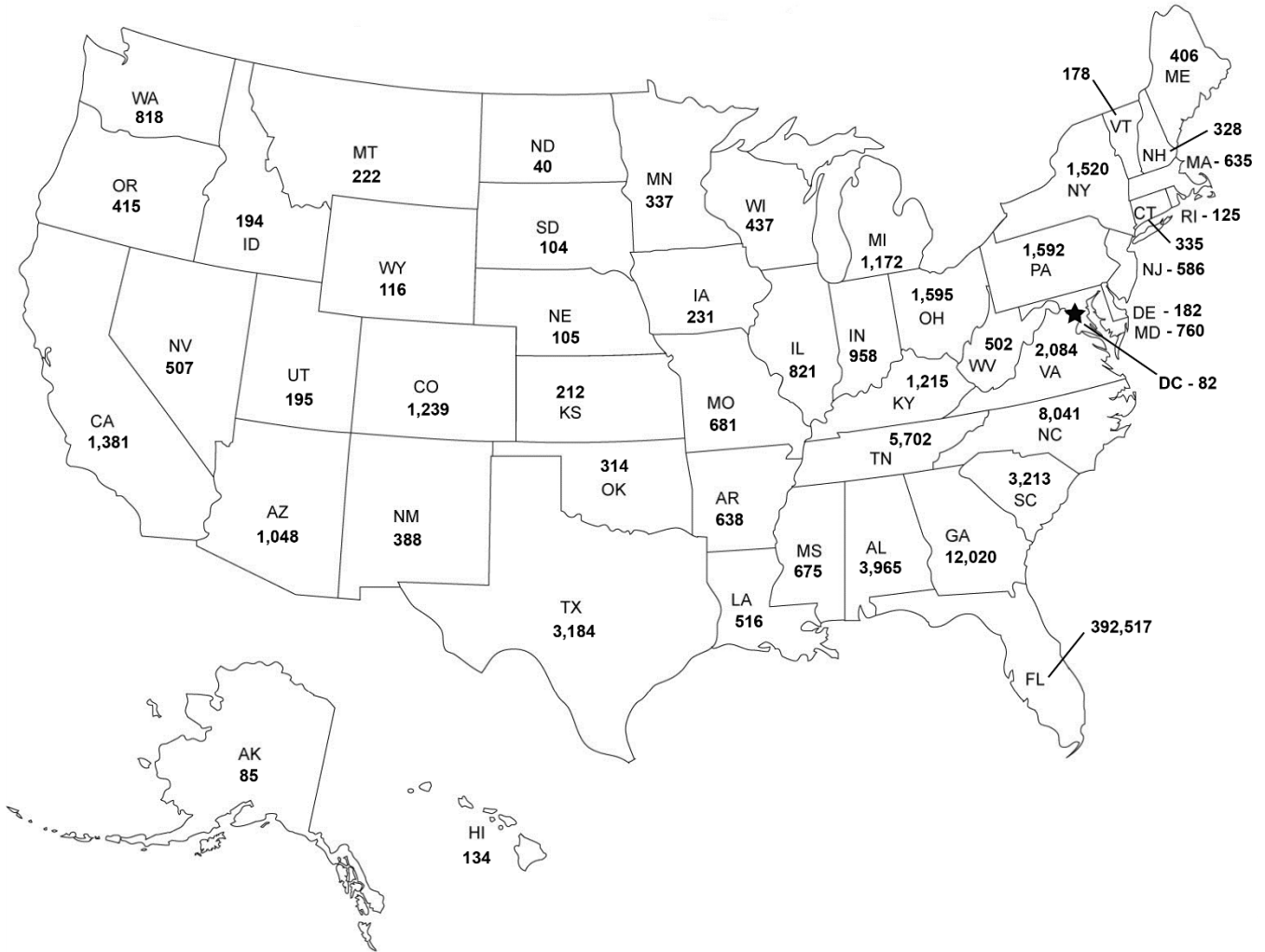
Fiscal Year		Years of Creditable Service								40 or More
		Less Than 5 <sup>1</sup>	5 – 9	10 – 14	15 – 19	20 – 24	25 – 29	30 – 34	35 – 39	
2023	Average Annual Benefit	\$ 19,113	\$ 5,796	\$ 9,148	\$ 15,428	\$ 23,385	\$ 41,606	\$ 42,862	\$ 54,630	\$ 63,639
	Average AFC	\$ 15,435	\$ 32,489	\$ 33,123	\$ 40,510	\$ 46,606	\$ 57,423	\$ 56,162	\$ 56,920	\$ 67,486
	Count	463	40,332	91,224	73,706	64,735	62,237	111,425	8,757	1,792
2022	Average Annual Benefit	\$ 18,626	\$ 5,674	\$ 8,919	\$ 15,066	\$ 22,840	\$ 40,523	\$ 41,982	\$ 53,712	\$ 62,626
	Average AFC	\$ 15,030	\$ 32,144	\$ 32,597	\$ 39,823	\$ 45,905	\$ 56,553	\$ 55,525	\$ 55,677	\$ 65,047
	Count	479	39,789	91,202	72,652	63,562	60,808	108,932	8,670	1,789
2021	Average Annual Benefit	\$ 18,148	\$ 5,573	\$ 8,697	\$ 14,688	\$ 22,324	\$ 39,532	\$ 41,129	\$ 53,045	\$ 61,924
	Average AFC	\$ 14,315	\$ 31,870	\$ 32,031	\$ 39,019	\$ 45,090	\$ 55,672	\$ 54,786	\$ 54,380	\$ 63,056
	Count	489	39,053	90,821	71,282	62,205	59,014	106,022	8,656	1,786
2020	Average Annual Benefit	\$ 17,549	\$ 5,461	\$ 8,458	\$ 14,305	\$ 21,765	\$ 38,465	\$ 40,246	\$ 52,123	\$ 60,726
	Average AFC	\$ 14,118	\$ 31,596	\$ 31,417	\$ 38,252	\$ 44,303	\$ 54,664	\$ 54,030	\$ 53,238	\$ 60,272
	Count	498	38,394	90,454	69,890	60,957	57,225	103,267	8,770	1,783
2019	Average Annual Benefit	\$ 16,820	\$ 5,341	\$ 8,244	\$ 13,930	\$ 21,231	\$ 37,322	\$ 39,326	\$ 51,025	\$ 59,415
	Average AFC	\$ 14,135	\$ 31,301	\$ 30,914	\$ 37,588	\$ 43,668	\$ 53,717	\$ 53,372	\$ 52,234	\$ 58,061
	Count	504	37,764	89,730	68,830	59,959	55,411	100,872	8,942	1,830
2018	Average Annual Benefit	\$ 16,277	\$ 5,206	\$ 8,002	\$ 13,573	\$ 20,640	\$ 36,202	\$ 38,415	\$ 49,761	\$ 58,959
	Average AFC	\$ 14,228	\$ 30,995	\$ 30,320	\$ 36,897	\$ 42,938	\$ 52,669	\$ 52,753	\$ 51,109	\$ 56,975
	Count	499	36,917	88,587	67,323	58,716	53,459	98,257	9,069	1,876
2017	Average Annual Benefit	\$ 16,128	\$ 5,083	\$ 7,783	\$ 13,222	\$ 20,079	\$ 35,082	\$ 37,495	\$ 48,661	\$ 57,845
	Average AFC	\$ 13,165	\$ 30,632	\$ 29,749	\$ 36,235	\$ 42,148	\$ 51,621	\$ 52,163	\$ 50,409	\$ 54,884
	Count	490	35,728	87,232	65,683	57,418	51,412	96,115	9,234	1,901
2016	Average Annual Benefit	\$ 14,774	\$ 4,945	\$ 7,564	\$ 12,863	\$ 19,434	\$ 33,969	\$ 36,542	\$ 47,369	\$ 56,026
	Average AFC	\$ 12,727	\$ 30,220	\$ 29,154	\$ 35,581	\$ 41,247	\$ 50,472	\$ 51,474	\$ 49,560	\$ 52,909
	Count	502	33,930	85,384	64,010	55,737	49,272	93,540	9,407	1,934
2015	Average Annual Benefit	\$ 14,218	\$ 4,823	\$ 7,343	\$ 12,488	\$ 18,811	\$ 32,547	\$ 35,681	\$ 46,398	\$ 54,628
	Average AFC	\$ 12,578	\$ 29,757	\$ 28,543	\$ 34,845	\$ 40,311	\$ 48,944	\$ 50,424	\$ 48,289	\$ 51,246
	Count	503	31,954	83,281	62,096	53,896	46,449	87,114	9,173	1,973
2014	Average Annual Benefit	\$ 13,921	\$ 4,686	\$ 7,118	\$ 12,113	\$ 18,198	\$ 31,189	\$ 34,775	\$ 45,352	\$ 53,674
	Average AFC	\$ 12,645	\$ 29,192	\$ 27,891	\$ 34,071	\$ 39,326	\$ 47,453	\$ 49,466	\$ 46,921	\$ 50,414
	Count	506	29,973	81,618	60,299	51,985	43,894	82,454	9,005	2,041

