

FLORIDA RETIREMENT SYSTEM
Actuarial Valuation as of July 1, 2001

A MILLIMAN GLOBAL FIRM



Milliman USA
Consultants and Actuaries

December 2001

TABLE OF CONTENTS

Section	Page
Letter of Transmittal	
I. Executive Summary	I - 1
II. Assets.....	II - 1
III. Liabilities.....	III - 1
IV. Contributions.....	IV - 1
V. Accounting Statement	V - 1
Appendix A – Actuarial Methods, Procedures and Assumptions	A - 1
Appendix B – Summary of Plan Provisions	B - 1
Appendix C – Membership Data	C - 1
Appendix D – Projections.....	D - 1
Appendix E – Comparisons/Reconciliation.....	E - 1
Appendix F – Glossary	F - 1



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December 31, 2001

Ms. Erin B. Sjostrom
State Retirement Director
Division of Retirement
Cedars Executive Center, Building C
2639 North Monroe Street
Tallahassee, Florida 32399-1560

Dear Ms. Sjostrom:

At your request, we have conducted our annual actuarial valuation of the Florida Retirement System (FRS) as of July 1, 2001. The results of the valuation are contained in the following report.

Section I contains an Executive Summary of the results of our study followed by four sections containing detailed information on FRS Assets (Section II), Liabilities (Section III), Contributions (Section IV), and Accounting Statement (Section V). In the Appendices, we provide information regarding actuarial methods and assumptions, a summary of plan provisions, membership statistics, cost projections, and a glossary of terms.

The actuarial assumptions used in performing this valuation have been recommended by the actuary and adopted by the Division of Retirement based on Milliman's most recent review of the System's experience completed during Fiscal Year 1999. We believe the assumptions used, in the aggregate, reflect our best estimate of anticipated future experience of the plan. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from these assumptions, the true cost of the plan could vary from our results. Since the prior valuation there have been only minor changes to plan benefit features that did not materially impact the overall contribution rate for the System. However, as will be discussed in the report there were changes in the actuarial methods and procedures that significantly impact the State contribution rate.

The assumptions and methods used in performing this valuation meet the parameters set by Government Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contributions Plans*.



Ms. Erin B. Sjostrom
December 31, 2001
Page 2

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Division of Retirement. This information includes, but is not limited to, plan provisions, employee data, and financial information. Census data provided to us by the Division has been reviewed for reasonableness and for consistency with data used in prior valuations.

We, Robert Dezube and Gene Kalwarski, are consulting actuaries for Milliman USA. We are also members of the American Academy of Actuaries and meet their Qualification Standards to render the actuarial opinion contained herein.

We hereby certify that, to the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Guides to Professional Conduct, Amplifying Opinions, and Supporting Recommendations and Interpretations of the American Academy of Actuaries.

Respectfully submitted,

Milliman USA

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SECTION I

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This report presents the results of our July 1, 2001 actuarial valuation of the Florida Retirement System. In this section, we compare the 2000 and 2001 principal valuation results for the total System. This comparison includes an analysis of the primary factors contributing to the change in the FRS's assets, liabilities, and contributions since July 1, 2000. We conclude this section with summary comments, regarding the System's overall financial condition.

We would like to point out several key changes reflected in this valuation:

- The composite normal cost rate has increased from 11.28% of pay as of July 1, 2000 to 11.56%. The increase was primarily attributable to the distribution of salary compared to the prior year. In other words, had the distribution of salary remained unchanged the composite normal cost rate would have been 11.31% of pay (i.e., only a 0.03% increase) instead of the actual 11.56%. Both rates exclude DROP participants.
- All Special Risk retirees and beneficiaries who commenced benefits prior to June 30, 2000, and had any Special Risk Class service between October 1, 1978 and December 31, 1992, received a 12% benefit increase. The benefit enhancement increased the liability by \$283 million. This change does not alter the aforementioned normal cost rates since it only applies to participants currently in pay status.
- The unfunded actuarial liability (including DROP Class liability) continues to be eliminated; in fact the surplus has grown from \$13.6 billion to \$14.5 billion. After the rate stabilization mechanism is applied, approximately \$7.4 billion of the surplus is available for contribution rate reduction. This surplus is amortized over 10 years, which translates to \$1.237 billion available for the FY 2002-2003 budget year.

Plan provisions were changed since the prior valuation, as follows:

- 12% benefit increase for all Special Risk retirees and beneficiaries who commenced benefits prior to June 30, 2000, and had any Special Risk Class service between October 1, 1978 and December 31, 1992.

The tables immediately following compare July 1, 2000 actuarial valuation results with July 1, 2001 actuarial results after plan changes. The difference column shows the change between the final July 1, 2001 valuation results and the July 1, 2000 results.

A. Assets and Liabilities

A comparison of the actuarial liabilities and actuarial value of assets follows. These figures are based upon the actuarial assumptions used to determine the actuarial costs of the FRS (see Appendix A).

	Valuation Results (numbers in \$ billions)		
	July 1, 2000	July 1, 2001*	Difference
Actuarial Liability	\$ 74.9	\$ 81.0	\$ 6.1
Actuarial Value of Assets	\$ 88.5	\$ 95.5	\$ 7.0
Unfunded Actuarial Liability	\$ (13.6)	\$ (14.5)	\$ (0.9)

* Post plan provision changes.

In Section V of this report we present two additional measures of funded status. The first is a comparison of the market value of assets with the "pension benefit obligation" (PBO) as previously required by the Governmental Accounting Standards Board (GASB) Statement No. 5; the second measure uses the "accumulated benefit obligation" (ABO). GASB Statement No. 5 has been superseded by GASB Statement No. 25, which requires disclosure of the numbers in the table above.

B. Contributions

Contribution rates for each class are set by statute and consist of a normal cost contribution and an unfunded liability contribution. The unfunded liability amortization payment will consist primarily of costs or savings associated with plan changes, assumption changes, or changes in actuarial methodology. As of July 1, 2001 the FRS has a negative UAL (surplus) of (\$14.5 billion).

HB 2393, enacted by the 2000 Legislature and signed into law by the Governor, modified employer contribution rate provisions. First, the law provided an across-the-board contribution rate reduction of 1.0%. Second, part of the surplus was used to offset the contribution rate increase attributable to the 1999 experience study, and the impact of the reduced vesting and non-duty disability eligibility. Lastly, a rate stabilization methodology was implemented to monitor use of the surplus.

Since the current surplus exceeds 15% of the actuarial liability (the actual percentage is 17.93% of the actuarial liability), $\frac{1}{2}$ of the excess from 5% to 10%, $\frac{3}{4}$ of the excess from 10% to 15%, and the entire excess above 15%, is available to reduce the employer contribution rates. After the rate stabilization mechanism is applied approximately \$7.4 billion of the surplus is available for contribution rate reduction, or other Florida Retirement System uses. This surplus is amortized over 10 years, which translates to \$1.237 billion available for the FY 2002-2003 budget year, prior to recognition of the 1% contribution rate reduction, 1999 experience study offset, etc. as noted in the preceding paragraph.

EXECUTIVE SUMMARY

The comparative FRS Regular and Special Risk contribution rates resulting from the 2000 valuation and this valuation (prior to any use of the surplus beyond the 1% contribution rate reduction, 1999 experience study offsets, etc., for contribution rate reduction) are as follows:

	July 1, 2000		July 1, 2001		Difference	
	Valuation Results		Valuation Results		FRS Reg	Special Risk
	FRS Reg	Special Risk	FRS Reg	Special Risk		
Total Cost For FRS Employers	8.11%	19.25%	8.21%	19.35%	0.10%	0.10%

In addition, for the fiscal year beginning July 1, 2001, which was based on the July 1, 2000 valuation, employers were charged an additional 0.10% administrative charge for implementation of the Public Employee Optional Retirement Program (PEORP).

For the July 1, 2001 – June 30, 2002 fiscal year, the July 1, 2000 contribution rates (as shown above), for all classes except DROP, were reduced by 2.02% through use of the available surplus. For the July 1, 2002 – June 30, 2003 fiscal year, the \$1.237 billion available surplus could be used to reduce the contribution rate, for all classes except DROP, by up to 4.05% from the rates shown above (or an additional 2.03% over last year's amount).

The existence of a surplus and/or the rate stabilization mechanism may lead to an accounting disclosure under GASB Statement Number 27.

C. Membership

The total membership (active, terminated vested, retired, and DROP) of the FRS increased by 29,784 members from 847,803 as of July 1, 2000, to 877,587 as of July 1, 2001, an increase of 3.5%. The total annualized payroll of active members (exclusive of DROP members) increased by 3.7%, from \$19.35 billion as of July 1, 2000 to \$20.06 billion as of July 1, 2001, a \$0.71 billion increase in payroll. A summary of membership growth by status follows:

	Valuation Results: Counts		
	July 1, 2000	July 1, 2001	% Change
Active Members	595,368	612,340	2.9%
Terminated Vested Members	49,016	53,288	8.7%
Retired Members	182,928	188,512	3.1%
DROP Members	<u>20,491</u>	<u>23,447</u>	14.4%
Total Members	847,803	877,587	3.5%

D. Experience

Several factors contributed to the changes in the FRS's assets, liabilities and contribution rates between July 1, 2000 and July 1, 2001. These factors included:

1. Assets:

The assets of the FRS, measured on an actuarial basis (i.e., smoothed), increased by \$7.014 billion. This change was attributable to the following:

Change Due to:

• Contributions Received	\$2.078	
• Payment of Benefits, and Expenses	(2.837)	
• Investment Experience	7.773	
Total	\$7.014	billion

Of this total change, \$6.291 billion was expected, based on our assumption that the assets of the FRS would earn 8.0%. However, the actual annualized investment return on the actuarial value of assets was 8.82% resulting in an investment gain of \$0.723 billion. On a market value basis, the assets of the FRS earned negative 6.93%. On a year-by-year basis, the assets earned the following:

Asset Bases	Rates of Return*	
	1999/2000	2000/2001
Market Value	10.82%	(6.93)%
Actuarial Valuation	13.79%	8.82%

* Assumes net cash-flow occurs mid-year

2. *Liabilities:*

The actuarial liabilities of the FRS increased by \$6.045 billion. This increase is attributable to the following:

Change due to:

- | | |
|--|---------|
| • expected increase | \$5.207 |
| • 12% benefit increase for all Special Risk retirees and beneficiaries who commenced benefits prior to June 30, 2000 ¹⁾ | 0.283 |

(Gains)/Losses

- | | |
|--|---------|
| • salary increase less than expected | (0.382) |
| • member transfers | 0.089 |
| • active and retired member experience (withdrawal, death, retirement) | (0.330) |
| • new hires | 1.178 |

Total Increase \$6.045 billion

3. *Unfunded Liability:*

The net change in the FRS's unfunded actuarial liability was a decrease of \$0.969 billion (i.e., an increase in the surplus of \$0.969 billion). The decrease is attributable to the following:

Change due to:

- | | |
|--|-----------|
| • expected increase | \$(1.084) |
| • investment experience | (0.723) |
| • liability experience | 0.555 |
| • 12% benefit increase for all Special Risk retirees and beneficiaries who commenced benefits prior to June 30, 2000 ¹⁾ | 0.283 |

Total \$ (0.969) billion

¹⁾ 12% benefit increase for all Special Risk retirees and beneficiaries who commenced benefits prior to June 30, 2000, and had any Special Risk Class service between October 1, 1978 and December 31, 1992.

EXECUTIVE SUMMARY

4. Contributions:

On a level-rate-of-pay basis, the FRS contribution rates for the FRS Regular and Special Risk groups changed as follows:

	<u>FRS Reg</u>	<u>Special Risk Members</u>
• July 1, 2000 Normal Cost	9.91%	22.07%
• Offset for 1999 Experience Study, six year vesting, etc.	-0.70%	-1.72%
• 1% Rate Reduction	-1.00%	-1.00%
• 0.10% Credit for Implementation of PEORP Administrative Charge	-0.10%	-0.10%
• Plan Provision Change ¹⁾	0.00%	0.93%
• Additional Use of Surplus to Offset Plan Provision Change	0.00%	-0.93%
• Subtotal July 1, 2001 Contribution Rate ²⁾	8.11%	19.25%
• Impact of Membership Transfers	0.01%	0.06%
• Impact of Retirements, Terminations, etc.	-0.02%	-0.01%
• Impact of Actual Salary Increases	0.01%	0.00%
• Impact of New Entrants	0.03%	0.03%
• Additional Use of Surplus to Offset 2000 Experience	-0.03%	-0.08%
• Total Adjusted Contribution for FRS Trust Fund ³⁾	8.11%	19.25%
• Elimination of 0.10% Credit for Implementation of PEORP Administrative Charge	0.10%	0.10%
• Total July 1, 2002 Contribution Rate ³⁾	8.21%	19.35%

¹⁾ 12% benefit increase for all Special Risk retirees and beneficiaries who commenced benefits prior to June 30, 2000, and had any Special Risk Class service between October 1, 1978 and December 31, 1992.

²⁾ 2001 Legislation further used the available surplus to reduce the contribution rates by 2.02%.

³⁾ Before any additional surplus utilization.

E. Graphs

Chart A: ASSET / LIABILITIES

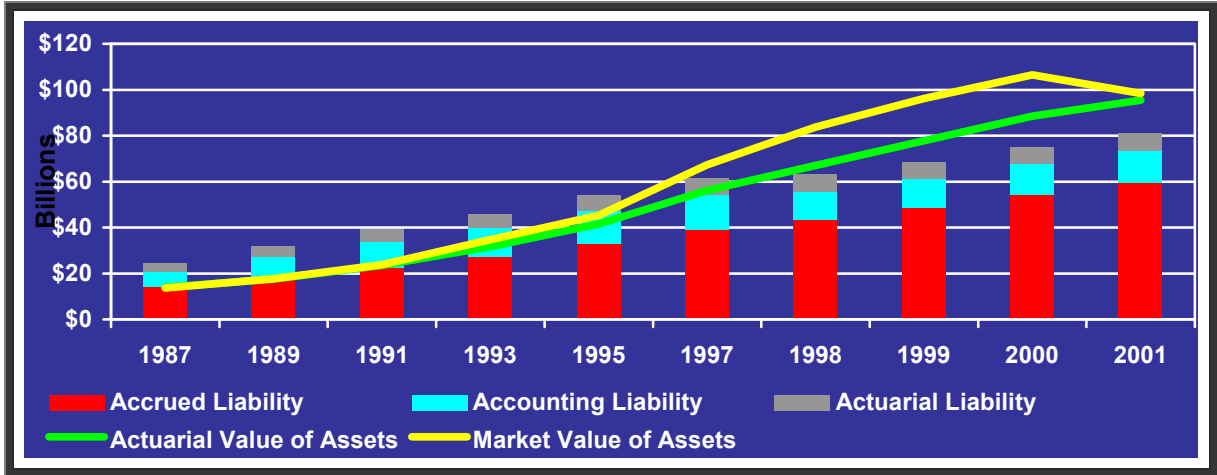


Chart B: CASH FLOWS

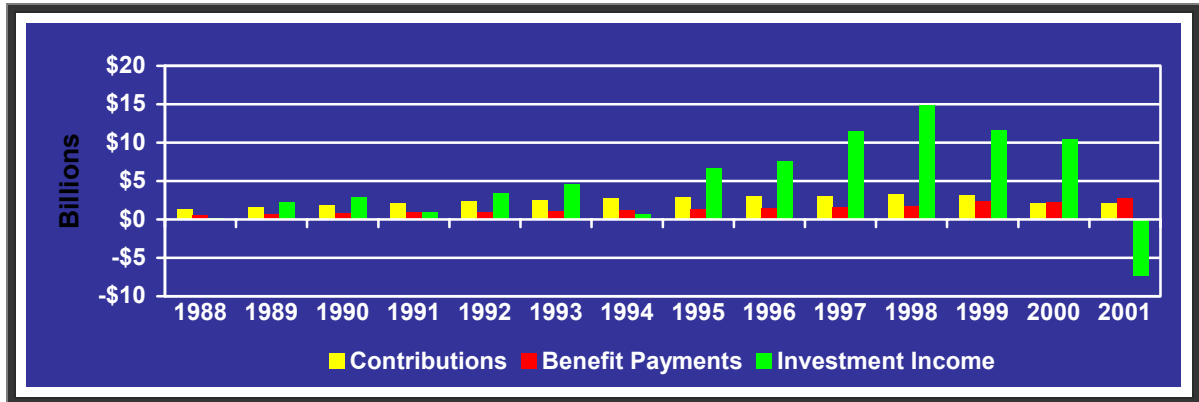
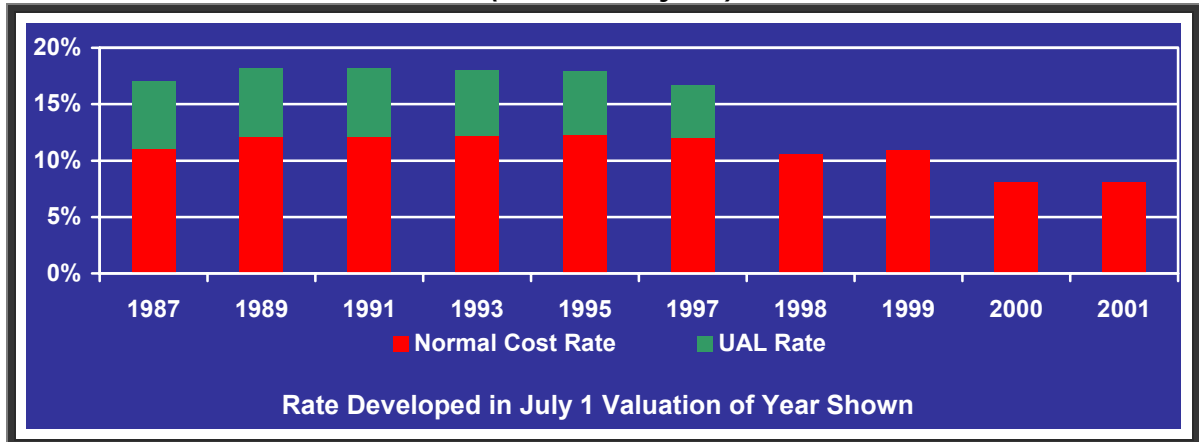


Chart C: CONTRIBUTION RATE (as % of Payroll)



F. Summary Comments

We caution that the results herein are applicable only for the next year, but with the following caveats we expect this trend of stabilized contribution rates to continue.

- Benefit and payroll increases always have a direct impact on costs and liabilities.
- The state of the economy affects membership turnover (i.e., if job mobility or security is uncertain, people tend to stay, hence increasing benefits earned).
- The extremely favorable investment returns, prior to 2000 helped to mitigate the unfavorable investment returns for the year end June 30, 2001 and maintain the actuarial surplus. A second straight year of an unfavorable investment returns will erode the actuarial surplus. For example, returns in the following table will produce the respective amounts assuming no liability gains or losses.

FY 2001–2002 Return	FY 2002–2003 Return	UAL / (Surplus) measured as of		
		July 1, 2001	July 1, 2002	July 1, 2003
8%	8%	\$ (14,524)	\$ (15,531)	\$ (16,079)
0%	8%	(14,524)	(7,899)	(7,796)
0%	0%	(14,524)	(7,899)	(259)
-7%	-7%	(14,524)	(1,221)	12,577

The -7% approximates the market rate of return experienced in FY 2000-2001.
Numbers in Millions

We mention these caveats because the actuarial process merely measures the impact of these factors on FRS costs and liabilities after they have occurred. Unanticipated benefit or salary changes or changes in member behavior (e.g. withdrawal rates, rates of retirement, etc.) could necessitate a change in the contribution rates.

Finally, we caution the readers of this report not to overemphasize the results of any single valuation; the trends are more important.

SECTION II

ASSETS

In many respects, an actuarial valuation can be considered as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is July 1, 2001. On that date the assets available for the payment of benefits are appraised. These assets are compared with the actuarial liabilities, which are generally well in excess of the assets. The actuarial process thus leads to a method of determining what contributions by members and / or their employers are needed to systematically eliminate the shortfall.

This section of the report deals with the asset determination. In the next section, the actuarial liabilities will be discussed. Section IV will deal with the process for determining required contributions, based upon the relationship between the assets and actuarial liabilities.

Two measures of FRS assets are presented in the valuation:

The market value of assets represents the current liquidation value of all FRS asset holdings. This value tends to be the most erratic (due to annual fluctuations) of the two asset measures and therefore is not used for determining the required payroll contribution rates.

The actuarial value of assets is a second means of valuing FRS asset holdings. It is essentially the market value of all assets with a smoothing technique applied to minimize annual market fluctuations of asset values. It is developed and used as a smoothing average to stabilize the required FRS contributions.

The actuarial valuation measure, implemented in 1989, reflects a five year averaging methodology, as required by state law (S.121.031(3)(a), Florida Statutes). Under this method, the investment rate of return assumed in our valuation (8%), plus 20% of the difference between the actual rate of return and the assumed rate of return, is recognized. Table II-3 presents the details of this calculation.

Five tables are presented in this section, summarizing the financial resources of the System on July 1, 2001. The assets are analyzed by category in Table II-1. Table II-2 shows the reconciliation of assets from July 1, 2000 to July 1, 2001. Table II-3 provides a detailed development of the July 1, 2001 actuarial value of assets. In Table II-4, the actuarial value of assets is allocated to each employee group, based on estimated cash flows. Finally in Table II-5, rates of return are presented along with a comparison of asset allocation figures between 2000 and 2001.

The data for Table II-1 (Market Value as of July 1, 2001) was furnished to us by the Division of Retirement. The values have been accepted for use in this report without audit, but have been reviewed for consistency and reasonableness, when compared to prior reports.

As previously discussed in Section I, Executive Summary, in aggregate the Unfunded Actuarial Liability is eliminated. On the basis of prior discussions with the Division of Retirement, assets, on an actuarial basis, were transferred from the Regular Class of membership to the Senior Management Class (\$203,476,000) to eliminate the Unfunded Actuarial Liability for that class of membership. Thus, the actuarial value of assets will equal or exceed the actuarial liabilities for every class of FRS membership other than DROP.

**Table II-1
Florida Retirement System
Summary of Assets (Market)
(by Asset Category)
(\$ in Thousands)**

Asset Category	Market Value as of July 1	
	2000	2001
1. Common Stock	\$74,635,768	\$67,687,730
2. Bonds	\$26,392,627	\$23,700,753
3. Real Estate	\$3,682,729	\$3,585,610
4. Temporary Investments	\$10,250,851	\$11,550,257
5. Cash - Including Certificates of Deposit	\$190,238	\$74,042
6. Receivables	\$1,701,162	\$2,388,616
7. Miscellaneous	\$3,968	\$2,982
8. Reverse Purchase Agreements	\$831,700	\$0
Gross Assets	\$117,689,043	\$108,989,990
9. Current Liabilities and Reserves	(\$11,162,875)	(\$10,579,860)
Total Net Assets	\$106,526,168	\$98,410,130

**Table II-2
Florida Retirement System**

Reconciliation of Market Value of Assets

Total Net Assets as of June 30, 2000	\$106,526,167,838
+ Adjustment to Market Value	0
+ Contributions by Source:	
Pension Contributions - State	539,727,961
Pension Contributions - Non-State	1,510,668,477
Pension Contributions - Employees	27,579,643
Transfer from ORP	0
Transfer from OAP	1,806
Other	290,383
+ Interest and Dividends:	
Interest Income	1,943,027,617
Dividend Income	807,044,723
Real Estate Income	291,238,855
Other	(94,215,465) ¹
+Net Realized and Unrealized Appreciation:	(10,304,537,387)
- Pension Payments:	2,796,239,561
- Contribution Refunds:	2,502,025
- Expenses:	19,343,210 ¹
- Transfers to Other Funds:	18,779,365
	\$98,410,130,290
Total Net Assets as of June 30, 2001	\$98,410,130,290

¹ Effective with the implementation of GASB #25, certain investment expenses (contractual services and fees) are used to offset investment income rather than being classified as expenses.

Table II-3
Florida Retirement System
Development of 2001
Actuarial Value of Assets

1. Market Value of Assets, July 1, 2000	\$106,526,167,838
2. Actuarial Value of Assets on July 1, 2000	\$88,503,837,535
3. 2000/2001 Net Cash Flow (Contributions less Benefits and Expenses)	(\$758,886,275)
4. Value of Assets, July 1, 2001, if items 2 and 3 earned an assumed rate of 8%	\$94,794,902,811
5. Market Value of Assets, July 1, 2001	\$98,410,130,290
6. Net Assets Available for Benefits [4 + 20% (5 - 4)]	\$95,517,948,307
7. 120% of Market Value [120% (5)]	\$118,092,156,348
8. 80% of Market Value [80% (5)]	\$78,728,104,232
9. Actuarial Value of Assets on July 1, 2001 Lesser of (6) and (7), but not less than (8)	<u><u>\$95,517,948,307</u></u>

Table II-4
Florida Retirement System
Breakdown of Actuarial Value of Assets
By Membership Class
(\$ in Thousands)

	FRS Regular	---- Special Risk ---- Regular	Administration	-- Elected Officers' Class -- Judicial	Leg-Atty -Cab	County	Senior Management	DROP	Total System
1. Allocated Actuarial Value of Assets by Class, July 1, 2000	\$73,399,416	\$12,943,530	\$77,061	\$737,472	\$77,700	\$367,909	\$747,759	\$152,991	\$88,503,838
2. Employer Contribution for the Plan Year	1,442,103	445,406	604	17,685	1,154	7,448	24,745	138,833	2,077,978
3. Benefit Payments and other Disbursements	2,135,681	214,768	2,285	25,288	2,434	19,108	19,166	418,133	2,836,863
4. Estimated Investment Earnings during the Year	6,443,594	1,151,854	6,722	64,713	6,797	31,936	66,202	1,177	7,772,995
5. Net Transfers	(203,476)	0	0	0	0	0	203,476	0	0
6. Allocated Actuarial Value of Assets by Class, July 1, 2001	\$78,945,956	\$14,326,022	\$82,102	\$794,582	\$83,217	\$388,185	\$1,023,016	(\$125,132)	\$95,517,948

**Table II-5
Florida Retirement System**

A. Rates of Return on Investments ¹

<u>Asset Bases</u>	<u>Rates of Return</u>	
	<u>1999/2000</u>	<u>2000/2001</u>
Market Value	10.82%	-6.93%
Actuarial Value	13.79%	8.82%

¹ Assumes net cash-flow occurs mid-year.

B. Allocation of Assets at Market Value

<u>Asset Category</u>	<u>July 1, 2000</u>	<u>July 1, 2001</u>
Stocks	70.06%	68.78%
Bonds	24.78%	24.08%
Real Estate	3.46%	3.64%
Temporary Investments	9.62%	11.74%
Cash	0.18%	0.08%
Other	-8.10%	-8.32%
	100%	100%

SECTION III

LIABILITIES

In the previous section, an actuarial valuation was compared to an inventory process, and an analysis was given of the inventory of assets of the FRS as of the valuation date, July 1, 2001. In this section, the discussion will focus upon the commitments of the FRS, which will be referred to as its actuarial liabilities. In later sections, other liabilities are presented (Section V) based on accounting principles of FASB and GASB. It is important to note that the accountant's liabilities are presented for disclosure and comparison purposes and that the actuarial liabilities in this section are used for determining the FRS contribution requirements.

The liabilities presented in this report differ by whether future anticipated salary increases or service credits are included in the calculation. Actuarial liabilities include future salary increases and service credits. The prior GASB (GASB No. 5) accounting liabilities include future salary increases but not future service credits. The new GASB No. 25 accounting liabilities include future salary increases and service credits (actuarial liabilities). FASB accounting liabilities do not include either future salary increases or future service credits. See Section V of this report for further information on GASB No. 25 and other accounting liabilities.

A fundamental principle in financing the actuarial liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. There are several methods currently used in making such a determination.

The method used for this valuation is referred to as the "entry age actuarial cost method." Under this method, a level percent of pay (employer cost) is determined which will pay for projected benefits at retirement for a new entrant into the plan. The level percent required is called the normal cost rate and the product of that rate and payroll is the normal cost.

The actuarial liability is that portion of the actuarial present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability (UAL). If the difference is negative, the excess of the funds accumulated over the liabilities, may be referred to as the surplus. If the employer's contributions exceed the employer's normal cost for the year, after allowing for interest earned on the previous balance of the UAL, this liability will be reduced. Benefit improvements, actuarial gains and losses, and changes in actuarial procedures will also have an effect on the total actuarial liability and on the portion that is unfunded.

After the amount of the UAL has been determined, a schedule of contributions is established to amortize that amount over periods of time. Section IV of the report discusses the contribution schedules in detail.

Table III-1 contains a breakdown of the actuarial liabilities and unfunded actuarial liabilities/(surplus) in the FRS for both the 2000 and 2001 valuations. In Table III-2, the 2001 liabilities are shown for each employee group.

Table III-1
Florida Retirement System
Actuarial Liabilities
(\$ in Thousands)

	<u>July 1, 2000</u>	<u>July 1, 2001</u>
1. Actuarial Liabilities for:		
(a) Active Members	\$43,200,229	\$45,864,526
(b) Retired, Disabled and Beneficiary Members	23,605,509	25,424,812
(c) Terminated Vested Members	1,684,156	1,913,828
(d) DROP	<u>6,459,056</u>	<u>7,790,552</u>
2. Total Actuarial Liability	\$74,948,950	\$80,993,718
3. Actuarial Value of Assets	<u>\$88,503,838</u>	<u>\$95,517,948</u>
4. Unfunded Actuarial Liability / (Surplus)	(\$13,554,888)	(\$14,524,230)

Table III-2
Florida Retirement System
Actuarial Liabilities
July 1, 2001
(\$ in Thousands)

	FRS Regular	----- Special Risk ----- Regular Administration	-- Elected Officers' Class -- Judicial Leg-Atty -Cab County			Senior Management	DROP	Total System	
1. Actuarial Liabilities for:									
a. Active Members	\$36,034,445	\$8,580,396	\$16,487	\$327,639	\$27,520	\$136,043	\$741,996	\$0	\$45,864,526
b. Retired, Disabled and Beneficiary Members	21,726,509	2,977,757	26,494	240,083	24,661	186,682	242,626	7,790,552	33,215,364
c. Terminated Vested Members	1,566,035	281,210	1,165	6,686	6,801	13,537	38,394	0	1,913,828
2. Total Actuarial Liability	\$59,326,989	\$11,839,363	\$44,146	\$574,408	\$58,982	\$336,262	\$1,023,016	\$7,790,552	\$80,993,718
3. Actuarial Value of Assets	\$78,945,956	\$14,326,022	\$82,102	\$794,582	\$83,217	\$388,185	\$1,023,016	(\$125,132)	\$95,517,948
4. Unfunded Actuarial Liability / (Surplus)	(\$19,618,967)	(\$2,486,659)	(\$37,956)	(\$220,174)	(\$24,235)	(\$51,923)	\$0	\$7,915,684 ¹	(\$14,524,230)

¹ This is a bookkeeping item. DROP liabilities include the total present value of benefits to all members currently in DROP. When a member leaves DROP, their liability is transferred to the class of membership from which they retired.

SECTION IV

CONTRIBUTIONS

The difference between the actuarial liabilities and the assets has to be made up out of (1) future contributions and (2) investment returns. An actuarial valuation sets out a schedule of future contributions which will deal with this deficiency in an orderly fashion. In this section we develop and present the FRS contribution rates based on the July 1, 2001 membership data to be effective for the Plan Year beginning July 1, 2002.

First, we present a description of the actuarial method used to determine the FRS contribution. This is followed by a series of tables presenting the details of our calculations.

In Table IV-1, we present the employer contribution rates by employee group, by component (normal cost and UAL) and in total. Tables IV-2 and IV-3 derive the UAL contribution, and show the components of the total UAL and their amortization balances.

A. Funding Methods

The method used to determine the pattern of future contributions is called the "entry age actuarial cost method". Under this method (as is the case for most actuarial cost methods), the contributions required to meet the difference between current assets and current actuarial liabilities are allocated each year between two elements:

- The normal cost
- The amortization payment to liquidate the unfunded actuarial liability (UAL).

These elements are described in more detail below.

1. Normal Cost

Under the entry age actuarial cost method, the normal cost rate is that level percentage of pay which would be exactly right to fully fund a member's benefit at retirement, if paid from the year of entry (i.e., "entry age") to the year of retirement.

We have determined the normal cost rates for the FRS separately by type of employee and benefit. These are summarized in Table IV-4.

2. Unfunded Actuarial Liability (UAL)

The term "fully funded" is often applied to a system where contributions at the normal cost rate are completely adequate to pay for the benefits of all existing employees. More often than not, systems are not fully funded, either because benefit improvements in the past have not been completely paid for, or because actuarial deficiencies have occurred due to experience which has not been as favorable as anticipated. Under these circumstances, an unfunded actuarial liability (UAL) exists.

For the FRS, this is the fourth year that the UAL does not exist, or the FRS is "fully funded".

Table IV-2 shows how the UAL was derived for the FRS. A key consideration in appraising the adequacy of the funding of the FRS is how the UAL is being funded.