<sup>1</sup>Represents in-line-of-duty disability benefits with guaranteed minimum benefit levels.



# FRS RETIREES BY STATE

As of June 30, 2023



# FRS RETIREES OUTSIDE THE UNITED STATES

As of June 30, 2023

Argentina (4)	Cayman Islands (1)	Greece (4)	New Zealand (10)	Sweden (2)
Armed Forces (31)	Chile (3)	Guam (4)	Nicaragua (4)	Switzerland (5)
Australia (24)	Colombia (20)	Honduras (1)	Norway (1)	Taiwan (3)
Austria (1)	Costa Rica (10)	Hungary (4)	Panama (4)	Thailand (20)
Bahamas (1)	Croatia (1)	Ireland (7)	Peru (5)	Trinidad & Tobago (3)
Barbados (3)	Czech Republic (2)	Israel (13)	Philippines (17)	United Kingdom (45)
Belgium (1)	Dominican Republic (2)	Italy (8)	Poland (5)	Uruguay (2)
Belize (1)	Ecuador (2)	Jamaica (8)	Portugal (5)	Venezuela (1)
Bermuda (1)	Egypt (1)	Japan (6)	Puerto Rico (290)	Vietnam (1)
Bosnia-Herzegovina (2)	El Salvador (1)	Lebanon (1)	Romania (1)	Virgin Islands (26)
Brazil (3)	France (15)	Mexico (3)	Serbia (1)	West Indies (11)
Bulgaria (2)	Germany (29)	Micronesia (1)	Slovakia (1)	
Canada (133)	Ghana (1)	Netherlands (3)	Spain (30)	

**REEMPLOYED RETIREES NOT ELIGIBLE  
FOR RENEWED MEMBERSHIP BY SYSTEM/CLASS**

As of June 30

<b>System/Class</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
FRS Regular	5,766	5,677	5,558	5,894	6,645
FRS Senior Management Service	130	144	134	144	154
FRS Special Risk	518	541	553	557	573
FRS Elected Officers'	119	123	144	137	146
<b>Total</b>	<b>6,533</b>	<b>6,485</b>	<b>6,389</b>	<b>6,732</b>	<b>7,518</b>

**PROFILE OF REEMPLOYED RETIREES NOT ELIGIBLE  
FOR RENEWED MEMBERSHIP**

As of June 30, 2023

<b>By Employer Group</b>	<b>Count</b>	<b>Average Length of Employment</b>	<b>Average Salary</b>
State	1,375	3.95	\$ 50,312
State Universities	218	4.97	60,314
School Boards	3,844	3.74	34,907
Counties	1,497	3.95	46,448
State Colleges	239	4.68	43,860
Others <sup>1</sup>	345	3.64	42,918
<b>Total/Average</b>	<b>7,518</b>	<b>3.88</b>	<b>\$ 41,412</b>

<b>By Age Range</b>	<b>Count</b>	<b>Average Length of Employment</b>	<b>Average Salary</b>
Under 30	–	–	\$ –
30 – 39	–	–	–
40 – 49	18	0.86	33,113
50 – 59	1,037	2.55	44,599
60 – 69	4,124	3.61	42,344
70 and Over	2,339	4.97	38,418
<b>Total/Average</b>	<b>7,518</b>	<b>3.88</b>	<b>\$ 41,412</b>

<b>By Gender</b>	<b>Count</b>	<b>Average Length of Employment</b>	<b>Average Salary</b>
Female	4,427	3.82	\$ 36,744
Male	3,091	3.96	48,097
<b>Total/Average</b>	<b>7,518</b>	<b>3.88</b>	<b>\$ 41,412</b>

<sup>1</sup> Others include Cities, Special Districts, Charter Schools, Housing Authorities, and Independent Hospitals.





State Tree: Sabal Palm (Sabal palmetto)