Prior to 1987, amortization periods varied depending on the source of the base. Effective in 1987, all subsequent portions will be amortized over 30 years as required by State law (S.121.031(4), Florida Statutes). Since 1998, due to the continued "fully funded" status, all prior UAL bases are considered fully amortized. It is anticipated that future plan changes, assumption changes, and funding method changes would continue to be amortized over 30 years, with future gains and losses being combined into a single base each valuation period and then amortized at 10% per year (i.e. approximately a 17-year period). However, future gains and losses would not be subject to amortization unless a UAL reemerges.

B. EMPLOYER CONTRIBUTION RATES

Table IV-1 of this section presents the total required employer contribution rates determined by this actuarial valuation.

In our first valuation (July 1, 1987) we recommended the FRS contributions be on a five- year-graded basis for at least two reasons:

1. To allow time for a thorough analysis of the actuarial assumptions which may have led to the volatility experienced in the pre-1987 contribution rates.
2. To minimize the disruption of the budgeting process which would have resulted from a single abrupt change in rates from the 1985 level to the 1987 level.

In 1988, we completed the first analysis of the actuarial assumptions and were able to present with less uncertainty the future level of recommended contributions. In the 1989 valuation, we continued the graded basis for the remaining three years of the original five-year period (1993). Concurrent with the 1993 valuation, the graded time frame has expired and results are now presented on a level basis only.

As previously mentioned, since July 1, 1998, the actuarial value of assets exceeded the actuarial liabilities. Because of this, all amortization bases were considered to be fully amortized and thereby extinguished. Therefore, the recommended contribution rates developed in the 1998 actuarial valuation for fiscal 1999-2000 were limited to the normal cost for the different classes of FRS membership. The July 1, 1999 valuation set the contribution rates for FY 2000-2001 and since the actuarial value of assets continued to exceed the actuarial liabilities, the FY 2000-2001 contribution rates shown in the 1999 valuation report are the July 1, 1999 normal cost rates as modified by the 1999 experience study.

HB 2393, passed during the 2000 Legislative Session, modified employer contribution rate provisions. First, the bill provided an across-the-board contribution rate reduction of 1.0%. Second, part of the surplus was used to offset the contribution rate increase attributable to the 1999 experience study, and impact of the reduced vesting and non-duty disability eligibility. Also, a rate stabilization methodology was implemented to monitor use of the surplus. The final contribution rates enacted by the Legislature for fiscal 2000-2001 and fiscal 2001-2002 (based on the July 1, 1999 and 2000 valuation reports, respectively) reflected the use of the surplus available under the rate stabilization mechanism to lower contribution rates.

Since the surplus developed in this actuarial valuation exceeds 15% of the actuarial liability (the actual percentage is 17.93% of the actuarial liability), $\frac{1}{2}$ of the excess from 5% to 10%, $\frac{3}{4}$ of the excess from 10% to 15%, and the entire excess above 15%, could be used to aid in reducing the employer contribution rates. After the rate stabilization mechanism is applied, approximately \$7.4 billion of the surplus is available for contribution rate reduction, or other Florida Retirement System uses. This surplus is amortized over 10 years, which translates to \$1.237 billion available for the FY 2002-2003 budget year, prior to the recognition of the 1% contribution rate reduction, 1999 experience study offset, etc., as noted in the preceding paragraph.

Table IV-1 presents the results assuming the additional surplus is not used for rate reduction, whereas Table IV-5 presents one possible method of allocating the entire additional available surplus for rate reduction.

C. CHANGES SINCE PRIOR VALUATION

Since the July 1, 2000 valuation, a 12% benefit increase was approved for all Special Risk retirees and beneficiaries who commenced benefits prior to June 30, 2000, and had any Special Risk Class service between October 1, 1978 and December 31, 1992.

Appendix B shows the prior and current plan provisions in more detail.

The impact of the benefit change on the UAL/(Surplus) and the UAL amortization rate is shown in Tables IV-2 and IV-3, respectively.

**Table IV-1
Florida Retirement System
Proposed Employer Contribution Rates
July 1, 2001 Valuation for Fiscal Year Beginning July 1, 2002**

No utilization of the surplus for rate reduction.

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior	Composite	Composite	
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	(excluding DROP)	DROP ¹	(including DROP)
1. Normal Cost	9.94%	22.15%	12.60%	20.64%	15.42%	17.52%	11.68%	11.56%	NA	NA
2. UAL Cost ²	-0.73%	-1.80%	-0.86%	-0.17%	-1.11%	-0.47%	-0.49%	-0.86%	NA	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.47%	14.31%	17.05%	11.19%	10.70% ³	11.56%	10.75%
4. 1% Rate Reduction	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.94%
5. 0.10% Rate Reduction ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA	0.00%
6. Use of Surplus for Rate Reduction	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Total Adjusted Contribution for FRS Trust Fund [(3) + (4) + (5) + (6)]	8.21%	19.35%	10.74%	19.47%	13.31%	16.05%	10.19%	9.70%	11.56%	9.81%
8. Cost for Additional Administrative Charge ⁴ (for PEORP)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA	0.00%
9. Total Adjusted Contribution for FRS Employers [(7) + (8)]	8.21%	19.35%	10.74%	19.47%	13.31%	16.05%	10.19%	9.70%	11.56%	9.81%

1 DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL Cost in the traditional sense.

2 Offset required to hold prior year rates constant.

3 Due to the relatively different payrolls by membership class, this year the composite contribution rate is 0.23% more than last year's rate of 10.47%.

4 The across the board charge for the implementation of PEORP no longer applies.

* Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2002-2003.

Table IV-2
Florida Retirement System
Unfunded Actuarial Liability (UAL) Bases
July 1, 2001
(\$ in Thousands)

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior	DROP	Total
	Regular	Regular	Administration	Judicial	Leg-Atty -Cab	County	Management		
1. Actuarial Accrued Liability (Table III-2)	\$59,326,989	\$11,839,363	\$44,146	\$574,408	\$58,982	\$336,262	\$1,023,016	\$7,790,552	\$80,993,718
2. Actuarial Value of Assets (Table II-4)	78,945,956	14,326,022	82,102	794,582	83,217	388,185	1,023,016	(125,132)	95,517,948
3. Total UAL / (Surplus) (1 - 2)	(\$19,618,967)	(\$2,486,659)	(\$37,956)	(\$220,174)	(\$24,235)	(\$51,923)	\$0	\$7,915,684	(\$14,524,230)
4. Expected UAL / (Surplus)	(17,447,382)	(3,521,093)	(29,957)	(232,248)	(16,107)	(84,173)	(118,870)	6,810,550	(14,639,280)
5. New UAL Base Attributable to 12% Increase in Special Risk Benefits *	0	283,397	0	0	0	0	0	0	283,397
6. New UAL Base Attributable to 2000-2001 (Gain)/Loss (3 - 4 - 5)	(\$2,171,585)	\$751,037	(\$7,999)	\$12,074	(\$8,128)	\$32,250	\$118,870	\$1,105,134	(\$168,347)

* Since the July 1, 2000 valuation, a 12% benefit increase was approved for all Special Risk retirees and beneficiaries who commenced benefits prior to June 30, 2000, and had any Special Risk Class service between October 1, 1978 and December 31, 1992.

**Table IV-3
Florida Retirement System
UAL Contribution Rates
July 1, 2001**

	FRS Regular	---- Special Risk ---- Regular Administration	-- Elected Officers' Class -- Judicial Leg-Atty -Cab County			Senior Management	DROP	Total	
Amortization Payment Rates for									
1. Previous UAL Bases *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
2. 2000-2001 (Gains)/Losses *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
3. 2000-2001 Assumption Changes *	NA	NA	NA	NA	NA	NA	NA	NA	
4. 2000-2001 Plan Changes *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
5. Use of Surplus	-1.73%	-2.80%	-1.86%	-1.17%	-2.11%	-1.47%	-1.49%	0.00%	-1.75%
6. Total	-1.73%	-2.80%	-1.86%	-1.17%	-2.11%	-1.47%	-1.49%	0.00%	-1.75%

* Due to Actuarial Value of Assets exceeding Actuarial Liabilities, all prior UAL bases are considered fully amortized.

**Table IV-4
Florida Retirement System
Normal Cost Rates by Decrement
(After Plan Provision Change)
July 1, 2001**

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior	DROP	Composite Rate
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management		
1. Vested Benefits	0.98%	1.35%	0.75%	1.30%	2.92%	1.86%	1.25%	NA	1.03%
2. Early Retirement	1.32%	2.27%	1.17%	0.93%	1.62%	2.02%	1.46%	NA	1.44%
3. Regular Retirement	6.42%	15.29%	8.38%	14.16%	8.76%	10.59%	7.29%	NA	7.59%
4. Non-Duty Death	0.37%	0.92%	0.51%	2.15%	0.79%	1.42%	0.58%	NA	0.45%
5. Line of Duty Death	0.32%	0.80%	0.76%	0.75%	0.57%	0.62%	0.45%	NA	0.39%
6. Non-Duty Disability	0.43%	0.93%	0.54%	1.10%	0.59%	0.81%	0.52%	NA	0.50%
7. Line of Duty Disability	0.10%	0.59%	0.49%	0.25%	0.17%	0.20%	0.13%	NA	0.16%
8. Total Normal Cost	<u>9.94%</u>	<u>22.15%</u>	<u>12.60%</u>	<u>20.64%</u>	<u>15.42%</u>	<u>17.52%</u>	<u>11.68%</u>	<u>NA</u>	<u>11.56%</u>

**Table IV-5
Florida Retirement System
Proposed Employer Contribution Rates
July 1, 2001 Valuation for Fiscal Year Beginning July 1, 2002**

Total available surplus allocated equally to all Classes

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior	Composite	Composite	
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	(excluding DROP)	DROP ¹	(including DROP)
1. Normal Cost	9.94%	22.15%	12.60%	20.64%	15.42%	17.52%	11.68%	11.56%	NA	NA
2. UAL Cost ²	-0.73%	-1.80%	-0.86%	-0.17%	-1.11%	-0.47%	-0.49%	-0.86%	NA	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.47%	14.31%	17.05%	11.19%	10.70% ³	11.56%	10.75%
4. 1% Rate Reduction	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.94%
5. 0.10% Rate Reduction ⁴	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA	0.00%
6. Use of Surplus for Rate Reduction	-4.05%	-4.05%	-4.05%	-4.05%	-4.05%	-4.05%	-4.05%	-4.05%	0.00%	-3.82%
7. Total Adjusted Contribution for FRS Trust Fund [(3) + (4) + (5) + (6)]	4.16%	15.30%	6.69%	15.42%	9.26%	12.00%	6.14%	5.65%	11.56%	5.98%
8. Cost for Additional Administrative Charge ⁴ (for PEORP)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA	0.00%
9. Total Adjusted Contribution for FRS Employers [(8) + (9)]	4.16%	15.30%	6.69%	15.42%	9.26%	12.00%	6.14%	5.65%	11.56%	5.98%

- 1 DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL Cost in the traditional sense.
- 2 Offset required to hold prior year rates constant.
- 3 Due to the relatively different payrolls by membership class, this year the composite contribution rate is 0.23% more than last year's rate of 10.47%.
- 4 The across the board charge for the implementation of PEORP no longer applies.

* Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2002-2003.

SECTION V

ACCOUNTING STATEMENT

ACCOUNTING STATEMENT

Statement No. 5 of the Governmental Accounting Standards Board (GASB) previously required disclosure of certain pension information by public employee retirement systems. Each system's funding status on a going-concern basis is determined by comparing its pension benefit obligation (PBO) to the net assets available to fund benefits.

The PBO is that portion of the actuarial present value of benefits attributable to service earned to date, adjusted for the effects of projected salary increases. It is intended as a standardized disclosure measure which will allow comparisons among different public employee retirement systems among the 50 states and local governments. The determination of the PBO is independent of the actuarial cost method, but is dependent upon the actuarial assumptions used to calculate the present values.

Table V-1 presents the PBO for the Florida Retirement System determined as of July 1, 2001. All of the calculations presented in that table are based on the actuarial assumptions used in the valuation, as described in Appendix A. Values of the PBO are shown by type of member and by class. The active members' values are also divided between the employee-financed (accumulated member contributions) and employer-financed portions, with the employer-financed portions shown separately for vested benefits and non-vested benefits.

The unfunded PBO is the excess of the PBO over the net assets available for benefits. Line B shows the assets of the FRS on two different valuation bases. Corresponding values of the unfunded PBO are shown on line C. Line D shows the degree to which the assets cover the PBO.

Table V-2 presents the total PBO for the FRS for current and prior valuations. The prior year results displayed are always after any plan and/or assumptions changes.

Another measure the accounting profession uses to indicate the funding status of a system is called the "accumulated benefit obligation" (ABO). The ABO is similar to the PBO, except that it does not take into account the effect of future salary increases. However it is determined assuming that the plan is ongoing and participants continue to terminate employment, retire, etc. in accordance with the actuarial assumptions.

The ABO disclosures provide a quasi "snapshot" view of how the plan's assets would compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. However, due to potential legal requirements and the possibility that alternative interest rates would have to be used to determine the liabilities, the ABO may not be a good indication of the amount of money it would take to buy the benefits for all members if the plan were to terminate.

Tables V-3 and V-4 present information comparable to that provided in Tables V-1 and V-2, respectively, except using the ABO. Since the ABO for active members is

ACCOUNTING STATEMENT

smaller than the PBO in all instances (because there is no salary projection), the funding status using the ABO always appears to be more satisfactory.

Table V-5 reconciles the PBO and ABO from the obligations determined as of the prior valuation, July 1, 2000, to the obligations as of July 1, 2001. This reconciliation indicates the impact of the assumption changes, if any, and plan changes, if any, on the two obligations.

Finally, GASB Statement No. 25 requires the actuarial accrued liability (AAL) to be compared with the actuarial value of assets used for funding purposes. This year's report includes two tables for GASB No. 25 disclosures and a third table used in the Comprehensive Annual Financial Report. Table V-6 shows the GASB No. 25 Accounting Statement Information by membership class. Table V-7 shows similar information for the total FRS comparing several year's results in addition to the July 1, 2000 results before and after the plan change. Table V-8 shows the Solvency Test for the FRS for the 1999, 2000, and 2001 (before and after the plan change) valuations. The Solvency Test compares the actuarial accrued liabilities to the market value of assets.

The trend of the FRS's funding status, as measured by the unfunded AAL, PBO or ABO over a period of time, is one indication of the progress being made in accumulating sufficient assets to pay benefits when due. Some of the basic trend data for this valuation and the prior two valuations (i.e., as of July 1, 1999 and July 1, 2000) for the FRS are shown in Table V-2 (PBO), Table V-4 (ABO), and Table V-7 (AAL). Past and future results are affected by changes in actuarial assumptions, benefit provisions, accounting policies, etc.

It is possible that the rate stabilization mechanism may lead to an accounting disclosure under GASB Statement Number 27. If necessary, that will be provided in a separate letter.