# System Summary Section

## CHRONOLOGICAL HIGHLIGHTS OF STATE-ADMINISTERED RETIREMENT AND PENSION SYSTEMS SINCE 2000

- 2000** — The Public Employee Optional Retirement Program (also referred to as the Investment Plan) was established to be implemented in 2002.
- Special risk annual retirement credit was upgraded to 3 percent for all years between October 1, 1978, and January 1, 1993, for members retiring on and after July 1, 2000.
- Minimum special risk in-line-of-duty disability benefits were increased from 42 percent to 65 percent, effective July 1, 2000.
- The vesting requirement was reduced to six years for all FRS membership classes, beginning July 1, 2001.
- The vesting requirement for regular disability retirement was reduced to eight years, beginning July 1, 2001.
- 2001** — A one-time special 12 percent benefit increase was provided, effective January 1, 2002, for FRS retirees with special risk service between October 1, 1978, and December 31, 1992, for members retiring before July 1, 2000.
- Cities and special districts already participating in the FRS for their elected officials were given a second opportunity to designate their elected officials for membership in the Elected Officers' Class.
- 2002** — A uniform employer contribution rate structure was created effective July 1, 2002, for members of the Pension Plan and members of the Investment Plan.
- A 90-day window was provided to allow members to convert their Senior Management Service Optional Annuity Program service to creditable service under the Pension Plan.
- 2003** — Participants of the State Community College Optional Retirement Program were provided a one-time opportunity to transfer to the FRS.
- 2005** — Local government service managers who withdrew from the FRS were given a one-time opportunity to transfer to the FRS between January 1, 2006, and June 30, 2006.
- 2007** — Participants of the State University System Optional Retirement Program were provided a one-time opportunity to transfer to the FRS between January 1, 2008, and December 31, 2008.
- The Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated as a closed-retirement system under the Regular Class of the FRS, effective July 1, 2007.
- 2009** — The definition of termination was changed from one calendar month to six calendar months for Pension Plan members whose Deferred Retirement Option Program (DROP) termination dates or non-DROP retirements are effective on or after July 1, 2010.
- For Pension Plan members whose DROP termination dates or non-DROP retirements are effective on or after July 1, 2010, the reemployment limitation period was changed to six calendar months after meeting the definition of termination.
- All exceptions to employment with FRS-covered employers during the reemployment limitation period were closed to Pension Plan members whose DROP termination dates are on or after July 1, 2010, or whose non-DROP retirements are effective July 1, 2010. Investment Plan members and participants in the State University System Optional Retirement Program, Senior Management Service Optional Annuity Program, State Community College Optional Retirement Program, and withdrawn local senior managers who received a distribution in June 2010 or after no longer have exceptions to employment with FRS-covered employers during the reemployment limitation period.
- Renewed membership was closed to retirees of a state-administered retirement system initially reemployed by an FRS employer on or after July 1, 2010.
- 2010** — Continued Special Risk Class participation for employment in a non-special risk position is provided for members suffering specified in-line-of-duty injuries and who reach maximum medical improvement on or after August 1, 2008, for as long as employed by the same employer at the time of injury.

**2011** —Required 3 percent pre-tax employee contributions on compensation reported on or after July 1, 2011, for all members except those participating in the DROP or reemployed retirees who are not eligible for renewed membership.

Changed the cost-of-living adjustment formula for FRS Pension Plan retirements effective on or after August 1, 2011, to be a proportional amount of 3 percent excluding service credit earned on or after July 1, 2011.

Created different benefit structure for FRS Pension Plan members initially enrolled on or after July 1, 2011, in addition to required employee contributions that require:

- Eight-year vesting,
- Highest eight fiscal years of salary used in the calculation of average final compensation,
- Normal retirement for Special Risk Class members at age 60 and vested or a total of 30 years of service; and age 65 and vested or a total of 33 years of service for all other classes,
- Elimination of cost-of-living adjustments after retirement.

**2016** —Created enhanced survivor benefits for Special Risk Class members who are killed in the line of duty on or after July 1, 2013, for benefit payments on or after July 1, 2016, with the following stipulations:

- The benefit payable to the surviving spouse or on behalf of an eligible dependent child or children of a Pension Plan Special Risk Class member is increased from 50 percent to 100 percent of the member's base monthly salary at the time of death.
- A new benefit for the surviving spouse or on behalf of an eligible dependent child or children of an Investment Plan Special Risk Class member is created, with the benefit payable equal to 100 percent of the member's base monthly salary at the time of death. The member's Investment Plan account balance must be transferred to the Survivor Benefit Account of the FRS Trust Fund if the in-line-of-duty death benefit is approved.
- If there is no surviving spouse, the eligible child or children will receive benefits until the youngest unmarried child reaches age 18. The benefits may be extended up to age 25 if the eligible surviving child is unmarried and enrolled as a full-time student.

**2017** —Created defined contribution plan renewed membership for state-administered defined contribution plan retirees initially reemployed in a regularly established position on or after July 1, 2010, but initially enrolled in the FRS Investment Plan, the State University System Optional Retirement Program, or the State Community College System Optional Retirement Program on or after July 1, 2017. Membership in the FRS is available in all classes including the Special Risk Class for this tier of renewed membership. Pension Plan retirees remain ineligible for renewed membership.

Created in-line-of-duty (ILOD) death benefits for members of the Investment Plan in all classes except the Special Risk Class with eligibility retroactive to July 1, 2002, for benefit payments on or after July 1, 2017.

Extended retroactive eligibility for the existing in-line-of-duty death benefits for Special Risk Class members from July 1, 2013, to July 1, 2002, for eligible survivors of Pension Plan or Investment Plan members.

Changed the default membership for FRS members initially enrolled on or after January 1, 2018, from the Pension Plan to the Investment Plan for all members except those in a Special Risk Class position at the time of default and extended the initial membership election period from five calendar months to eight calendar months after the month of hire effective January 1, 2018.

Closed the Senior Management Service Optional Annuity Program to new members effective July 1, 2017. Existing members can continue to participate.

**2018** —Created an exception to reemployment restrictions to allow law enforcement officers who retired from the FRS or other state-administered retirement system to be reemployed as a school resource officer by an FRS employer during the seventh through twelfth calendar months after their retirement date or their DROP termination date without requiring them to suspend their retirement benefit.

Requires specified K-12 instructional personnel participating in the DROP who are authorized to extend their DROP participation beyond the initial 60-calendar month period to have their DROP termination date be the end of the month of the last month of the school year. Administrative personnel in grades K-12 participating in DROP who have a DROP termination date on or after July 1, 2018, may be authorized to extend their DROP participation beyond the initial 60-calendar month period if their termination date is before the end of the school year.

Removed the requirement that a law enforcement officer, firefighter, emergency medical technician, or paramedic employed by a public agency who suffers a mental or nervous injury must also have an accompanying physical injury to be eligible for workers' compensation benefits.

**2019** — Established a presumption of in-line-of-duty causation for firefighters who die or are totally and permanently disabled due to one of a specified 21 types of cancers or due to circumstances arising out of the treatment of one of these cancers. The firefighter must be employed full-time within a fire department or public safety department of an employer whose primary responsibilities are the prevention and extinguishing of fires; the protection of life and property; and the enforcement of municipal, county, and state fire prevention codes and laws pertaining to the prevention and control of fires.

**2022** — Created an exception for law enforcement officers in DROP to extend their participation for up to an additional 36-calendar months beyond their initial 60-calendar month period if the law enforcement officer enters DROP on or before June 30, 2028.

Expanded the definition of “firefighter” in section 112.1816, Florida Statutes, to include full time, Florida-certified fire investigators in the in-line-of-duty presumption for specified cancers.

Expanded the in-line-of-duty presumption for post-traumatic stress disorder (PTSD) to include correctional officers with specified criteria.

**2023** — Increased the monthly Health Insurance Subsidy payment for a retiree, beneficiary or joint annuitant from the pension plan and investment plan to \$7.50 per year of creditable service at the time of retirement. The maximum benefit is \$225 per month and the minimum benefit is adjusted to \$45 month.

Revised the definition of normal retirement date for Special Risk Class members enrolled on or after July 1, 2011. Special Risk Class normal retirement date is 25 years of service or age 55 and vested for all members in the Special Risk Class.

Revised provisions relating to the DROP as follows:

- Eligible pension plan members who are in a regular established position can elect to participate in DROP at any time following the date the member reaches their normal retirement date.
- A member may elect to participate in DROP for up to a maximum of 96 calendar months.
- DROP participants who are instructional personnel as defined in s. 1012.01(2) (a)-(d), F.S., employed by a developmental research school, district school board, or the Florida School for the Deaf and the Blind, may have their DROP participation extended beyond the 96-calendar month period for an additional 24 calendar months if the member’s extension request is received on or before June 30, 2029.
- Increased the annual DROP accrual interest rate to member accounts to 4 percent, compounded monthly, beginning July 2023.

Amended the definition of termination to specify that in addition to terminating employment, service to all FRS employers must be ceased. All terminations must be termination of employment consistent with federal regulations.

Created criteria for retirees to provide services through employer postemployment volunteer programs without causing the retiree to violate termination based on established criteria.

# PARTICIPATING EMPLOYERS

## As of June 30, 2023

### STATE AGENCIES –

#### EXECUTIVE BRANCH

Agency for Health Care Administration  
Agency for Persons with Disabilities  
Department of Agriculture and Consumer Services  
Department of Business and Professional Regulation  
Department of Children and Families  
Department of Citrus  
Department of Corrections  
Department of Economic Opportunity  
Department of Education  
Department of Elder Affairs  
Department of Environmental Protection  
Department of Financial Services  
Department of Health  
Department of Highway Safety and Motor Vehicles  
Department of Juvenile Justice  
Department of Law Enforcement  
Department of Legal Affairs  
Department of Lottery  
Department of Management Services  
Department of Military Affairs  
Department of Revenue  
Department of State  
Department of Transportation  
Department of Veterans' Affairs  
Executive Office of the Governor  
Fish and Wildlife Conservation Commission  
Florida Commission on Offender Review  
Florida Gaming Control Commission  
Justice Administrative Commission  
State Board of Administration  
Vending Facilities Operators  
Volunteer Florida

#### LEGISLATIVE BRANCH

Auditor General  
Commission on Ethics  
The Legislature  
Public Service Commission

#### JUDICIAL BRANCH

Capital Collateral Regional Counsels  
Florida Board of Bar Examiners  
Guardian Ad Litem  
Public Defenders  
State Attorneys  
State Courts - Circuit Courts  
State Courts - County Courts  
State Courts - District Courts of Appeal  
State Courts - Supreme Court

### STATE UNIVERSITIES –

Florida A&M University  
Florida Atlantic University  
Florida Gulf Coast University  
Florida International University  
Florida Polytechnic University  
Florida State University  
New College  
University of Central Florida  
University of Florida  
University of North Florida  
University of South Florida  
University of West Florida

### STATE COLLEGES –

Broward College  
Chipola College  
College of Central Florida  
Daytona State College  
Eastern Florida State College  
Florida Gateway College  
Florida SouthWestern State College  
Florida State College at Jacksonville  
Gulf Coast State College  
Hillsborough Community College  
Indian River State College  
Lake-Sumter State College  
Miami Dade College  
North Florida College  
Northwest Florida State College  
Palm Beach State College  
Pasco-Hernando State College  
Pensacola State College  
Polk State College  
Saint Johns River State College  
Saint Petersburg College  
Santa Fe College  
Seminole State College of Florida  
South Florida State College  
State College of Florida, Manatee-Sarasota  
Tallahassee Community College  
The College of the Florida Keys  
Valencia College

### LOCAL AGENCIES –

#### ALACHUA COUNTY

Alachua County Library District  
Alachua MYcroSchool of Integrated Academics and Technologies  
Board of County Commissioners  
*Boulevard Springs Charter School<sup>4</sup>*  
*Caring and Sharing Learning School*  
*Children's Trust of Alachua County*  
*City of Alachua<sup>1,4</sup>*  
*City of Archer<sup>4</sup>*  
*City of Gainesville<sup>3</sup>*  
*City of High Springs<sup>1,2,4</sup>*  
*City of Newberry<sup>2,4</sup>*  
Clerk of Circuit Court  
Genesis Preparatory School of Gainesville, Inc.  
Micanopy Middle School, Inc.  
Property Appraiser  
School Board  
Sheriff  
SIATech Gainesville  
Supervisor of Elections  
Tax Collector

#### BAKER COUNTY

Board of County Commissioners  
*City of MacClenny<sup>2,3,4</sup>*  
Clerk of Circuit Court  
New River Solid Waste Association  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector  
*Town of Glen St Mary<sup>3,4</sup>*

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**BAY COUNTY**

Bay Haven Charter Academy  
 Elementary School  
 Bay Haven Charter Academy Middle  
 School  
 Beach Mosquito Control District  
 Board of County Commissioners  
 Central High School  
 Chautauqua Learn and Serve Charter  
 School  
 City of Callaway <sup>2,3,4</sup>  
 City of Mexico Beach <sup>1,2,4</sup>  
 City of Parker  
 City of Springfield  
 Clerk of Circuit Court  
 North Bay Haven Charter Career School  
 North Bay Haven Charter Elementary  
 School  
 North Bay Haven Charter Middle School  
 Palm Bay Elementary School  
 Palm Bay Preparatory Academy  
 Panama City Port Authority  
 Property Appraiser  
 Rising Leader Academy, Inc.  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 University Academy, Inc.

**BRADFORD COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**BREVARD COUNTY**

Board of County Commissioners  
 City of Cocoa <sup>4</sup>  
 City of Indian Harbour Beach <sup>4</sup>  
 City of Melbourne <sup>1,3,4</sup>  
 City of Palm Bay <sup>3</sup>  
 City of West Melbourne <sup>4</sup>  
 Clerk of Circuit Court  
 Indian River Lagoon Council  
 Merritt Island Public Library Tax District  
 Property Appraiser  
 School Board  
 Sebastian Inlet District  
 Sheriff  
 Space Coast Transportation Planning  
 Organization  
 Supervisor of Elections  
 Tax Collector  
 Town of Malabar  
 Town of Melbourne Beach <sup>4</sup>

**BROWARD COUNTY**

Board of County Commissioners  
 Broward County Housing Authority  
 Broward Metropolitan Planning  
 Organization  
 Central Broward Water Control  
 District  
 Central Charter School  
 Charter School of Excellence Davie  
 1 Campus  
 Charter School of Excellence Fort  
 Lauderdale 1 Campus  
 Children's Services Council of  
 Broward  
 City of Coconut Creek  
 City of Cooper City <sup>4</sup>  
 City of Dania Beach <sup>3,4</sup>  
 City of Deerfield Beach <sup>3</sup>  
 City of Fort Lauderdale <sup>3,4</sup>  
 City of Hallandale Beach <sup>4</sup>  
 City of Hollywood <sup>3</sup>  
 City of Lighthouse Point <sup>1,4</sup>  
 City of Margate  
 City of Miramar <sup>3</sup>  
 City of North Lauderdale <sup>2</sup>  
 City of Oakland Park <sup>2,4</sup>  
 City of Pembroke Pines Charter  
 Elementary School  
 City of Pembroke Pines Charter  
 High School  
 City of Pembroke Pines Charter  
 Middle School  
 City of Pembroke Pines FSU  
 Charter School  
 City of Pompano Beach <sup>3</sup>  
 City of Weston <sup>3</sup>  
*City of West Park* <sup>3,4</sup>  
*City of Wilton Manors* <sup>1,3,4</sup>  
*Clerk of Circuit and County Courts*  
*Hillsborough Inlet Improvement and*  
*Maintenance*  
 North Springs Improvement District  
 Old Plantation Water Control District  
 Plantation Acres Improvement  
 District  
 Property Appraiser  
 School Board  
 Sheriff  
 South Broward Drainage District  
 South Florida Regional Planning  
 Council  
 Supervisor of Elections  
 Tax Collector  
 Town of Hillsboro Beach <sup>1,4</sup>  
 Town of Lauderdale-by-the-Sea <sup>3,4</sup>  
 Town of Pembroke Park <sup>1,4</sup>  
 Tri-County Commuter Rail