ACCOUNTING STATEMENT

Table V-1
Florida Retirement System
Pension Benefit Obligation - GASB Statement #5
July 1, 2001
(All Amounts in Thousands)

	FRS Regular	— Special Risk — Regular	Administration	Judicial	— Elected Officers' Class — Leg-Atty-Cab	County	Senior Management	DROP	Total
A. Pension Benefit Obligation									
1. Active Members									
a. Accumulated Member Contributions Employer - Financed	\$102,311	\$5,817	\$45	\$1,146	\$104	\$1,106	\$2,432	\$0	\$112,961
b. Vested Benefits	28,589,592	7,114,211	14,908	273,048	21,612	108,013	582,083	0	36,703,467
c. Non - Vested Benefits	1,072,865	339,113	0	8,218	725	4,784	20,061	0	1,445,766
d. Total	\$29,764,768	\$7,459,141	\$14,953	\$282,412	\$22,441	\$113,903	\$604,576	\$0	\$38,262,194
2. Annuitants	21,726,509	2,977,757	26,494	240,083	24,661	186,682	242,626	7,790,552	33,215,364
3. Other Inactive Members	1,566,035	281,210	1,165	6,686	6,801	13,537	38,394	0	1,913,828
4. Total Pension Benefit Obligation	\$53,057,312	\$10,718,108	\$42,612	\$529,181	\$53,903	\$314,122	\$885,596	\$7,790,552	\$73,391,386
B. Assets Available for Benefits									
1. Market	\$81,336,355	\$14,759,799	\$84,588	\$818,641	\$85,737	\$399,939	\$1,053,992	(\$128,921)	\$98,410,130
2. Actuarial Basis	\$78,945,956	\$14,326,022	\$82,102	\$794,582	\$83,217	\$388,185	\$1,023,016	(\$125,132)	\$95,517,948
C. Unfunded Total Pension Benefit Obligation, Assets at:									
1. Market	(\$28,279,043)	(\$4,041,691)	(\$41,976)	(\$289,460)	(\$31,834)	(\$85,817)	(\$168,396)	\$7,919,473	(\$25,018,744)
2. Actuarial Basis	(\$25,888,644)	(\$3,607,914)	(\$39,490)	(\$265,401)	(\$29,314)	(\$74,063)	(\$137,420)	\$7,915,684	(\$22,126,562)
D. Percent of Pension Benefit Obligation Funded, Assets at:									
1. Market	153.30%	137.71%	198.51%	154.70%	159.06%	127.32%	119.01%	-1.65%	134.09%
2. Actuarial Basis	148.79%	133.66%	192.67%	150.15%	154.38%	123.58%	115.52%	-1.61%	130.15%

ACCOUNTING STATEMENT

Table V-2
Florida Retirement System
Analysis of Funding Progress - GASB Statement #5
(All Amounts in Thousands)

	July 1, 1999 Valuation Basis	July 1, 2000 Valuation Basis	July 1, 2001 Before Plan Provision Change	July 1, 2001 After Special Risk Plan Provision Changes
A. Pension Benefit Obligation				
1. Active Members				
a. Accumulated Member Contributions Employer - Financed	\$254,908	\$120,214	\$112,961	\$112,961
b. Vested Benefits	29,962,487	34,326,431	36,703,467	36,703,467
c. Non - Vested Benefits	<u>3,806,389</u>	<u>1,376,977</u>	<u>1,445,766</u>	<u>1,445,766</u>
d. Total	\$34,023,784	\$35,823,622	\$38,262,194	\$38,262,194
2. Annuitants	\$21,481,816	\$23,605,509	\$25,141,415	\$25,424,812
3. Other Inactive Members	\$1,227,359	\$1,684,156	\$1,913,828	\$1,913,828
4. DROP	<u>\$4,575,169</u>	<u>\$6,459,056</u>	<u>\$7,790,552</u>	<u>\$7,790,552</u>
5. Total Pension Benefit Obligation	\$61,308,128	\$67,572,343	\$73,107,989	\$73,391,386
B. Assets Available for Benefits				
1. Market	\$96,141,400	\$106,526,168	\$98,410,130	\$98,410,130
2. Actuarial Basis	\$77,795,313	\$88,503,838	\$95,517,948	\$95,517,948
C. Unfunded Total Pension Benefit Obligation, Assets at:				
1. Market	(\$34,833,272)	(\$38,953,825)	(\$25,302,141)	(\$25,018,744)
2. Actuarial Basis	(\$16,487,185)	(\$20,931,495)	(\$22,409,959)	(\$22,126,562)
D. Percent of Pension Benefit Obligation Funded, Assets at:				
1. Market	156.82%	157.65%	134.61%	134.09%
2. Actuarial Basis	126.89%	130.98%	130.65%	130.15%
E. Annual Salaries ¹	\$18,998,086	\$20,463,403	\$21,360,862	\$21,360,862
F. Unfunded Pension Benefit Obligation as a Percent of Salary, Assets at:				
1. Market	-183.35%	-190.36%	-118.45%	-117.12%
2. Actuarial Basis	-86.78%	-102.29%	-104.91%	-103.58%

¹ Includes Drop Salaries

ACCOUNTING STATEMENT

Table V-3
Florida Retirement System
Accumulated Benefit Obligation - FASB Statement #35
July 1, 2001
(All Amounts in Thousands)

	FRS Regular	---- Special Risk ---- Regular	Administration	Judicial	-- Elected Officers' Class -- Leg-Atty-Cab	County	Senior Management	DROP	Total
A. Accumulated Benefit Obligation									
1. Active Members									
a. Accumulated Member Contributions Employer - Financed	\$102,311	\$5,817	\$45	\$1,146	\$104	\$1,106	\$2,432	\$0	\$112,961
b. Vested Benefits	18,715,913	4,060,553	10,299	171,539	15,218	71,487	390,309	0	23,435,318
c. Non - Vested Benefits	658,987	172,456	0	5,545	503	3,322	12,837	0	853,650
d. Total	\$19,477,211	\$4,238,826	\$10,344	\$178,230	\$15,825	\$75,915	\$405,578	\$0	\$24,401,929
2. Annuitants	\$21,726,509	\$2,977,757	\$26,494	\$240,083	\$24,661	\$186,682	\$242,626	\$7,790,552	\$33,215,364
3. Other Inactive Members	\$1,566,035	\$281,210	\$1,165	\$6,686	\$6,801	\$13,537	\$38,394	\$0	\$1,913,828
4. Total Accumulated Benefit Obligation	\$42,769,755	\$7,497,793	\$38,003	\$424,999	\$47,287	\$276,134	\$686,598	\$7,790,552	\$59,531,121
B. Assets Available for Benefits									
1. Market	\$81,336,355	\$14,759,799	\$84,588	\$818,641	\$85,737	\$399,939	\$1,053,992	(\$128,921)	\$98,410,130
2. Actuarial Basis	\$78,945,956	\$14,326,022	\$82,102	\$794,582	\$83,217	\$388,185	\$1,023,016	(\$125,132)	\$95,517,948
C. Unfunded Total Accumulated Benefit Obligation, Assets at:									
1. Market	(\$38,566,600)	(\$7,262,006)	(\$46,585)	(\$393,642)	(\$38,450)	(\$123,805)	(\$367,394)	\$7,919,473	(\$38,879,009)
2. Actuarial Basis	(\$36,176,201)	(\$6,828,229)	(\$44,099)	(\$369,583)	(\$35,930)	(\$112,051)	(\$336,418)	\$7,915,684	(\$35,986,827)
D. Percent of Accumulated Obligation Funded, Assets at:									
1. Market	190.17%	196.86%	222.58%	192.62%	181.31%	144.84%	153.51%	-1.65%	165.31%
2. Actuarial Basis	184.58%	191.07%	216.04%	186.96%	175.98%	140.58%	149.00%	-1.61%	160.45%

ACCOUNTING STATEMENT

Table V-4
Florida Retirement System
Analysis of Funding Progress - FASB Statement #35
(All Amounts in Thousands)

	July 1, 1999 Valuation Basis	July 1, 2000 Valuation Basis	July 1, 2001 Before Plan Provision Change	July 1, 2001 After Special Risk Plan Provision Changes
A. Accumulated Benefit Obligation				
1. Active Members				
a. Accumulated Member Contributions Employer - Financed	\$254,908	\$120,214	\$112,961	\$112,961
b. Vested Benefits	19,197,039	21,812,775	23,435,318	23,435,318
c. Non - Vested Benefits	1,973,525	813,153	853,650	853,650
d. Total	\$21,425,472	\$22,746,142	\$24,401,929	\$24,401,929
2. Annuitants	\$21,481,816	\$23,605,509	\$25,141,415	\$25,424,812
3. Other Inactive Members	\$1,227,359	\$1,684,156	\$1,913,828	\$1,913,828
3. DROP	\$4,575,169	\$6,459,056	\$7,790,552	\$7,790,552
4. Total Accumulated Benefit Obligation	\$48,709,816	\$54,494,863	\$59,247,724	\$59,531,121
B. Assets Available for Benefits				
1. Market	\$96,141,400	\$106,526,168	\$98,410,130	\$98,410,130
2. Actuarial Basis	\$77,795,313	\$88,503,838	\$95,517,948	\$95,517,948
C. Unfunded Total Accumulated Benefit Obligation, Assets at:				
1. Market	(\$47,431,584)	(\$52,031,305)	(\$39,162,406)	(\$38,879,009)
2. Actuarial Basis	(\$29,085,497)	(\$34,008,975)	(\$36,270,224)	(\$35,986,827)
D. Percent of Accumulated Benefit Obligation Funded, Assets at:				
1. Market	197.38%	195.48%	166.10%	165.31%
2. Actuarial Basis	159.71%	162.41%	161.22%	160.45%
E. Annual Salaries ¹	\$18,998,086	\$20,463,403	\$21,360,862	\$21,360,862
F. Unfunded Accumulated Benefit Obligation as a Percent of Salary, Assets at:				
1. Market	-249.67%	-254.27%	-183.34%	-182.01%
2. Actuarial Basis	-153.10%	-166.19%	-169.80%	-168.47%

¹ Includes Drop Salaries

ACCOUNTING STATEMENT

Table V-6
Florida Retirement System
Accounting Statement Information - GASB Statement #25
July 1, 2001
(All Amounts in Thousands)

	FRS Regular	----- Special Risk ----- Regular	Administration	Judicial	-- Elected Officers' Class -- Leg-Atty -Cab	County	Senior Management	DROP	Total
1. Actuarial Accrued Liability:									
a. Active Member Contributions	\$102,311	\$5,817	\$45	\$1,146	\$104	\$1,106	\$2,432	\$0	\$112,961
b. Annuitants	21,726,509	2,977,757	26,494	240,083	24,661	186,682	242,626	7,790,552	33,215,364
c. Other Inactive Members	1,566,035	281,210	1,165	6,686	6,801	13,537	38,394	0	1,913,828
d. Active Members	<u>35,932,134</u>	<u>8,574,579</u>	<u>16,442</u>	<u>326,493</u>	<u>27,416</u>	<u>134,937</u>	<u>739,564</u>	<u>0</u>	<u>45,751,565</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d)]	\$59,326,989	\$11,839,363	\$44,146	\$574,408	\$58,982	\$336,262	\$1,023,016	\$7,790,552	\$80,993,718
3. Actuarial Value of Assets	\$78,945,956	\$14,326,022	\$82,102	\$794,582	\$83,217	\$388,185	\$1,023,016	(\$125,132)	\$95,517,948
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$19,618,967)	(\$2,486,659)	(\$37,956)	(\$220,174)	(\$24,235)	(\$51,923)	\$0	\$7,915,684	(\$14,524,230)
5. Funded Ratio	133.07%	121.00%	185.98%	138.33%	141.09%	115.44%	100.00%	-1.61%	117.93%
6. Covered Payroll	\$17,199,188	\$2,504,332	\$4,245	\$95,390	\$8,375	\$45,259	\$322,964	\$1,181,109	\$21,360,862
7. UAAL / (Surplus) as a % of Payroll	-114.07%	-99.29%	-894.13%	-230.81%	-289.37%	-114.72%	0.00%	670.19%	-67.99%

ACCOUNTING STATEMENT

Table V-7
Florida Retirement System
Accounting Statement Information - GASB Statement #25
(All Amounts in Thousands)

	July 1, 1999 Valuation Basis	July 1, 2000 Valuation Basis	July 1, 2001 Before Plan Provision Change	July 1, 2001 After Special Risk Plan Provision Changes
1. Actuarial Accrued Liability:				
a. Active Member Contributions	\$254,908	\$120,214	\$112,961	\$112,961
b. Annuitants	21,481,816	23,605,509	25,141,415	25,424,812
c. DROP	4,575,169	6,459,056	7,790,552	7,790,552
d. Other Inactive Members	1,227,359	1,684,156	1,913,828	1,913,828
e. Active Members	<u>41,035,997</u>	<u>43,080,015</u>	<u>45,751,565</u>	<u>45,751,565</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d) + 1(e)]	\$68,575,249	\$74,948,950	\$80,710,321	\$80,993,718
3. Actuarial Value of Assets	\$77,795,313	\$88,503,838	\$95,517,948	\$95,517,948
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$9,220,064)	(\$13,554,888)	(\$14,807,627)	(\$14,524,230)
5. Funded Ratio	113.45%	118.09%	118.35%	117.93%
6. Covered Payroll ¹	\$18,998,086	\$20,463,403	\$21,360,862	\$21,360,862
7. UAAL / (Surplus) as a % of Payroll	-48.53%	-66.24%	-69.32%	-67.99%

¹ Includes Drop Salaries

ACCOUNTING STATEMENT

Table V-8

Solvency Test
(All Amounts in Thousands)

	July 1, 1999 Valuation Basis	July 1, 2000 Valuation Basis	July 1, 2001 Before Plan Provision Change	July 1, 2001 After Special Risk Plan Provision Changes
1. Actuarial Accrued Liability for:				
a. Retired and Disabled Members, and Survivors	\$21,481,816	\$23,605,509	\$25,141,415	\$25,424,812
b. DROP	4,575,169	6,459,056	7,790,552	7,790,552
c. Vested Deferred and Inactive Status Members	1,227,359	1,684,156	1,913,828	1,913,828
d. Active Members				
i) Accumulated employee contributions with interest	254,908	120,214	112,961	112,961
ii) Employer-financed liabilities	41,035,997	43,080,015	45,751,565	45,751,565
e. Total	\$68,575,249	\$74,948,950	\$80,710,321	\$80,993,718
2. Net Assets Available for Benefits at Market Value	\$96,141,400	\$106,526,168	\$98,410,130	\$98,410,130
3. Ratio of Assets to Actuarial Accrued Liabilities: [2 / 1]	140.20%	142.13%	121.93%	121.50%

APPENDIX A ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

The actuarial procedures and assumptions used in this valuation are described herein.

Table A-1 summarizes the assumptions. The pre and post-retirement mortality rates are taken from the sources listed. The other rates were developed from the experience of the FRS and are illustrated in Tables A-2 through A-9, as noted.

The actuarial assumptions are intended to estimate the future experience of the members of the FRS and of the FRS in other areas which affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the FRS's benefits.

All tables in this section give independent rates of decrement expressed as percentages. The independent rates of decrement are referred to by the general symbol "q" in actuarial notation. The underlying theory is described more fully in *Life Contingencies*, by C. Wallace Jordan, Society of Actuaries (Second Edition, 1967), page 278.

ACTUARIAL COST METHOD

The actuarial valuation is prepared using the entry age actuarial cost method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs, is called the unfunded actuarial liability (UAL). In the past, the UAL was amortized as level percentages of the projected payroll (salaries of present and future members of the FRS) during various amortization periods.

Effective July 1, 1998, any changes in the UAL will be amortized as level dollar. Each plan, method or assumption change will set up a new base (layer) and be amortized over a period of 30 years. All other changes, (i.e., experience gains and losses), will be maintained in a single base. As long as this amount remains negative (i.e., surplus exists), it will not be amortized. If the base is positive (i.e., UAL exists), it will be amortized on a rolling 10% basis. In other words, 10% of the outstanding balance would be recognized each year.

The normal cost for the valuation year was calculated separately for each individual, based on his or her age at entry into the FRS. The individual normal costs were then aggregated and divided by the total current compensation of the individuals included in the valuation to determine the normal cost rate as a percentage of compensation.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

RECORDS AND DATA

The data used in this valuation consist of financial information and records of age, service and income of active members, annuitants and other inactive members. All of the data was supplied by the FRS, and was accepted for valuation purposes without audit.

REPLACEMENT OF TERMINATED MEMBERS

The ages and relative salaries at entry of future members are assumed to follow a new entrant distribution based on recent new entrants to the FRS. Under this assumption, the normal cost rates for active members will remain valid in future years, unless the governing law or actuarial assumptions are changed.

GROWTH IN MEMBERSHIP

The membership of the FRS is assumed to grow at the rate of 0.0% per year. This assumption was changed in the July 1, 1997 valuation from 1.50% in the July 1, 1995 valuation, as required by GASB No. 25.

ADMINISTRATIVE EXPENSE

Administrative expenses are paid from investment earnings. It is assumed that investments will yield 8.25%, 8% as the valuation assumption and 0.25% to cover the administrative expenses.

VALUATION OF ASSETS

The asset valuation method determines the actuarial value as follows:

- Step 1.** Determine the total yield on the investments of the FRS using the full investment return (including capital gains) measured by the difference in the actuarial value of the assets at the beginning of the fiscal year just ended and the market value of assets at the end of the year. For the first year this method is employed, the market value of assets is used for the beginning of the fiscal year.
- Step 2.** Calculate the excess of the yield determined in Step 1 over the expected yield for the same year according to the actuarial assumptions.
- Step 3.** Calculate an adjusted yield equal to the expected yield plus one-fifth of the yield determined in Step 2.
- Step 4.** The actuarial value of assets used in this valuation equals the amount that would have existed if the actual yield on the assets had been at the yield determined in Step 3.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

The resulting actuarial value of the assets shall not be less than 80% nor more than 120% of the market value.

This method conforms to Section 121.031(3)(a), Florida Statutes, calling for an averaging method acceptable under U.S. Treasury Regulations.

INVESTMENT EARNING

The future investment earnings of the assets of the FRS are assumed to accrue at an annual rate of 8%, compounded annually.

POST-RETIREMENT BENEFIT INCREASES

A post-retirement increase of 3% per year is assumed.

INTEREST ON EMPLOYEE CONTRIBUTIONS

Interest is only credited on accounts held by members of TRS. A 6.5% annual rate of interest is assumed to be credited on these accounts.

FUTURE SALARIES

Effective July 1, 1998, salaries are assumed to increase between 5.00% and 10.00% per year depending on the member's age. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 5.00% per annum rate of increase in the average wage level of the membership. Table A-2 shows merit (i.e., promotion and longevity) scale rates at representative ages.

SERVICE RETIREMENT

Members are assumed to take unreduced retirement at the rates shown in Table A-3. Rates of reduced early retirement are included in rates of other terminations of employment.

All members who have attained age 70 (age 60 for TRS and SCOERS) in active service are assumed to retire immediately.

DISABLEMENT

Note that the frequency of disablement reflects not only the impairments but also the policies underlying the approval of claims and the administration of disability benefits. The more liberal the administration or conditions under which an employee may qualify for disability, the greater the expected incidence of disability.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Line-of-Duty Disability Incidence Rates

The rates used to estimate the likelihood of line-of-duty disability were initially based on Social Security disability experience reported in the Social Security Administration's disability study published as Actuarial Study Number 74, adjusted to recognize the FRS line-of-duty disability incidence experience. A subsequent study of the line-of-duty disability incidence experience was performed for the five fiscal years ending June 30, 1998, with no changes implemented (the report was released in 1999).

Not-in-Line-of-Duty Disability Incidence Rates

The rates used to estimate the likelihood of not-in-line-of-duty disability were initially based on Social Security disability experience reported in the Social Security Administration's disability study published as Actuarial Study Number 74, adjusted to recognize the FRS not-in-line-of-duty disability incidence experience. These rates were modified to reflect a subsequent study of the not-in-line-of-duty disability incidence experience for the five fiscal years ending on June 30, 1998 (the report was released in 1999).

The rates of disablement used in the valuation are illustrated in Tables A-4 and A-5.

PRE-RETIREMENT MORTALITY

Mortality rates for members who die in service are based on the 1971 Group Annuity Mortality tables for males and females, with ages set back 3 years to reflect FRS experience. Table A-6 shows these rates at representative ages.

To allocate active member deaths between duty and non-duty death, the following percentages of total active member deaths were assumed to be duty deaths.

Age	FRS-Special Risk		FRS-All Other Groups	
	Men	Women	Men	Women
37	60%	60%	25%	15%
42	40	40	25	15
47	30	30	15	10
52	25	25	15	10

POST-RETIREMENT MORTALITY

Effective July 1, 1998, mortality rates for all members once in retirement status were changed from the 1971 Group Annuity Mortality tables for males and females, with ages set back 3 years to the 1994 UP Mortality tables for males and females, as projected to the year 2009 using Projection Scale AA. Table A-7 shows these rates at representative ages.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

DISABILITY TERMINATION (MORTALITY AND RECOVERY) RATES

Disability mortality rates through age 64 are based on the disability termination experience from 1968 to 1974, as reported in the Social Security Administration's disability study--Actuarial Study Number 74. Disability termination rates after age 64 reflect termination of disability due to either death or recovery. Representative rates of disability termination are illustrated in Table A-8.

OTHER TERMINATIONS OF EMPLOYMENT

Table A-9 shows, for representative ages, the rates assumed in this valuation for future withdrawal from active service for reasons other than death, disability or retirement with an unreduced benefit. These rates contain the probability of retiring with a reduced immediate pension.

ELIGIBLE SURVIVORS

It is assumed that 80% of deceased members will have survivors eligible for lifetime benefits upon their death. Males are assumed to be three years older than their female spouses.

MILITARY SERVICE AND OUT-OF-STATE SERVICE CREDITS

Each member is assumed to have the following additional years of service credit purchased:

Type of Service Credit	FRS-Special Risk	
	Men	Women
Military Service Credit	.2818	0
Out-of-State Service Credit	0	0

Type of Service Credit	FRS-All Other Groups	
	Men	Women
Military Service Credit	.1853	0
Out-of-State Service Credit	.0910	.0910

No extra service credit was assumed for TRS and SCOERS participants.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

ANNUAL LEAVE CREDIT

Unused annual leave in the amount of 139 hours is assumed to be credited to each retiring member to increase the salary used for calculating the retirement benefits. An increase in the retirement benefit of 1.66% is assumed to result from this factor.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-1
Summary of Valuation Assumptions
July 1, 2001

I. Economic Assumptions	
A. General Wage Increases	5.0%*
B. Investment Earnings	8.0%*
C. Growth in Membership	0.0%
D. Post-Retirement Benefit Increases	3.0%
* Including a 3.5% inflation assumption.	
II. Non-Economic Assumptions	
A. Salary Increases Due to Promotion and Longevity	Table A-2
B. Service Retirement	Table A-3
C. Disablement	Tables A-4 and A-5
D. Pre-Retirement Mortality	1971 Group Annuity Mortality Table for males and females, with ages set back 3 years-Table A-6
E. Post-Retirement Mortality	1994 UP Mortality Table for males and females, projected to the year 2009 using Projection Scale AA-Table A-7
F. Disability Termination (Mortality and Recovery)	Table A-8
G. Other Terminations of Employment	Table A-9

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-2	
Salary Increases Due to Promotion and Longevity	
Age	All Members
20	5.00%
25	3.00%
30	2.00%
35	2.00%
40	1.50%
45	1.00%
50	0.75%
55	0.50%
60	0.25%
65	0.00%
70	0.00%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-3		
Unreduced Retirement Annual Rates		
FRS-Regular and Senior Management		
Age	Men	Women
47	22.0%	15.0%
50	22.0	15.0
55	22.0	15.0
60	28.3	27.7
62	29.1	23.7
65	42.5	33.2
Age	FRS-Special Risk*	
47	3.1%	
50	9.0	
55	8.7	
60	8.2	
65	62.0	
70	30.0	
FRS-Officials*		
Age	Judicial and County Elected Officials	Legislators/ Attorneys/ Cabinet
52	2.0%	-%
55	2.0	6.0
60	5.0	16.0
65	17.7	50.0
70	16.8	50.0
TRS and SCOERS		
Age	Men	Women
47	22.0%	15.0%
50	22.0	15.0
55	22.0	15.0
60	100.0	100.0

* Same rates for men and women

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-4		
Line-of-Duty Disability Annual Retirement Rates		
FRS-Special Risk		
Age	Men	Women
25	.022%	.013%
35	.040	.039
45	.092	.087
55	.273	.230
FRS-All Other Groups		
Age	Men	Women
25	.007%	.002%
35	.013	.007
45	.031	.015
55	.091	.038
TRS and SCOERS		
Same as Non-Duty Disability		

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-5		
Non-Duty Disability Annual Rates		
FRS-Special Risk		
Age	Men	Women
25	.045%	.027%
35	.079	.079
45	.175	.348
55	.727	.613
FRS-All Other Groups		
Age	Men	Women
25	-%	-%
35	.066	.052
45	.216	.160
55	.636	.536
TRS and SCOERS		
Age	Men	Women
25	.149%	.089%
35	.264	.262
45	.616	.585
55	1.818	1.532

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-6		
Pre-Retirement Mortality Annual Rates		
FRS-All Groups		
Age	Men	Women
20	.05%	.02%
25	.05	.03
30	.07	.04
35	.09	.05
40	.13	.08
45	.20	.11
50	.38	.17
55	.65	.25
60	1.00	.39
65	1.59	.69
70	2.63	1.16
75	4.38	2.19
80	6.59	4.08
85	10.37	6.79
90	14.87	10.65
95	20.17	16.51
100	27.25	25.81
105	37.72	39.42
110	60.61	64.03
113	100.00	100.00

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-7		
Post-Retirement Mortality Annual Rates		
FRS-All Groups		
Age	Men	Women
20	.04%	.02%
25	.06	.03
30	.08	.03
35	.08	.04
40	.10	.06
45	.14	.08
50	.21	.12
55	.36	.22
60	.67	.44
65	1.26	.86
70	2.03	1.37
75	3.24	2.16
80	5.74	3.81
85	9.41	6.65
90	15.48	11.95
95	24.38	19.43
100	33.60	29.28
105	44.06	41.52
110	49.72	49.24
115	50.00	50.00
120	100.00	100.00

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-8 Probability of Termination of Disability Through Recovery or Death Within One Year After Attaining Age Shown* FRS-All Groups		
Age	Men	Women
25	0.75%	0.80%
35	1.49	1.45
45	2.86	1.83
55	5.03	2.84
65	7.35	3.83
75	7.37	4.65
85	13.01	8.92
95	24.12	21.61
105	48.52	51.92

* Mortality only prior to age 65.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-9				
Other Terminations of Employment Annual Rates				
FRS-Regular and Senior Management: Men				
Attained Age				
Completed Years of Service	25	35	45	55
0	25.0%	25.0%	25.0%	25.0%
1	22.9	15.2	13.9	13.9
2	19.3	12.3	10.1	9.9
3	13.4	10.7	9.1	8.5
4	12.0	9.4	7.5	6.8
5	10.4	8.9	7.1	6.3
6	8.7	7.2	6.2	5.5
7	7.5	6.0	5.1	4.5
8	6.4	5.4	4.7	4.2
9	5.5	4.8	4.2	3.7
10 or more	6.2	3.9	2.6	3.9
FRS-Regular and Senior Management: Women				
Attained Age				
Completed Years of Service	25	35	45	55
0	25.0%	25.0%	25.0%	25.0%
1	19.9	13.5	12.3	12.3
2	16.5	11.0	9.4	9.3
3	12.0	9.5	8.2	7.6
4	9.8	8.2	7.1	6.4
5	10.2	7.8	6.3	5.6
6	8.3	6.8	5.8	5.2
7	7.4	6.0	5.0	4.4
8	7.1	5.5	4.5	3.8
9	6.6	5.0	3.8	3.0
10 or more	7.1	4.0	2.4	4.3

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-9, CONT.				
Other Terminations of Employment Annual Rates				
FRS-Special Risk: Men				
Attained Age				
Completed Years of Service	25	35	45	55
0	21.0%	21.0%	21.0%	21.0%
1	11.5	9.9	9.0	8.8
2	9.5	7.8	7.0	6.8
3	8.2	6.7	5.5	5.3
4	6.7	5.5	4.9	4.9
5	5.4	5.4	5.4	5.4
6	5.1	4.7	4.1	4.1
7	3.9	3.9	3.9	3.9
8	3.3	3.3	3.3	3.3
9	3.1	3.1	3.1	3.1
10 or more	3.4	2.5	2.3	10.0
FRS-Special Risk: Women				
Attained Age				
Completed Years of Service	25	35	45	55
0	20.0%	20.0%	20.0%	20.0%
1	11.1	8.0	6.7	6.5
2	8.9	7.3	6.6	6.4
3	7.5	6.0	5.1	4.8
4	8.4	6.8	5.7	5.4
5	5.6	5.6	5.6	5.6
6	5.3	5.3	5.3	5.3
7	3.9	3.9	3.9	3.9
8	3.5	3.4	3.3	3.1
9	3.7	3.6	3.4	3.2
10 or more	4.9	3.6	3.3	10.0

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-9, CONT.				
Other Terminations of Employment Annual Rates				
Completed Years of Service	FRS-Judicial*			
	25	35	45	55
0	-%	-%	-%	-%
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	10.0	10.0	-	-
5	-	-	-	-
6	-	-	-	-
7	-	-	-	-
8 or more	3.3	3.0	3.0	1.4
Completed Years of Service	FRS-Legislature, Attorneys, Cabinet*			
	25	35	45	55
0	-%	-%	-%	-%
1	-	-	-	-
2	20.0	20.0	20.0	20.0
3	-	-	-	-
4	20.0	20.0	20.0	20.0
5	-	-	-	-
6	15.0	15.0	15.0	15.0
7	-	-	-	-
8 or more	7.0	7.0	8.2	4.1

* Same rates for men and women.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-9, CONT.				
Other Terminations of Employment Annual Rates				
FRS-County Elected Officers				
Attained Age				
Completed Years of Service	25	35	45	55
0	-%	-%	-%	-%
1	-	-	-	-
2	-	-	-	-
3	-	-	-	-
4	20.0	20.0	20.0	20.0
5	-	-	-	-
6	-	-	-	-
7	-	-	-	-
8 or more	4.5	4.5	4.5	3.7
TRS and SCOERS				
Attained Age	Men	Women		
25	29.5%	25.7%		
35	4.2	4.3		
45	2.7	1.9		
55	1.9	1.3		

* Same rates for men and women.

APPENDIX B

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

All actuarial calculations are based upon our understanding of Florida Statutes regarding the retirement provisions of the retirement systems. These provisions are summarized briefly below for reference purposes, along with corresponding references to the Statutes. This summary encompasses the major provisions; it does not attempt to cover all of the detailed provisions.

PART I: FLORIDA RETIREMENT SYSTEM (FRS)

The benefit and contribution provisions of the FRS are set forth in Section 121 of the Florida Statutes. Provisions relating to other State-administered retirement systems are set forth in other sections of the Florida Statutes, under Chapters 112, 122, 238, and 321.

EFFECTIVE DATE

The effective date of the Florida Retirement System was December 1, 1970.

(Section 121.011(2))

MEMBERSHIP

Membership is a condition of employment for all new state, county, or other participating agency employees filling regularly established positions and employed on or after December 1, 1970, or who elected to transfer from an existing System. Employees may be full-time or part-time and can be elected, appointed, or employed. A city or special district may join the FRS at its option.

Effective July 1, 1978, a member in an existing retirement system who is re-employed after termination of employment may remain in that system, provided his or her member contributions have not been withdrawn.

(Section 121.051)

SUMMARY OF PLAN PROVISIONS

CLASSIFICATION

There are five separate classes of members: Regular Members, Special Risk Members, Special Risk Administrative Support Members, Elected Officers' Members, and Senior Management Service Members. In addition, the Deferred Retirement Option Program is available to members who meet the requirements for Normal Retirement.

Regular Members are members not classified as members of the Special Risk Class, Special Risk Administrative Support Class, Elected Officers' Class, or Senior Management Service Class.

Special Risk Members are members employed as law enforcement officers, emergency medical technicians, paramedics, firefighters, correctional probation officers, certain positions within the Department of Children and Family Services, or correctional officers who meet the criteria set forth in the Florida Retirement System Law and Rules.

Special Risk Administrative Support Members are former Special Risk Members who have been moved or re-assigned to non-Special Risk law enforcement, firefighting, or correctional administrative support positions within a Florida Retirement System Special Risk employing agency.

Elected Officers' Members include the governor, lieutenant governor, cabinet officers, supreme court justices, district court of appeals judges, circuit judges, county court judges, state attorneys, and public defenders. Also included are elected county officers and certain other elected officers with countywide jurisdiction. All such elected officers may withdraw from the Florida Retirement System, or elect membership in the Senior Management Service Class or in the Senior Management Service Optional Annuity Program.

Senior Management Service Members are members currently participating in the Florida Retirement System who hold positions in the Senior Management Service of the State of Florida and who have not elected to participate in the elective Senior Management Service Optional Annuity Program. Current members of an existing retirement system and members of the Special Risk or Special Risk Administrative Support Classes who were employed prior to February 1, 1987 may elect to remain in such system or class. This class became effective February 1, 1987. Additional State positions were included in 1990 and 1993. Effective January 1, 1994, and again in January 1, 2001, this class of membership was expanded to include additional local government positions and certain judicial branch positions.

SUMMARY OF PLAN PROVISIONS

Deferred Retirement Option Program allows former members of any of the above five classes to elect to retire and have their Florida Retirement System benefits accumulate in the Florida Retirement System Trust Fund, earning interest, while the member continues to work for a Florida Retirement System employer. DROP membership is for a specific and limited period.

(Sections 121.021(12), 121.0515, 121.052, 121.055, 121.091 (13))

MEMBER CONTRIBUTIONS

Since January 1, 1975, for the state and for school boards, and since October 1, 1975, for other agencies, the total cost of the System has been paid by the participating employers.

(Section 121.071)

The employer contribution rates are as follows:

Classification	2001-2002 Fiscal Year Rates
Regular	6.09%
Special Risk	17.23
Special Risk Administrative	8.62
Elected Officers	
- Judges	17.35
- State	11.19
- County	13.93
Senior Management	8.07
DROP	11.56

The above rates exclude the 0.10% administrative charge to implement PEORP, and the 1.11% for the financing of the health insurance subsidy described later in this part.

NORMAL RETIREMENT BENEFIT

Eligibility

- Regular Members
 1. 30 years of creditable service, which may include a maximum of 4 years of military service credit; or
 2. Age 62 and 6 or more years of creditable service.