**CALHOUN COUNTY**

Apalachee Regional Planning Council  
 Board of County Commissioners  
 City of Blountstown <sup>1,2,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Altha <sup>1,4</sup>

**CHARLOTTE COUNTY**

Board of County Commissioners  
 Charlotte County Airport Authority  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**CITRUS COUNTY**

Board of County Commissioners  
 Citrus County Mosquito Control  
 District  
 Citrus MYcroSchool of Integrated  
 Academics and Technologies  
 City of Crystal River  
 City of Inverness <sup>2,3,4</sup>  
 Clerk of Circuit Court  
 Homosassa Special Water District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**CLAY COUNTY**

Board of County Commissioners  
 City of Green Cove Springs <sup>3,4</sup>  
 Clerk of Circuit Court  
 First Coast Workforce Consortium  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

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**COLLIER COUNTY**

Board of County Commissioners  
Clerk of Circuit Court  
Collier County Soil and Water Conservation District  
Collier Mosquito Control District  
Greater Naples Fire Rescue District  
Immokalee Fire Control District  
Marco Island Academy  
Marco Island Charter Middle School  
North Collier Fire Rescue District  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

**COLUMBIA COUNTY**

Board of County Commissioners  
City of Lake City <sup>3,4</sup>  
Clerk of Circuit Court  
Lake Shore Hospital Authority  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

**DADE COUNTY**

See Miami-Dade County

**DE SOTO COUNTY**

Board of County Commissioners  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

**DIXIE COUNTY**

Board of County Commissioners  
Clerk of Circuit Court  
Kinder Cub School, Inc.  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Suwannee Water and Sewer District  
Tax Collector  
Three Rivers Regional Library System  
Town of Cross City

**DUVAL COUNTY**

Biscayne High School  
Duval MYcroSchool of Integrated Academics and Technologies  
Jacksonville Aviation Authority  
Jacksonville Seaport Authority  
Jacksonville Transportation Authority  
Lone Star High School  
Northeast Florida Regional Planning Council

North Florida Transportation Planning Organization  
River City Science Academy  
River City Science Academy Elementary  
River City Science Academy Innovation  
River City Science Academy Intracoastal  
River City Science Academy at Mandarin  
School Board  
SIATech Jacksonville

**ESCAMBIA COUNTY**

Board of County Commissioners  
Byrneville Elementary School, Inc.  
Clerk of Circuit and County Courts  
*City of Pensacola* <sup>1,3,4</sup>  
*Emerald Coast Utility Authority*  
Pensacola Beach Elementary School  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
*Tax Collector*  
West Florida Regional Planning Council

**FLAGLER COUNTY**

Board of County Commissioners  
City of Bunnell  
Clerk of Circuit Court  
East Flagler Mosquito Control District  
Flagler County Housing Authority  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

**FRANKLIN COUNTY**

Apalachicola Housing Authority  
Board of County Commissioners  
City of Apalachicola <sup>1,4</sup>  
City of Carrabelle <sup>1,3,4</sup>  
Clerk of Circuit Court  
Eastpoint Water and Sewer District  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

**GADSDEN COUNTY**

Board of County Commissioners  
City of Chattahoochee <sup>1,3,4</sup>  
City of Gretna  
City of Midway <sup>1,3,4</sup>  
Clerk of Circuit Court

Northwest Florida Water Management District  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector  
Town of Greensboro <sup>1,4</sup>  
Town of Havana <sup>1,4</sup>

**GILCHRIST COUNTY**

Board of County Commissioners  
City of Trenton <sup>1,3,4</sup>  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

**GLADES COUNTY**

Board of County Commissioners  
City of Moore Haven <sup>4</sup>  
Clerk of Circuit Court  
Moore Haven Mosquito Control District  
Pemayetv Emahakv, Inc.  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

**GULF COUNTY**

Board of County Commissioners  
City of Port Saint Joe  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

**HAMILTON COUNTY**

Board of County Commissioners  
City of Jasper  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector  
Town of Jennings <sup>1,2,4</sup>

**HARDEE COUNTY**

Board of County Commissioners  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

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**HENDRY COUNTY**

Barron Water Control District  
 Board of County Commissioners  
 Central County Water Control District  
 City of Clewiston <sup>1</sup>  
 City of La Belle <sup>3,4</sup>  
 Clerk of Circuit Court  
 Hendry Soil and Water Conservation District  
 Port La Belle Community Development District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**HERNANDO COUNTY**

Board of County Commissioners  
 City of Brooksville <sup>3,4</sup>  
 Clerk of Circuit Court  
 Hernando County Housing Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Southwest Florida Water Management District  
 Supervisor of Elections  
 Tax Collector

**HIGHLANDS COUNTY**

Board of County Commissioners  
 City of Avon Park <sup>3,4</sup>  
 City of Sebring <sup>1,2,4</sup>  
 Clerk of Circuit Court  
 Highlands Soil and Water Conservation District  
 Property Appraiser  
 School Board  
 Sebring Airport Authority  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Lake Placid <sup>1,3,4</sup>

**HILLSBOROUGH COUNTY**

Board of County Commissioners  
 Children's Board of Hillsborough County  
 Clerk of Circuit Court  
 Hillsborough Area Regional Transit  
 Hillsborough County Aviation Authority  
 Hillsborough County Civil Service Board  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tampa Bay Area Regional Transit Authority  
 Tampa Bay Estuary Program  
 Tampa-Hillsborough County Expressway Authority

Tampa Port Authority  
 Tampa Sports Authority  
 Tax Collector

**HOLMES COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Holmes County Housing Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**INDIAN RIVER COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Fellsmere Water Control District  
 Indian River Farms Water Control District  
 Indian River Mosquito Control District  
 Property Appraiser  
 Saint Johns Water Control District  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**JACKSON COUNTY**

Board of County Commissioners  
 City of Graceville <sup>1,4</sup>  
 City of Marianna <sup>4</sup>  
 Clerk of Circuit Court  
 Jackson Soil and Water Conservation District  
 Northwest Florida Regional Housing Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Alford <sup>4</sup>  
 Town of Grand Ridge <sup>4</sup>  
 Town of Sneads <sup>1,4</sup>

**JEFFERSON COUNTY**

Board of County Commissioners  
 City of Monticello <sup>4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**LAFAYETTE COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff

Supervisor of Elections  
 Tax Collector  
 Town of Mayo <sup>3,4</sup>

**LAKE COUNTY**

Board of County Commissioners  
 City of Fruitland Park <sup>1,4</sup>  
 City of Groveland <sup>1,2</sup>  
 City of Minneola <sup>2,4</sup>  
 City of Tavares <sup>1, 2,4</sup>  
 City of Umatilla <sup>4</sup>  
 Clerk of Circuit Court  
 Mascotte Charter School, Inc.  
 Minneola Charter Schools, Inc<sup>4</sup>  
 Lake County Water Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Spring Creek Charter School  
 Supervisor of Elections  
 Tax Collector  
 Town of Astatula  
 Town of Montverde <sup>4</sup>

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**LEE COUNTY**

Alva Fire and Rescue Service District  
 Bayshore Fire Protection and Rescue Service District  
 Board of County Commissioners  
 Bonita Springs Fire and Rescue  
 Cape Coral Charter School  
 Captiva Fire Control District  
 City of Bonita Springs  
 Clerk of Circuit Court  
 Fort Myers Beach Fire Control District  
 Fort Myers Beach Library District  
 Fort Myers Beach Mosquito Control  
 Fort Myers Shores Fire Department  
 Hyacinth Control District  
 Iona McGregor Fire Protection and Rescue Service  
 Lee County Metropolitan Planning Organization  
 Lee County Mosquito Control District  
 Lehigh Acres Fire Control and Rescue District  
 Lehigh Acres Municipal Services Improvement District  
 Matlacha-Pine Fire District  
 North Fort Myers Fire Control District  
 Property Appraiser  
 Public Risk Management of Florida  
 San Carlos Fire Protection and Rescue District  
 Sanibel Fire Control District  
 School Board  
 Sheriff  
 South Trail Protection and Rescue Service District  
 Southwest Florida Regional Planning Council  
 Supervisor of Elections  
 Tax Collector  
 Tice Fire and Rescue District

**LEON COUNTY**

Board of County Commissioners  
 Children's Services Council of Leon County<sup>4</sup>  
 Clerk of Circuit Court  
 Florida Clerk of Court Operations Corporation  
 Property Appraiser  
 The School of Arts and Sciences Foundation, Inc.  
 School Board  
 Sheriff  
 Stars Middle School  
 Supervisor of Elections  
 Tallahassee Housing Authority  
 Tax Collector

**LEVY COUNTY**

Board of County Commissioners  
 City of Cedar Key<sup>1</sup>

City of Chiefland  
 City of Fanning Springs  
 City of Williston<sup>2</sup>  
 Clerk of Circuit Court  
 Levy County Housing Authority  
 Nature Coast Middle School  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Inglis<sup>1,4</sup>  
 Town of Yankeetown<sup>4</sup>  
 Whispering Winds Charter School

**LIBERTY COUNTY**

Board of County Commissioners  
 City of Bristol<sup>4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**MADISON COUNTY**

Aucilla Area Solid Waste Administration  
 Board of County Commissioners  
 Clerk of Circuit Court  
 James Madison Preparatory High School  
 Madison Creative Arts Academy, Inc.  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Greenville<sup>4</sup>

**MANATEE COUNTY**

Board of County Commissioners  
 Braden River Fire Control and Rescue  
 Cedar Hammock Fire Control District  
 City of Anna Maria  
 City of Bradenton<sup>3,4</sup>  
 City of Holmes Beach<sup>4</sup>  
 Clerk of Circuit Court  
 Lincoln Memorial Academy  
 Manatee County Housing Authority  
 Manatee County Mosquito Control District  
 Palmetto Charter School, Inc.  
 Parrish Fire Control District  
 Peace River/Manasota Regional Water Supply Authority  
 Property Appraiser  
 School Board  
 Sheriff

Supervisor of Elections  
 Tax Collector  
 Town of Longboat Key<sup>2</sup>  
 William Monroe Rowlett Academy for the Arts and Communication  
 William Monroe Rowlett Middle Academy

**MARION COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Francis Marion Military Academy  
 Marion Charter School  
 Property Appraiser  
 Rainbow Lakes Municipal Service  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**MARTIN COUNTY**

Board of County Commissioners  
 City of Stuart  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Village of Indiantown<sup>3,4</sup>

**MIAMI - DADE COUNTY**

Bal Harbour Village<sup>1</sup>  
 The Children's Trust  
 City of Coral Gables<sup>3</sup>  
 City of Doral<sup>1</sup>  
 City of Florida City<sup>1,4</sup>  
 City of Miami Gardens<sup>1,3,4</sup>  
 City of North Bay Village<sup>1,4</sup>  
 City of North Miami<sup>1,3,4</sup>  
 City of North Miami Beach<sup>3</sup>  
 City of Opa-Locka<sup>1,4</sup>  
 City of Sunny Isles Beach  
 City of West Miami<sup>1,4</sup>  
 Clerk of Circuit Court  
 Coral Reef Montessori Charter School  
 Dade County Industrial Development Authority  
 Miami Beach Housing Authority  
 Miami-Dade County  
 Miami-Dade County Expressway Authority  
 Property Appraiser  
 School Board  
 Supervisor of Elections  
 Tax Collector  
 Town of Cutler Bay  
 Town of Miami Lakes<sup>1,3,4</sup>  
 Village of Biscayne Park<sup>1,4</sup>  
 Village of El Portal<sup>1,4</sup>  
 Village of Pinecrest<sup>1</sup>

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**MONROE COUNTY**

Board of County Commissioners  
 City of Key Colony Beach <sup>1,4</sup>  
 City of Marathon <sup>3</sup>  
 Clerk of Circuit Court  
 Florida Keys Aqueduct Authority  
 Florida Keys Mosquito Control District  
 Islamorada, Village of Islands  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**NASSAU COUNTY**

Amelia Island Mosquito Control  
 Board of County Commissioners  
 City of Fernandina Beach <sup>3</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Callahan <sup>3,4</sup>  
 Town of Hilliard <sup>3,4</sup>

**OKALOOSA COUNTY**

Board of County Commissioners  
*City of Niceville* <sup>1,2,4</sup>  
 Clerk of Circuit Court  
 Liza Jackson Preparatory School  
*Property Appraiser*  
 School Board  
 Sheriff  
 Supervisor of Elections  
*Tax Collector*

**OKEECHOBEE COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Coquina Water Control District  
 Okeechobee Soil and Water  
 Conservation District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**ORANGE COUNTY**

Board of County Commissioners  
 Central Florida Expressway Authority  
 City of Edgewood  
 Clerk of Circuit Court  
 Florida Virtual High School  
 Greater Orlando Aviation Authority <sup>2</sup>  
 Lake Apopka Natural Gas District  
 Nap Ford Community School  
 Office of the Comptroller  
 Orlando Science Elementary School  
 Orlando Science Middle/High School

Property Appraiser  
 Central Florida Tourism Oversight  
 District  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**OSCEOLA COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 New Dimensions High School  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**PALM BEACH COUNTY**