(Section 121.021(29)(a))

SUMMARY OF PLAN PROVISIONS

- Special Risk Members
 1. 25 years of creditable service at any age; or
 2. Age 55 and 6 or more years of creditable service; or
 3. Age 52 and 25 years of creditable service, which may include a maximum of four years of military service credit.
 4. 30 total years at any age.

(Section 121.021(29)(b))

- Special Risk Administrative Support Members
Same requirements as Special Risk Members if six or more years of Special Risk Class service, otherwise same as Regular Class Members.

(Section 121.021(29)(b))

- Elected Officers Members
(same requirements as Regular Members)

(Section 121.021(29)(d))

- Senior Management Service Members
(Same requirements as Regular Members)

(Section 121.021(29)(c))

Normal Form

Straight life benefit (Option 1), payable on the last day of each month, with a guarantee that benefits paid will at least equal member contributions made while the System was contributory.

(Section 121.091(1))

SUMMARY OF PLAN PROVISIONS

Optional Forms

10-year certain and life benefit (Option 2), 100% joint and survivor benefit (Option 3), or 66-2/3% joint and survivor benefit (Option 4). If the joint annuitant is the member's non-disabled child, payment ceases upon attainment of the joint annuitant's 25th birthday under the 100% and 66- 2/3% joint and survivor benefit.

(Section 121.091(6))

Dual Retirement

In the event a member accumulates retirement benefits to commence at different normal retirement ages by virtue of having performed duties for an employer which would entitle him or her to benefits as both a Regular Member and a Special Risk Member, the amount of the benefits payable shall be computed separately with respect to each such age, and the sum of such computed amounts shall be paid. Note that this generally does not apply to a Special Risk Administrative Support Member with at least 6 years of Special Risk Membership because such a member is treated as a Special Risk Member.

(Section 121.091(2))

Regular Benefit Amount

The monthly FRS allowance is the product of:

1. Average monthly compensation in the highest five fiscal years of creditable service;
2. Creditable service during the applicable period; and
3. The appropriate benefit percentage for periods of service.

(Sections 121.021(17),(24) and (25) and Section 121.091(1))

SUMMARY OF PLAN PROVISIONS

The appropriate benefit percentages are as follows:

- For Creditable Service as a Regular Member Subsequent to November 30, 1970:

Retirement at:	Percentage
Age 62 with 6 years creditable service, or 30 years creditable service	1.60%
Age 63 with 6 years creditable service, or 31 years creditable service	1.63
Age 64 with 6 years creditable service, or 32 years creditable service	1.65
Age 65 with 6 years creditable service, or 33 years creditable service	1.68

(Sections 121.091(1))

- For Service as a Special Risk Member:

Retirement at:	Percentage
December 1, 1970 to September 30, 1974	2.00%
October 1, 1974 and thereafter	3.00

(Section 121.091(1))

SUMMARY OF PLAN PROVISIONS

- For Creditable Service as a Special Risk Administrative Support Member Subsequent to November 30, 1970:

Retirement at:	Percentage
Age 55 with 6 years creditable service, or age 52 with 25 years creditable service which may include up to four years of military service, or 25 years creditable service	1.60%
Age 56 with 6 years creditable service, or age 53 with 26 years creditable service which may include up to four years of military service, or 26 years creditable service	1.63
Age 57 with 6 years creditable service, or age 54 with 27 years creditable service which may include up to four years of military service, or 27 years creditable service	1.65
Age 58 with 6 years creditable service, or age 55 with 28 years creditable service which may include up to four years of military service, or 28 years creditable service	1.68

(Sections 121.091(1))

- For Service as an Elected Officers' Member:
3% for each year of creditable service in such class, except 3-1/3% for judges. Military service credit is at the rate for regular members, generally 1.60% per credit.

(Section 121.052(5)(a) and (d))

- For Service as a Senior Management Service Member:
2% for each year of creditable service in such class, after January 31, 1987.

(Sections 121.055(4)(d))

SUMMARY OF PLAN PROVISIONS

ADDITIONAL BENEFIT AMOUNT

In addition, members may receive an additional retirement allowance under the pre-1971 existing systems. The benefit is a percentage of average compensation times the creditable service in that system up to November 30, 1970. The system percentages are:

State and County Officers' and Employees' Retirement System:

2.00% for creditable service rendered prior to Social Security coverage; and 1.50% for creditable service rendered subsequent to Social Security coverage.

Teachers Retirement System:

Plan E: 2.00%

(Sections 121.091(1)(c), 122.28, and 238.07(7)(a))

MINIMUM BENEFIT

Eligibility

The month following attainment of age 65 by a pensioner, or, in the case of a beneficiary receiving the pension, the 65th anniversary of the deceased member's birth. The member must have earned at least six years of creditable service.

Benefit Amount

Effective July 1, 2001, the minimum monthly benefit is \$19.53 times years of creditable service prior to application of the reduction factor for electing an optional form of payment. For retirements on or after July 1, 1987, creditable service does not include any service earned on or after that date.

(Sections 112.362)

SUMMARY OF PLAN PROVISIONS

HEALTH INSURANCE PREMIUM SUBSIDY

A subsidy of \$5 per month per year of creditable service, with a minimum of \$30, and a maximum of \$150 per month, shall be paid to retirees to subsidize health insurance premiums. This benefit is not indexed with the cost of living.

Further, the benefit is funded separately, on a pay-as-you-go basis, and is not part of this actuarial valuation.

(Section 112.363)

EARLY RETIREMENT

Eligibility

Six years of creditable service for all classes of membership.

(Sections 121.021(30) and 121.052(5)(c))

Benefit Amount

The normal retirement benefit accrued to the date of early retirement, reduced by 5/12% for each month that the early retirement date precedes the normal retirement date. The normal retirement date is age 62, except for Special Risk Members, for whom it is age 55 (or age 52 if the member has completed 25 years of creditable service, including military service).

(Sections 121.021(30) and 121.091(3))

NON-DUTY DISABILITY RETIREMENT

Eligibility

Members are eligible if totally and permanently disabled:

1. After completing at least 8 years of creditable service; or
2. After completing at least five years of creditable service prior to July 1, 1980.

SUMMARY OF PLAN PROVISIONS

Benefit Amount

Same as for normal retirement, but based on average monthly compensation and creditable service to the date of disability retirement.

Minimum Benefit Amount

25% of average monthly compensation.

If disability retirement is ordered for a judge by the Supreme Court, the minimum is two-thirds of compensation at disability. This benefit is not paid from the FRS Trust Fund.

(Section 121.091(4))

LINE-OF-DUTY DISABILITY

Eligibility

Members are eligible if totally and permanently disabled during the actual performance of duty. There is no service credit requirement.

Benefit Amount

Same as for normal retirement, but based on average monthly compensation and creditable service to the date of disability retirement.

Minimum Benefit Amount

42% of average monthly compensation, except for the Special Risk and the Special Risk Administrative classes whose members are entitled to 65% of average monthly compensation.

If disability retirement is ordered for a judge by the Supreme Court, the minimum is two-thirds of compensation at disability. This benefit is not paid from the FRS Trust Fund.

(Section 121.091(4))

SUMMARY OF PLAN PROVISIONS

POST-RETIREMENT DEATH BENEFITS

Based on the optional form elected.

NON-DUTY PRE-RETIREMENT DEATH BENEFITS

Eligibility

Employment is terminated by death after 6 years of creditable service for all classes of membership.

Benefit Amount

The normal or early retirement benefit amount for which the member would have been eligible had the member retired on his or her date of death and elected the 100% joint and survivor form of payment in favor of his or her beneficiary who is the surviving spouse or other dependent. The monthly benefit is normally payable to the member's beneficiary for the beneficiary's lifetime. If the beneficiary is the member's non-disabled child, payment ceases upon attainment of the beneficiary's 25th birthday.

If the member had completed 20 years of creditable service, the reduction for early payment is applied from the earlier of age 62 (age 55 for Special Risk and Special Risk Administrative Support Members) and the date on which the member would have completed 30 years of creditable service, had he or she continued employment. The value of this benefit may not be less than the member's accumulated contributions, if any.

(Sections 121.091(3) and (7), Section 121.052(5)(c))

LINE-OF-DUTY PRE-RETIREMENT DEATH BENEFITS

Eligibility

Member died during the actual performance of duty. There is no service credit requirement.

Benefit Amount

The surviving spouse will receive one-half of the member's monthly compensation at death. If the spouse dies, or if there is no surviving spouse, the monthly benefits continue until the youngest child is 18.

A surviving spouse may elect to receive a non-duty death benefit in lieu of the duty death benefit.

(Section 121.091(7))

SUMMARY OF PLAN PROVISIONS

VESTING

Eligibility

Six years of creditable service for all classes of membership.

Benefit Amount

The normal or early retirement benefit amount based on average monthly compensation and creditable service to the date of termination.

(Sections 121.052(5)(c) and 121.091(5))

DROP – DEFERRED RETIREMENT OPTION PROGRAM

Eligibility

Vested FRS members are eligible for DROP participation upon attaining eligibility for Normal Retirement. Deferral of DROP participation for all but Instructional Personnel is allowed if the eligible participant has completed 30 years of service (or 25 years for Special Risk members) and has not reached age 57 (or age 52 for Special Risk members). In this case the participant can defer participation in DROP until he reaches age 57 (or age 52 for Special Risk members). Instructional Personnel may defer DROP participation to any age.

Effective July 1, 1998, eligible participants can retire without terminating their employment. The benefits scheduled to begin at Normal Retirement will be invested in the FRS Trust Fund, earning tax-deferred interest while the member continues to work for a maximum of 60 months. Upon completion of the maximum five-year period, DROP participation ends and participants must terminate employment with all FRS employers. At that time, the participant will receive payment of the accumulated DROP benefits, and begin receiving his FRS monthly retirement benefit (in the same amount as determined at retirement, plus annual cost-of-living increases).

Participants who reached Normal Retirement before July 1, 1998, are eligible to participate in DROP for up to 60 months following July 1, 1998. However, Special Risk Class members who reached Normal Retirement before July 1, 1998, and whose retirement benefit exceed 75% of their Average Final Compensation may participate in DROP for no more than 36 months.

SUMMARY OF PLAN PROVISIONS

Disabled While in DROP

Participants that became disabled while participating in DROP will continue to accumulate the same monthly benefit in the FRS Trust Fund. Since the normal retirement benefit commenced at Normal Retirement, a disability benefit will not be issued.

Death While in DROP

The designated beneficiary of a participant who dies while participating in DROP will receive all accumulated DROP benefits, and a continuing monthly benefit, if the participant had elected Option 2, 3, or 4. Survivors of DROP participants are not eligible for FRS line-of-duty death benefits.

(Section 121.091 (13))

RETURN OF EMPLOYEE CONTRIBUTIONS

A member who terminates employment but is not eligible to retire, to receive a vested retirement allowance, or to receive a disability pension, or the beneficiary of a member who passed away before satisfying the requirement for a pre-retirement death benefit, will be entitled to a refund of any employee contributions made by the member. No interest is credited on employee contribution accounts.

A vested terminated participant may elect to receive a return of employee contributions in lieu of a retirement benefit.

(Sections 121.071(3)(b) and 121.091(7)(a))

COST-OF-LIVING ADJUSTMENT

Except for the health insurance subsidy, all retirement allowances, including the dollar factor used in the minimum benefit, are increased by 3.0% each July 1. A lower rate may apply in the initial year of applicability.

(Section 121.101)

SUMMARY OF PLAN PROVISIONS

PART II: TEACHERS' RETIREMENT SYSTEM (TRS)

The benefit and contribution provisions of the Statutes for this closed system are set forth in Section 238 of the Florida Statutes. Certain provisions are from other sections of the Florida Statutes.

EFFECTIVE DATE

The effective date of the Retirement System was July 1, 1939.

(Section 238.02)

MEMBERSHIP

All employees who were teachers in public schools, employees of professional non-profit teachers associations, county superintendents, Department of Education employees and the staff of the Teachers' Retirement System, and who were employed prior to December 1, 1970, are members of the Teachers' Retirement System.

Any member who was hired prior to July 1, 1955, and who did not later elect to join Plan E, retains membership in one of Plans A through D.

Any member who was hired on or after July 1, 1955 and prior to December 1, 1970, or who was hired prior to July 1, 1955 and so elected, is a member of Plan E.

(Sections 238.01(4), 238.05, 238.07(3))

MEMBER CONTRIBUTIONS

All members of Plan E make contributions of 6% of earnable compensation. All members of Plans A through D will make contributions, to be determined by the actuary, to provide the annuities called for by the Statutes. All members contribute .25% of earnable compensation for survivor benefits.

(Section 238.09)

SUMMARY OF PLAN PROVISIONS

EMPLOYER CONTRIBUTIONS

The employer will contribute the amount that, when combined with member contributions, will pay the total cost of the benefits payable. This amount, for Plan E, 10.24%; an additional 1.11% is contributed for the financing of the health insurance subsidy described later in this part.

(Section 238.09)

NORMAL RETIREMENT BENEFIT

Eligibility

Plan A: Age 60 and 10 years of creditable service, or 30 years of creditable service.

Plan B: Age 55 and 10 years of creditable service, or 30 years of creditable service.

Plan C: Age 55 and 10 years of creditable service, or 30 years of creditable service.

Plan D: Age 50 and 25 years of creditable service, or 30 years of creditable service.

Plan E:

Members prior to July 1, 1963: Age 60 and 10 years of creditable service, or 30 years of creditable service.

Members on or after July 1, 1963: Age 62 and 10 years of creditable service, or 30 years of creditable service.

(Sections 238.07(2),(a)-(d), 237.07(2), (9))

Normal Form

Straight life benefit (Option 1), which will be the total of the pension paid by employer contributions plus an annuity based on the member's accumulated contributions.

(Sections 238.07(4), (5), (6), (7))

Optional Forms

Modified cash refund annuity (Option 2).

100% joint & survivor (Option 3).

50% joint and survivor (Option 4).

(Section 238.08)

SUMMARY OF PLAN PROVISIONS

Regular Benefit Amount

The monthly allowance is:

Plans A & B:

The product of $1/140$ of the member's average final compensation and years of membership service; plus

$1/70$ of average final compensation multiplied by the years of certified prior service; plus

an annuity based on the actuarial equivalent of the member's accumulated contributions.

(Section 238.07(4))

Plan C:

The product of $1/120$ of the member's average final compensation and years of membership service; plus

$1/60$ of average final compensation multiplied by the years of certified prior service; plus

an annuity based on the actuarial equivalent of the member's accumulated contributions.

(Section 238.07(5))

Plan D:

The product of $1/100$ of the member's average final compensation and years of membership service; plus

$1/50$ of average final compensation multiplied by the years of certified prior service; plus

an annuity based on the actuarial equivalent of the member's accumulated contributions.

(Section 238.07(6))

SUMMARY OF PLAN PROVISIONS

Plan E:

2% of the member's average final compensation multiplied by years of creditable service.

(Section 238.07(7)(a))

Average Final Compensation

The larger of the highest ten-year average compensation in the 15 years preceding retirement, or the career average salary.

(Section 238.01(14))

MINIMUM BENEFIT

If a member retires after 30 years of creditable service, he or she shall receive at least \$100 per month. If a member retires under Plans A, B, or C with 10 or more years of service, but less than 30, he or she shall receive an annual retirement allowance equal to 1/60 of \$2,400 multiplied by years of creditable service (but not more than \$100 per month).

(Section 238.07(8))

ADDITIONAL MINIMUM BENEFIT

Eligibility

Attainment of age 65 by a pensioner, or, in the case of a beneficiary receiving the pension, the 65th anniversary of the deceased member's birth. The member must have earned at least 10 years of creditable service.

Benefit Amount

Effective July 1, 2001, the minimum monthly benefit is \$19.53 times years of creditable service prior to application of the reduction factor for electing an optional form of payment. For retirements on or after July 1, 1987, creditable service does not include any service earned on or after that date.

(Section 112.362)

SUMMARY OF PLAN PROVISIONS

EARLY RETIREMENT BENEFIT

Eligibility

Only members of Plan E are eligible for early retirement. The requirement is age 55 and 10 years of creditable service.

(Section 238.07(2)(e)(2))

Benefit Amount

The actuarial equivalent of the retirement benefit accrued at the early retirement date.

(Section 238.07(7)(b))

DISABILITY RETIREMENT

If a member has 10 or more years of creditable service and is certified mentally or physically incapacitated for the performance of duty, and that the disability is permanent, he or she may retire on a disability retirement.

The member shall receive an allowance, as follows:

Plans A, B, C and D: A total retirement allowance equal to the larger of:

1. A factor times average final compensation times years of creditable service;
2. 25% times average final compensation;
3. \$75 per month; and
4. \$40 per year times years of creditable service.

However, the disability benefit shall not exceed a factor times average compensation times the possible years of creditable service to the normal retirement date.

The factor is 1/70 for Plans A and B, 1/60 for Plan C, and 1/50 for Plan D.

(Section 238.07(11))

SUMMARY OF PLAN PROVISIONS

Plan E: The larger of:

1. The accrued benefit based on average final compensation and creditable service at disability; and
2. 25% times average final compensation.

The disability benefit shall not exceed the retirement allowance payable if service had continued to the first date the member would have been eligible for service retirement at the same rate of compensation.

(Section 238.07(11))

HEALTH INSURANCE PREMIUM SUBSIDY

A monthly subsidy of \$5 per month per year of creditable service, with a minimum of \$30, and a maximum of \$150 per month, shall be paid to retirees to subsidize health insurance premiums. This benefit is not indexed with the cost of living.

Further, this benefit is funded separately, on a pay-as-you-go basis, and is not part of this actuarial valuation.

(Section 112.363)

POST-RETIREMENT DEATH BENEFITS

Based on the optional form elected, plus a \$500 lump sum.

(Sections 238.07(16)(b)(7), 238.08(8))

SUMMARY OF PLAN PROVISIONS

PRE-RETIREMENT DEATH BENEFITS

Payable to Beneficiaries

Minimum Period of Paid Service of Member in Florida as Regular Full-Time Teacher	Beneficiaries of Deceased Member	Benefits
1. One calendar day	Widow or widower who has care of dependent child or children of the deceased member.	\$190 per month for one child; \$250 per month if more than one child; maximum benefits \$250 per month.
2. One calendar day	One or more dependent children if there is no surviving widow or widower.	\$190 per month per child; maximum benefits \$250 per month if more than one child.
3. One calendar day	Dependent parents 65 years or older.	For each parent, \$100 per month for life.
4. One calendar day	Designated beneficiary and, if no designated beneficiary, then the executor or administrator of deceased member.	\$500 lump-sum death benefit payable only once.
5. One calendar day	Dependent widow or widower 50 years of age and less than 65 years of age.	\$150 per month for life.
6. Ten Years	Widow or widower 65 years of age or older.	\$175 per month for life.

If the member dies before completing three years of service, the above benefits are reduced for any Social Security benefits payable.

SUMMARY OF PLAN PROVISIONS

The benefits above are payable only if death occurs while in service, or during the following periods after service is terminated:

Years of Service	Period After Florida Service in Which Death Occurs
3 – 5	2 years
6 – 9	5 years
10 or more	10 years

The above restrictions do not apply if the member is receiving disability payments at time of death.

(Section 238.07(16))

Payable to the Surviving Spouse

Before 10 years of service: Return of member contributions with interest.

After 10 years of service: Instead of the death benefit described above, the surviving spouse may elect to receive the return of member contributions with interest or a 100% joint & survivor annuity, calculated assuming the member retired on the date of death.

(Sections 238.08(5)(a))

VESTING

Eligibility

After 10 years of creditable service if the member leaves employee contributions in the System.

Benefit Amount

The normal retirement benefit based on average final compensation and creditable service to the retirement date.

(Sections 238.07(9), 238.07(14))

SUMMARY OF PLAN PROVISIONS

DROP – DEFERRED RETIREMENT OPTION PROGRAM

Eligibility

Vested TRS members are eligible for DROP participation upon attaining eligibility for Normal Retirement. Deferral of DROP participation for all but Instructional Personnel is allowed if the eligible participant has completed 30 years of service and has not reached age 57. In this case the participant can defer participation in DROP until he reaches age 57. Instructional Personnel may defer DROP participation to any age.

Effective July 1, 1998, eligible participants can retire without terminating their employment. The benefits scheduled to begin at Normal Retirement will be invested in the FRS Trust Fund, earning tax-deferred interest while the member continues to work for a maximum of 60 months. Upon completion of the maximum five-year period, DROP participation ends and participants must terminate employment with all FRS employers. At that time, the participant will receive payment of the accumulated DROP benefits, and begin receiving his FRS monthly retirement benefit (in the same amount as determined at retirement, plus annual cost-of-living increases).

Participants who reached Normal Retirement before July 1, 1998, are eligible to participate in DROP for up to 60 months following July 1, 1998.

Disabled While in DROP

Participants that became disabled while participating in DROP will continue to accumulate the same monthly benefit in the FRS Trust Fund. Since the normal retirement benefit commenced at Normal Retirement, a disability benefit will not be issued.

Death While in DROP

The designated beneficiary of a participant who dies while participating in DROP will receive all accumulated DROP benefits, and a continuing monthly benefit, if the participant had elected Option 2, 3, or 4. Survivors of DROP participants are not eligible for TRS line-of-duty death benefits.

(Section 121.091 (13))

RETURN OF EMPLOYEE CONTRIBUTIONS

A member who terminates employment but is not eligible to retire will be entitled to a refund of any employee contributions made, with interest.

(Sections 238.07(13), 238.10)

SUMMARY OF PLAN PROVISIONS

COST-OF-LIVING ADJUSTMENTS

Retirees and beneficiaries of deceased retirees are eligible to receive cost-of-living adjustments identical to those for Florida Retirement System members.

(Section 112.05)

PART III: STATE AND COUNTY OFFICERS' AND EMPLOYEES' RETIREMENT SYSTEM (SCOERS)

The benefit and contribution provisions of the Statutes are set forth in Section 122 of the Florida Statutes. Certain provisions are drawn from other sections of the Florida Statutes. This is a closed system which no longer includes any members in the high hazard or legislative categories.

EFFECTIVE DATE

The effective date of the Retirement System was July 1, 1955.

(Section 122.01(2))

MEMBERSHIP

All full-time employees of the state and its counties not covered by another system who were employed prior to December 1, 1970.

Those members who were hired prior to January 1, 1958 and did not elect to join Division B are in Division A. These members do not contribute to the Social Security system.

Those members who elected to join Division B and those members hired after December 31, 1957 and prior to December 1, 1970 are in Division B. These members contribute to the Social Security system.

(Sections 122.01, 122.24)

MEMBER CONTRIBUTIONS

All members of Division A contribute 6% of salary.
All members of Division B contribute 4% of salary.

(Sections 122.03, 122.27)

SUMMARY OF PLAN PROVISIONS

EMPLOYER CONTRIBUTIONS

Employer contributions are:

Division A	9.99%
Division B	7.99%

To these rates 1.11% is added for the financing of the health insurance subsidy described later in this part.

(Section 122.35)

NORMAL RETIREMENT BENEFIT

Eligibility

Members prior to July 1, 1963: Age 60 and 10 years of service, or 30 years of creditable service.

Members after July 1, 1963: Age 62 and 10 years of service, or 30 years of creditable service.

Members under former Chapter 121 and Chapter 134: 30 years of service.

(Sections 122.08(1), 122.08(8), 122.28)

Normal Form

Straight life benefit (Option 1).

(Section 122.08)

Optional Forms

Modified cash refund annuity (Option 2).
50% joint & survivor (Option 3).
100% joint & survivor (Option 4).

(Section 122.08)

Regular Benefit Amount

Division A: The monthly allowance is 2% of average final compensation for each year of service rendered.

SUMMARY OF PLAN PROVISIONS

Division B: 2% of average final compensation for each year of service rendered prior to the effective date of Social Security coverage, plus 1.5% of average final compensation for each year of service rendered after the effective date of Social Security coverage.

(Sections 122.08(1), 122.128(1))

Average Final Compensation

The larger of the highest ten-year average compensation in the fifteen years preceding retirement, or the career average salary.

(Section 122.02(2))

MAXIMUM BENEFIT

Division A: No maximum.

Division B: For those who became members after June 30, 1963, monthly allowance plus Social Security primary insurance amount cannot be greater than 80% of average final compensation. For those who became members before July 1, 1963, there is no maximum.

(Sections 122.28(3), 122.08)

MINIMUM BENEFIT

Eligibility

Attainment of age 65 by a pensioner, or, in the case of a beneficiary receiving the pension, the 65th anniversary of the deceased member's birth. The member must have earned at least ten years of creditable service.

Benefit Amount

Effective July 1, 2001, the minimum monthly benefit is \$19.53 times years of creditable service prior to application of the reduction factor for electing an optional form of payment. For retirements on or after July 1, 1987, creditable service does not include any service earned on or after that date.

(Section 112.362)

SUMMARY OF PLAN PROVISIONS

EARLY RETIREMENT BENEFIT

Eligibility

Age 55 and 10 years of service.

(Section 122.08(2)(a))

Benefit Amount

The actuarial equivalent of the retirement benefit accrued at the early retirement date.

(Section 122.08(2)(a))

DISABILITY RETIREMENT

Eligibility

A member who has 10 or more years of service and becomes permanently and totally disabled may retire with a disability pension.

Benefit Amount

The benefit will be the same as the regular benefit amount, except that the benefit will not be less than the lesser of 50% of average final compensation or \$75. This minimum benefit does not apply to an officer or employee who has attained age 60 or is receiving Social Security disability.

(Section 122.09)

Minimum Benefit

A member of Division B shall receive his or her regular benefit amount, but no less than 20% of his or her average final compensation.

(Section 122.28(2))

Form of Benefit

Straight life annuity. No optional form may be elected.

(Section 122.08(6))

SUMMARY OF PLAN PROVISIONS

HEALTH INSURANCE PREMIUM SUBSIDY

A monthly subsidy of \$5 per month per year of creditable service, with a minimum of \$30, and a maximum of \$150 per month, shall be paid to retirees to subsidize health insurance premiums. This benefit is not indexed with the cost of living.

Further, the benefit is funded separately, on a pay-as-you-go basis, and is not part of this actuarial valuation.

(Section 112.363)

POST-RETIREMENT DEATH BENEFITS

Based on the optional form elected.

(Section 122.08(3))

PRE-RETIREMENT DEATH BENEFITS

Eligibility

When employment is terminated by death after 10 years of service if member was eligible for normal or early retirement.

Benefit Amount

1. If surviving spouse has received a refund of the member's contributions, no benefit is payable.
2. If surviving spouse has not received a refund of the member's contributions, or has repaid the member's contributions, with interest, the spouse is entitled to receive a benefit, calculated assuming the member had retired on his or her date of death and had chosen a 100% joint & survivor option.

(Section 122.08(9))

VESTING

Eligibility

After 10 years of service if member leaves employee contributions in the System.

SUMMARY OF PLAN PROVISIONS

Benefit Amount

The normal or early retirement benefit based on average final compensation and years of service to the date of retirement.

(Section 122.10(1))

DROP – DEFERRED RETIREMENT OPTION PROGRAM

Eligibility

Vested SCOERS members are eligible for DROP participation upon attaining eligibility for Normal Retirement. Deferral of DROP participation for all but Instructional Personnel is allowed if the eligible participant has completed 30 years of service, and has not reached age 57. In this case the participant can defer participation in DROP until he reaches age 57. Instructional Personnel may defer DROP participation to any age.

Effective July 1, 1998, eligible participants can retire without terminating their employment. The benefits scheduled to begin at Normal Retirement will be invested in the FRS Trust Fund, earning tax-deferred interest while the member continues to work for a maximum of 60 months. Upon completion of the maximum five-year period, DROP participation ends and participants must terminate employment with all FRS employers. At that time, the participant will receive payment of the accumulated DROP benefits, and begin receiving his FRS monthly retirement benefit (in the same amount as determined at retirement, plus annual cost-of-living increases).

Participants who reached Normal Retirement before July 1, 1998, are eligible to participate in DROP for up to 60 months following July 1, 1998.

Disabled While in DROP

Participants that became disabled while participating in DROP will continue to accumulate the same monthly benefit in the FRS Trust Fund. Since the normal retirement benefit commenced at Normal Retirement, a disability benefit will not be issued.

Death While in DROP

The designated beneficiary of a participant who dies while participating in DROP will receive all accumulated DROP benefits, and a continuing monthly benefit, if the participant had elected Option 2, 3, or 4. Survivors of DROP participants are not eligible for SCOERS line-of-duty death benefits.

(Section 121.091 (13))

SUMMARY OF PLAN PROVISIONS

RETURN OF EMPLOYEE CONTRIBUTIONS

A member who terminates employment but is not eligible to retire, to receive a vested retirement allowance, or to receive a disability pension, or the beneficiary of a member who passed away before satisfying the requirements for a pre-retirement death benefit, will be entitled to a refund of any employee contributions made.

No interest is credited on employee contribution accounts.

(Section 122.10(1))

COST-OF-LIVING BENEFITS

Retirees and beneficiaries of deceased retirees are eligible each July 1 to receive cost-of-living adjustments to their benefits. The adjustments are identical to those for Florida Retirement System members.

(Section 115.02(c))

APPENDIX C

MEMBERSHIP DATA

MEMBERSHIP DATA

This valuation is based upon the membership of the System as of July 1, 2001.

The membership of the System includes employees of the State of Florida and participating political subdivisions. The membership is divided into several categories by System.

Tables C-1 through C-5 present distributions of members receiving service or disability retirement benefits, and of beneficiaries of deceased members. Shown in the tables are the numbers of persons receiving benefits and the total annual benefits received.

Table C-6 summarizes the DROP membership and provides total annual benefits received.

Tables C-7 through C-25 contain summaries of the active members in each category of membership. Values shown in the tables are the numbers of members and their total annual salaries. Table C-25 is the grand total of Tables C-7 through C-24.

Table C-26 presents a summary by System of active membership, payroll, and accumulated employee contributions.

**Table C-1
Florida Retirement System
Annuitants at July 1, 2001
Regular and Early Retirement Age**

Age	Men	Women	Total
Number of Persons			
Under 50	688	492	1,180
50 to 54	2,613	2,772	5,385
55 to 59	6,321	7,927	14,248
60 to 64	10,089	14,982	25,071
65 to 69	15,462	21,548	37,010
70 to 74	15,490	20,332	35,822
75 to 79	12,072	15,770	27,842
80 & Up	13,968	18,275	32,243
Total	76,703	102,098	178,801
Annual Benefits (in Thousands)			
Under 50	\$7,615	\$2,257	\$9,872
50 to 54	43,231	24,907	68,138
55 to 59	121,049	97,463	218,512
60 to 64	180,724	182,345	363,069
65 to 69	253,022	255,566	508,588
70 to 74	237,960	236,247	474,207
75 to 79	167,292	162,466	329,758
80 & Up	139,010	166,855	305,865
Total	\$1,149,903	\$1,128,106	\$2,278,009

Table C-2
Florida Retirement System
Annuitants at July 1, 2001
Disability Retirement by Age

Age	Men	Women	Total
Number of Persons			
Under 50	593	686	1,279
50 to 54	647	862	1,509
55 to 59	753	1,149	1,902
60 to 64	696	1,074	1,770
65 to 69	481	657	1,138
70 to 74	306	501	807
75 to 79	279	371	650
80 & Up	231	425	656
Total	3,986	5,725	9,711
Annual Benefits (in Thousands)			
Under 50	\$5,983	\$5,446	\$11,429
50 to 54	6,997	7,653	14,650
55 to 59	7,955	10,520	18,475
60 to 64	6,720	9,196	15,916
65 to 69	4,499	5,183	9,682
70 to 74	2,674	3,375	6,049
75 to 79	2,208	2,415	4,623
80 & Up	1,487	2,700	4,187
Total	\$38,523	\$46,488	\$85,011

**Table C-3
Florida Retirement System
Potential Annuitants at July 1, 2001
Vested Terminated Members by Age for the Regular,
Senior Management, and Elected Officer Classes**

Age	Men	Women	Total
Number of Persons			
Under 30	8	5	13
30 to 34	238	542	780
35 to 39	1,354	3,100	4,454
40 to 44	2,958	5,713	8,671
45 to 49	3,991	7,632	11,623
50 to 54	4,123	7,530	11,653
55 to 59	2,558	4,444	7,002
60 & Up	1,581	3,787	5,368
Total	16,811	32,753	49,564

Annual Benefits (in Thousands) *			
Under 30	\$37	\$20	\$57
30 to 34	1,089	2,262	3,351
35 to 39	7,630	15,674	23,304
40 to 44	18,987	32,158	51,145
45 to 49	28,883	45,680	74,563
50 to 54	32,911	47,593	80,504
55 to 59	19,668	25,437	45,105
60 & Up	9,971	16,037	26,008
Total	\$119,176	\$184,861	\$304,037

* Deferred to Age 62

Table C-4
Florida Retirement System
Potential Annuitants at July 1, 2001
Vested Terminated Members by Age for the
Special Risk Regular & Administrative Support Classes

Age	Men	Women	Total
Number of Persons			
Under 30	2	0	2
30 to 34	177	49	226
35 to 39	717	211	928
40 to 44	763	209	972
45 to 49	605	174	779
50 to 54	447	81	528
55 to 59	130	26	156
60 & Up	116	17	133
Total	2,957	767	3,724

Annual Benefits (in Thousands) *			
Under 30	\$16	\$0	\$16
30 to 34	1,669	446	2,115
35 to 39	8,272	2,253	10,525
40 to 44	9,138	2,327	11,465
45 to 49	7,462	2,018	9,480
50 to 54	5,264	863	6,127
55 to 59	1,274	300	1,574
60 & Up	985	138	1,123
Total	\$34,080	\$8,345	\$42,425

* Deferred to Age 55

Table C-5
Florida Retirement System
Annuitants and Potential Annuitants at July 1, 2001
All Types of Retirement by System

System	Annuitants	Potential Annuitants	Total
Number of Persons			
Regular	174,839	48,900	223,739
Senior Management	547	313	860
Special Risk	11,610	3,701	15,311
Special Risk Administrative	102	23	125
Judges	519	30	549
Legislative/Attorneys/Cabinet	123	79	202
County Officials	772	242	1,014
Total	188,512	53,288	241,800
Annual Benefits (in Thousands)			
Regular	\$2,059,030	\$292,813	\$2,351,843
Senior Management	19,689	7,021	26,710
Special Risk	236,752	42,268	279,020
Special Risk Administrative	2,146	157	2,303
Judges	25,595	1,179	26,774
Legislative/Attorneys/Cabinet	2,438	940	3,378
County Officials	17,397	2,084	19,481
Total	\$2,363,047	\$346,462	\$2,709,509

**Table C-6
Florida Retirement System
Annuitants at July 1, 2001
DROP Members ***

Age	Men	Women	Total
Number of Persons			
Under 50	270	63	333
50 to 54	1,717	1,558	3,275
55 to 59	3,680	3,447	7,127
60 to 64	3,377	4,167	7,544
65 to 69	1,625	2,111	3,736
70 to 74	452	558	1,010
75 to 79	161	170	331
80 & Up	49	42	91
Total	11,331	12,116	23,447
Annual Benefits (in Thousands)			
Under 50	\$10,269	\$1,406	\$11,675
50 to 54	53,848	34,564	88,412
55 to 59	104,173	83,788	187,961
60 to 64	73,951	70,381	144,332
65 to 69	29,631	28,048	57,679
70 to 74	8,196	6,796	14,992
75 to 79	2,362	2,095	4,457
80 & Up	838	447	1,285
Total	\$283,268	\$227,525	\$510,793

* Amounts include all DROP applicants processed by the data collection date.