Board of County Commissioners  
 City of Atlantis <sup>1,4</sup>  
 City of Boca Raton <sup>3</sup>  
 City of Boynton Beach <sup>3</sup>  
 City of Palm Beach Gardens <sup>3,4</sup>  
 City of Riviera Beach  
 City of South Bay <sup>3</sup>  
 Clerk of Circuit Court  
 Florida Inland Navigation District  
 G-STAR School of the Arts for  
 Motion Pictures and Television  
 Gulf Stream Goodwill Academies,  
 Inc.  
 Indian Trail Improvement District  
 Inlet Grove Community High School,  
 Inc.  
 Lake Worth Drainage District  
 Loxahatchee Groves Water Control  
 District  
 Palm Beach County Solid Waste  
 Authority  
 Palm Beach Metropolitan Planning  
 Organization  
 Palm Beach Soil and Water  
 Conservation  
 Palm Beach Workforce  
 Development Consortium  
 Port of Palm Beach  
 Property Appraiser  
 School Board  
 Shawano Drainage District  
 Sheriff  
 South Florida Conservancy  
 South Florida Water Management  
 District  
 South Tech Charter Academy, Inc.  
 Supervisor of Elections  
*Tax Collector*  
*Town of Haverhill* <sup>4</sup>  
*Town of Highland Beach* <sup>1,3,4</sup>  
*Town of Juno Beach* <sup>1,4</sup>  
 Town of Jupiter <sup>3,4</sup>  
 Town of Loxahatchee Groves <sup>4</sup>

Town of Mangonia Park <sup>4</sup>  
 Town of Ocean Ridge <sup>1,3,4</sup>  
*Town of Palm Beach Shores* <sup>1,2,4</sup>  
*Town of South Palm Beach* <sup>1,4</sup>  
 Village of Palm Springs <sup>1,3,4</sup>  
 Village of Royal Palm Beach <sup>3,4</sup>  
 Village of Wellington <sup>3,4</sup>  
 Western Academy Charter School

**PASCO COUNTY**

Board of County Commissioners  
*City of New Port Richey* <sup>4</sup>  
 City of Port Richey  
 City of San Antonio <sup>4</sup>  
 City of Zephyrhills <sup>1,2,4</sup>  
 Clerk of Circuit Court  
*Learning Lodge Academy, Inc.*  
 Pasco County Mosquito Control  
 District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**PINELLAS COUNTY**

Board of County Commissioners  
*City of Madeira Beach* <sup>2,4</sup>  
*City of Oldsmar* <sup>2</sup>  
 City of Seminole <sup>3,4</sup>  
*City of South Pasadena* <sup>4</sup>  
 City of Treasure Island <sup>1,2</sup>  
 Clerk of Court  
 Juvenile Welfare Board  
 Lealman Special Fire Control District  
 Palm Harbor Special Fire Control  
 District  
 Pinellas County Planning Council  
 Pinellas Housing Authority  
 Pinellas MYcroSchool of Integrated  
 Academics and Technologies  
 Pinellas Park Water Management  
 District  
 Pinellas Suncoast Fire and Rescue  
 District  
 Pinellas-Suncoast Transit Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tampa Bay Regional Planning  
 Council  
 Tampa Bay Water  
 Tax Collector  
 Town of Indian Shores <sup>3</sup>  
 Town of Kenneth City <sup>1</sup>  
*Town of North Redington Beach* <sup>4</sup>  
 Town of Redington Shores <sup>3,4</sup>

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**POLK COUNTY**

Berkley Accelerated Middle School  
 Berkley Charter School  
 Board of County Commissioners  
 Clerk of Circuit Court  
 Compass Charter Middle School  
 Dale R. Fair Babson Park Elementary School  
 Discovery Academy of Lake Alfred  
 Edward W. Bok Academy, Inc.  
 Edward W. Bok Academy North  
 Hillcrest Elementary School  
 Janie Howard Wilson Elementary School  
 Lakeland Area Mass Transit District  
 Lake Wales Charter School, Inc.  
 Lake Wales Senior High School  
 Language and Literacy Academy of Learning, Inc.  
 New Beginnings High School, Inc.  
 Our Children's Academy  
 Polk Avenue Elementary School  
 Property Appraiser  
 Ridgeview Global Studies Academy  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 The Schools of McKeel Academy  
 Town of Polk City <sup>4</sup>  
 Village of Highland Park <sup>4</sup>

**PUTNAM COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 Putnam Academy of Arts and Sciences  
 Putnam Edge High School  
 Saint Johns River Water Management District  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**SAINT JOHNS COUNTY**

Anastasia Mosquito Control District  
 Board of County Commissioners  
 City of Saint Augustine Beach  
 Clerk of Circuit Court  
 Property Appraiser  
 Saint Augustine-Saint Johns County Airport Authority  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**SAINT LUCIE COUNTY**

Board of County Commissioners  
 Children's Service Council of Saint Lucie  
 City of Port Saint Lucie <sup>3</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**SANTA ROSA COUNTY**

Avalon Fire Rescue District  
 Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Jay <sup>3,4</sup>

**SARASOTA COUNTY**

Board of County Commissioners  
*City of North Port* <sup>3,4</sup>  
 City of Sarasota <sup>3,4</sup>  
 City of Venice  
 Clerk of Circuit Court  
 Englewood Area Fire Control District  
 Englewood Water District  
 Florida PACE Funding Agency  
 Property Appraiser  
 Sarasota Bay Estuary Program  
 Sarasota-Manatee Metropolitan Planning Organization  
 Sarasota Military Academy  
 Sarasota Military Academy Prep  
 Sarasota Suncoast Academy  
 School Board  
 Sheriff  
 Student Leadership Academy of Venice, Inc.  
 Supervisor of Elections  
 Tax Collector  
 West Coast Inland Navigation District

**SEMINOLE COUNTY**

Board of County Commissioners  
 City of Sanford  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Seminole Science Charter School  
*Sheriff*  
 Supervisor of Elections  
 Tax Collector

**SUMTER COUNTY**

Board of County Commissioners  
 City of Center Hill <sup>1,4</sup>  
 City of Coleman <sup>1,3,4</sup>  
 City of Webster <sup>1,3,4</sup>  
 City of Wildwood  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**SUWANNEE COUNTY**

Board of County Commissioners  
 City of Live Oak  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Suwannee River Water Management District  
 Suwannee Valley Transit Authority  
 Tax Collector

**TAYLOR COUNTY**

Big Bend Water Authority  
 Board of County Commissioners  
 City of Perry <sup>3,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Taylor Coastal Water and Sewer District  
 Taylor County Development Authority

**UNION COUNTY**

Board of County Commissioners  
 City of Lake Butler <sup>3,4</sup>  
 Clerk of Circuit Court  
 New River Library Cooperative  
 PAL Public Library Cooperative  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Union County Housing Authority

<sup>1</sup> This agency participates in the FRS for its police employees.<sup>2</sup> This agency participates in the FRS for its fire employees.<sup>3</sup> This agency participates in the FRS for its elected officials.<sup>4</sup> This agency participates in the FRS for its general employees.

**VOLUSIA COUNTY**

Board of County Commissioners  
*City of Daytona Beach* <sup>3,4</sup>  
*City of Daytona Beach Shores* <sup>1,2,4</sup>  
 City of Deltona <sup>4</sup>  
 City of Holly Hill <sup>4</sup>  
 City of Lake Helen  
*City of New Smyrna Beach* <sup>3</sup>  
 City of Oak Hill <sup>1,4</sup>  
 City of Orange City  
 City of South Daytona <sup>1,2,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 River to Sea Transportation Planning  
 Organization  
 School Board  
 Sheriff  
 Southeast Volusia Hospital District  
 Supervisor of Elections  
 Tax Collector  
 Town of Pierson <sup>4</sup>  
 Town of Ponce Inlet <sup>1,2,4</sup>  
 Volusia County Law Library

**WAKULLA COUNTY**

Board of County Commissioners  
 City of Sopchoppy <sup>4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Wilderness Coast Libraries

**WALTON COUNTY**

Board of County Commissioners  
 City of DeFuniak Springs  
 City of Freeport <sup>2,3,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Seaside Neighborhood Charter School  
 Sheriff  
 South Walton Mosquito Control District  
 Supervisor of Elections  
 Tax Collector  
 Walton Academy

**WASHINGTON COUNTY**

Board of County Commissioners  
 City of Chipley  
 City of Vernon <sup>3,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Wausau <sup>3,4</sup>

**SUMMARY**

State Agencies	45
State Universities	12
State Colleges	28
County Agencies	396
School Boards	67
Cities	181
Independent Hospitals	2
Special Districts	153
Charter Schools	95
Housing Authorities	<u>12</u>
Total	991

<sup>1</sup> This agency participates in the FRS for its police employees.<sup>2</sup> This agency participates in the FRS for its fire employees.<sup>3</sup> This agency participates in the FRS for its elected officials.<sup>4</sup> This agency participates in the FRS for its general employees.

Note: Italicized agencies report FRS employees due to a merger, transfer, or consolidation of governmental services.

Non-Participating Employers

The following list of 44 employers report existing FRS members only; new employees are not eligible to participate in the FRS.

Bay County – City of Panama City  
Brevard County – Canaveral Port Authority  
*Broward County – City of Lauderdale Lakes*  
*Broward County – Fort Lauderdale Downtown Development Authority*  
*Broward County – Memorial Healthcare District*  
*Broward County – North Broward Hospital District*  
Citrus County – Citrus County Hospital Board  
Clay County – Clay County Utility Authority  
Collier County – City of Marco Island  
DeSoto County – Joshua Water Control District  
Flagler County – City of Palm Coast  
Hendry County – Hendry County Hospital Authority  
Hillsborough County – City of Temple Terrace  
Jackson County – Jackson Hospital  
*Lake County – City of Eustis*  
Leon County – City of Tallahassee  
Manatee County – West Manatee Fire and Rescue District  
Marion County – City of Dunnellon  
Miami-Dade County – Public Health Trust Jackson Memorial  
Okaloosa County – City of Valparaiso  
*Okaloosa County – Okaloosa County Gas District*  
*Okaloosa County – Town of Shalimar*  
Orange County – City of Maitland  
Orange County – Orange-Seminole-Osceola Transit Authority  
Palm Beach County – Acme Improvement District  
*Palm Beach County – City of Greenacres*  
*Palm Beach County – City of Pahokee*  
Palm Beach County – Palm Beach County Health Care District  
Palm Beach County – South Indian River Water Control District  
*Palm Beach County – Village of Tequesta*  
*Pasco County – City of Dade City*  
*Pinellas County – City of Belleair Beach*  
*Pinellas County – City of Dunedin*  
*Pinellas County – City of Indian Rocks Beach*  
*Pinellas County – City of Safety Harbor*  
*Pinellas County – Town of Redington Beach*  
Saint Lucie County – North Saint Lucie River Water Management District  
Santa Rosa County – City of Gulf Breeze  
*Seminole County – City of Altamonte Springs*  
*Seminole County – City of Casselberry*  
*Seminole County – City of Longwood*  
*Seminole County – South Seminole-North Orange Wastewater Authority*  
*Sumter County – City of Bushnell*  
*Volusia County – New Smyrna Beach Utilities Commission*

Note: Italicized agencies report FRS employees due to a merger, transfer, or consolidation of governmental services.

## POLICE AND FIREFIGHTERS' PREMIUM TAX TRUST FUND

The Division of Retirement's (division) Municipal Police Officers' and Firefighters' Retirement Trust Funds' Office is responsible for the administrative oversight and monitoring of local police and fire pension funds in the State of Florida that participate under Chapters 175 and 185, Florida Statutes (F.S.).

For participating plans, the statutes require defined benefit plans for police officers and firefighters and establish the minimum benefits and standards that must be provided. There are two types of plans that operate under these statutes:

- **Chapter Plans** – plans that incorporate by reference the provisions of the chapter to meet the minimum benefits and standards of the Florida Statutes.
- **Local Law Plans** – plans that are created by a special act, local ordinance, or fire district resolution to set forth all the plan provisions. Local Law plans must meet all chapter minimums but may adopt benefits in excess of the chapter provisions.

For both types of plans, the respective boards of trustees, created at the local level, are responsible for the day-to-day operational control of the individual trust funds and are subject to regulatory oversight by the division.

Participating cities and special fire control districts are eligible to receive annual distributions of state insurance premium tax collections on property and casualty insurance policies written within the city limits or special fire district boundaries of the participating plan. The amount of premium taxes collected under Chapter 175 is equal to 1.85 percent of all property insurance written within the city limits or special fire district boundaries of the participating plan. Chapter 185 collects a 0.85 percent tax on all casualty insurance premiums written within the city limits of the participating plan. The Department of Revenue collects these amounts from the state's property and casualty insurers as reported on the DR-908 tax form and transfers them to the Police and Firefighters' Premium Tax Trust Fund. These funds are then available for distribution to the participating pension plans on an annual basis once the plan has demonstrated compliance with all applicable statutory requirements.

Additional sources of funding for these plans are provided by employee contributions, employer contributions, investment returns and other revenue sources. The city or special fire district sponsoring the pension plan is required to meet any contribution funding deficiency shown by the plan's actuarial valuation.

The Division of Retirement also monitors all local government sponsored pension plans for compliance with Part VII of Chapter 112, F.S. This monitoring ensures that all locally sponsored defined benefit pension plans are being funded on an actuarially sound basis and receive timely actuarial services which meet specified standards in their preparation. This review function covers general employee and other employee group plans, in addition to the police and fire plans monitored under Chapters 175 and 185, F.S. The division also provides a local government annual report to the Florida Legislature which details the division's activities, findings and recommendations concerning all local government sponsored retirement systems.



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450



Phone: (850) 412-2722  
Fax: (850) 488-6975

The President of the Senate, the Speaker of the  
House of Representatives, and the  
Legislative Auditing Committee

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, governmental fund, and fiduciary funds of the Florida Retirement System Pension Plan and Other State-Administered Systems (System) administered by the Florida Department of Management Services (Department), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 15, 2023, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the Florida Retirement System Trust Fund maintained by the State Board of Administration to account for assets and investment income (loss) of the Florida Retirement System Defined Benefit Pension Plan, as described in our report on the System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a

material misstatement of the System's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, administrative rules, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA  
Tallahassee, Florida  
December 15, 2023  
Audit Report No. 2024-093