MEMBERSHIP DATA

**Table C-7
Florida Retirement System
Members and Their Salaries at July 1, 2001
FRS-Regular: Men**

AGE	UNDER 5		SERVICE 5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	514	4,420,366	1	20,643		
20 to 24	4,401	76,376,252	88	1,787,839		
25 to 29	8,615	219,304,961	1,985	54,362,564	77	2,362,245
30 to 34	7,814	209,624,228	5,967	195,245,763	1,907	63,930,533
35 to 39	6,555	172,991,608	5,636	188,274,689	5,465	208,095,251
40 to 44	6,421	170,432,185	5,241	175,958,915	5,894	227,844,930
45 to 49	6,140	162,924,714	5,229	173,787,240	5,605	219,046,594
50 to 54	5,536	148,596,609	5,170	170,629,409	5,417	211,109,051
55 to 59	4,208	106,495,586	3,986	129,950,670	4,282	162,568,731
60 to 64	2,257	49,024,253	2,575	76,336,648	2,270	83,218,658
65 & UP	2,031	28,159,258	2,052	45,890,267	1,328	36,422,872
TOTALS	54,492	1,348,350,020	37,930	1,212,244,647	32,245	1,214,598,865

AGE	15 TO 20		SERVICE 20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	98	3,413,946				
35 to 39	2,174	82,148,908	149	5,735,955		
40 to 44	4,740	201,840,251	2,114	86,125,939	171	6,611,284
45 to 49	4,558	200,771,165	4,513	209,695,264	2,236	101,534,544
50 to 54	4,076	182,288,611	4,182	203,419,735	4,895	257,634,103
55 to 59	2,804	121,429,387	2,641	130,547,899	2,633	141,745,666
60 to 64	1,427	59,898,750	1,129	54,081,241	955	50,101,826
65 & UP	571	19,305,290	412	15,625,413	240	10,206,617
TOTALS	20,448	871,096,308	15,140	705,231,446	11,130	567,834,040

AGE	30 TO 35		SERVICE 35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	74	3,000,204				
50 to 54	913	49,251,862	4	188,671		
55 to 59	878	50,326,855	66	3,203,985		
60 to 64	267	16,203,581	101	5,216,869	14	556,927
65 & UP	130	7,173,613	71	2,742,453	43	2,139,239
TOTALS	2,262	125,956,115	242	11,351,978	57	2,696,166

AGE	45 TO 50		SERVICE 50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					515	4,441,009
20 to 24					4,489	78,164,091
25 to 29					10,677	276,029,770
30 to 34					15,786	472,214,470
35 to 39					19,979	657,246,411
40 to 44					24,581	868,813,504
45 to 49					28,355	1,070,759,725
50 to 54					30,193	1,223,118,051
55 to 59					21,498	846,268,779
60 to 64					10,995	394,638,753
65 & UP	6	341,941	1	79,253	6,885	168,086,216
TOTALS	6	341,941	1	79,253	173,953	6,059,780,779

MEMBERSHIP DATA

Table C-8
Florida Retirement System
Members and Their Salaries at July 1, 2001
FRS-Regular: Women

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	5 TO 10	10 TO 15	10 TO 15	10 TO 15
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1,009	7,513,095				
20 to 24	11,108	197,334,164	189	3,622,548	2	51,672
25 to 29	23,328	566,503,546	5,602	149,694,010	140	3,823,607
30 to 34	19,215	421,125,254	14,714	427,351,709	4,933	149,919,947
35 to 39	17,675	336,132,564	11,923	314,669,030	12,254	400,114,068
40 to 44	17,049	324,211,531	12,374	310,043,183	12,268	377,593,576
45 to 49	13,280	265,717,993	11,887	308,553,715	13,128	408,846,587
50 to 54	9,776	200,291,705	9,493	251,262,418	12,068	387,653,460
55 to 59	5,995	113,384,191	5,914	148,193,072	7,775	238,379,313
60 to 64	2,783	44,550,240	3,052	67,185,104	3,337	93,195,845
65 & UP	1,654	17,034,102	1,685	28,303,178	1,432	30,346,119
TOTALS	122,872	2,493,798,385	76,833	2,008,877,967	67,337	2,089,924,194

AGE	SERVICE		SERVICE		SERVICE	
	15 TO 20	20 TO 25	20 TO 25	25 TO 30	25 TO 30	25 TO 30
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	188	5,850,753	2	42,419		
35 to 39	4,340	149,187,469	222	7,407,700		
40 to 44	9,867	366,069,533	4,740	176,440,229	180	6,685,828
45 to 49	9,691	353,336,202	9,964	421,654,116	4,539	196,690,205
50 to 54	9,677	352,923,268	8,869	364,576,041	9,151	437,162,332
55 to 59	6,930	248,947,190	6,620	258,145,090	4,797	202,435,465
60 to 64	2,734	89,354,544	2,698	94,915,394	1,995	76,367,357
65 & UP	883	20,450,235	698	17,133,253	482	13,179,718
TOTALS	44,310	1,586,119,194	33,813	1,340,314,242	21,144	932,520,905

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	35 TO 40	40 TO 45	40 TO 45	40 TO 45
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	79	3,008,028				
50 to 54	1,404	69,682,263	8	312,825		
55 to 59	1,106	52,215,260	78	3,891,568	1	31,400
60 to 64	389	15,582,986	92	3,884,238	19	784,117
65 & UP	237	6,168,609	84	2,980,129	53	2,022,674
TOTALS	3,215	146,657,146	262	11,068,760	73	2,838,191

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	ALL YEARS	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					1,009	7,513,095
20 to 24					11,299	201,008,384
25 to 29					29,070	720,021,163
30 to 34					39,052	1,004,290,082
35 to 39					46,414	1,207,510,831
40 to 44					56,478	1,561,043,880
45 to 49					62,568	1,957,806,846
50 to 54					60,446	2,063,864,312
55 to 59					39,216	1,265,622,549
60 to 64					17,099	485,819,825
65 & UP	13	706,587			7,221	138,324,604
TOTALS	13	706,587			369,872	10,612,825,571

MEMBERSHIP DATA

**Table C-9
Florida Retirement System
Members and Their Salaries at July 1, 2001
FRS-Special Risk: Men**

AGE	SERVICE UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	8	182,412				
20 to 24	1,723	45,629,618	24	716,407		
25 to 29	3,765	111,134,551	1,794	62,048,079	23	867,622
30 to 34	2,935	89,694,122	3,825	141,222,709	2,151	88,909,623
35 to 39	1,342	40,630,520	2,171	79,700,605	3,743	165,187,711
40 to 44	799	23,826,589	1,126	40,394,632	2,008	87,414,856
45 to 49	591	17,951,915	826	28,497,730	1,177	49,131,252
50 to 54	418	14,217,493	645	22,258,066	911	36,346,938
55 to 59	261	7,929,166	388	13,819,218	514	20,072,516
60 to 64	61	1,823,024	182	6,450,003	161	6,298,558
65 & UP	15	514,146	42	1,446,330	45	1,729,998
TOTALS	11,918	353,533,556	11,023	396,553,779	10,733	455,959,074

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29	1	49,575				
30 to 34	37	1,554,618				
35 to 39	1,858	90,240,892	78	3,952,282		
40 to 44	2,525	128,839,956	1,325	73,552,992	47	2,672,951
45 to 49	1,358	69,064,155	1,861	106,501,276	661	40,819,550
50 to 54	936	45,653,776	1,078	59,720,804	598	37,072,824
55 to 59	379	17,408,039	252	13,180,412	135	7,721,644
60 to 64	115	5,288,192	57	2,545,531	31	1,661,877
65 & UP	22	1,050,322	14	701,195	4	193,531
TOTALS	7,231	359,149,525	4,665	260,154,492	1,476	90,142,377

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	7	406,233				
50 to 54	49	2,995,630				
55 to 59	38	2,376,519	6	332,048		
60 to 64	5	255,063	3	183,981		
65 & UP	2	123,130	1	161,015		
TOTALS	101	6,156,575	10	677,044		

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					8	182,412
20 to 24					1,747	46,346,025
25 to 29					5,583	174,099,827
30 to 34					8,948	321,381,072
35 to 39					9,192	379,712,010
40 to 44					7,830	356,701,976
45 to 49					6,481	312,372,111
50 to 54					4,635	218,265,531
55 to 59					1,973	82,839,562
60 to 64					615	24,506,229
65 & UP					145	5,919,667
TOTALS					47,157	1,922,326,422

MEMBERSHIP DATA

**Table C-10
Florida Retirement System
Members and Their Salaries at July 1, 2001
FRS-Special Risk: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	2	23,142				
20 to 24	727	18,416,723	6	180,623		
25 to 29	1,473	41,598,670	515	16,195,816	7	258,875
30 to 34	1,044	29,647,275	1,177	40,574,353	484	18,757,830
35 to 39	550	16,026,108	732	24,759,605	1,129	45,792,516
40 to 44	351	10,028,823	448	15,379,862	682	26,875,033
45 to 49	201	5,593,160	286	9,331,105	450	17,060,534
50 to 54	138	4,066,283	188	6,386,449	267	9,797,194
55 to 59	51	1,562,741	105	3,480,853	109	4,096,077
60 to 64	19	718,489	31	1,172,105	41	1,577,588
65 & UP	1	57,393	6	213,959	1	52,118
TOTALS	4,557	127,738,807	3,494	117,674,730	3,170	124,267,765

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	13	599,363				
35 to 39	377	17,092,586	12	612,144		
40 to 44	685	31,835,651	222	11,327,293	2	68,281
45 to 49	382	17,098,189	346	17,214,557	105	5,528,440
50 to 54	236	10,292,743	182	9,005,314	85	4,352,816
55 to 59	81	3,433,523	52	2,476,477	25	1,296,011
60 to 64	19	838,730	12	494,831	3	143,333
65 & UP	2	58,456			1	61,669
TOTALS	1,795	81,249,241	826	41,130,616	221	11,450,550

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	7	414,778				
55 to 59	4	169,193				
60 to 64						
65 & UP						
TOTALS	11	583,971				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					2	23,142
20 to 24					733	18,597,346
25 to 29					1,995	58,053,361
30 to 34					2,718	89,578,821
35 to 39					2,800	104,282,959
40 to 44					2,390	95,514,943
45 to 49					1,770	71,825,985
50 to 54					1,103	44,315,577
55 to 59					427	16,514,875
60 to 64					125	4,945,076
65 & UP					11	443,595
TOTALS					14,074	504,095,680

MEMBERSHIP DATA

Table C-11
Florida Retirement System
Members and Their Salaries at July 1, 2001
FRS-Special Risk Administrative Support: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29			1	35,095		
30 to 34					2	61,445
35 to 39			1	22,172	4	132,757
40 to 44			1	30,389	2	72,645
45 to 49			2	54,245	5	174,330
50 to 54			1	19,936	1	25,539
55 to 59						
60 to 64					1	20,336
65 & UP						
TOTALS			6	161,837	15	487,052

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	2	79,915				
35 to 39	3	120,664				
40 to 44	4	139,195	5	237,675		
45 to 49	5	182,743	5	184,816	5	345,005
50 to 54	4	136,369	3	110,183	9	494,875
55 to 59	1	34,512	1	28,583	4	203,408
60 to 64	1	34,045				
65 & UP					1	82,410
TOTALS	20	727,443	14	561,257	19	1,125,698

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	1	55,128				
50 to 54						
55 to 59	3	220,150				
60 to 64						
65 & UP						
TOTALS	4	275,278				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	35,095
30 to 34					4	141,360
35 to 39					8	275,593
40 to 44					12	479,904
45 to 49					23	996,267
50 to 54					18	786,902
55 to 59					9	486,653
60 to 64					2	54,381
65 & UP					1	82,410
TOTALS					78	3,338,565

MEMBERSHIP DATA

Table C-12
Florida Retirement System
Members and Their Salaries at July 1, 2001
FRS-Special Risk Administrative Support: Women

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29			1	29,463		
30 to 34						
35 to 39					1	23,278
40 to 44						
45 to 49						
50 to 54					1	36,835
55 to 59					1	27,856
60 to 64						
65 & UP						
TOTALS			1	29,463	3	87,969

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	1	32,056				
40 to 44	3	137,574	2	118,422		
45 to 49	1	51,303	2	80,569		
50 to 54	1	32,832	2	82,874	2	112,780
55 to 59	1	19,105				
60 to 64						
65 & UP						
TOTALS	7	272,870	6	281,865	2	112,780

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS						

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	29,463
30 to 34						
35 to 39					2	55,334
40 to 44					5	255,996
45 to 49					3	131,872
50 to 54					6	265,321
55 to 59					2	46,961
60 to 64						
65 & UP						
TOTALS					19	784,947

MEMBERSHIP DATA

Table C-13
Florida Retirement System
Members and Their Salaries at July 1, 2001
EOC-Judicial: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	1	58,473				
35 to 39	1	58,525			3	349,457
40 to 44	11	1,226,884	11	1,281,466	7	841,991
45 to 49	17	2,029,649	16	1,899,069	31	3,721,209
50 to 54	20	2,309,676	29	3,497,179	29	3,568,667
55 to 59	22	2,639,133	23	2,876,722	29	3,570,316
60 to 64	4	299,481	11	1,413,135	13	1,585,972
65 & UP	3	379,430	2	253,510	7	905,355
TOTALS	79	9,001,251	92	11,221,081	119	14,542,967

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44	5	633,775	1	113,789		
45 to 49	30	3,700,068	20	2,418,966		
50 to 54	31	3,878,629	33	4,158,136	19	2,327,398
55 to 59	29	3,598,063	43	5,372,530	28	3,428,214
60 to 64	10	1,284,927	8	997,816	11	1,401,902
65 & UP	4	515,715	3	367,265	2	263,274
TOTALS	109	13,611,177	108	13,428,502	60	7,420,788

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59	4	506,468				
60 to 64	2	253,510				
65 & UP	1	136,519				
TOTALS	7	896,497				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					1	58,473
35 to 39					4	407,982
40 to 44					35	4,097,905
45 to 49					114	13,768,961
50 to 54					161	19,739,685
55 to 59					178	21,991,446
60 to 64					59	7,236,743
65 & UP					22	2,821,068
TOTALS					574	70,122,263

MEMBERSHIP DATA

Table C-14
Florida Retirement System
Members and Their Salaries at July 1, 2001
EOC-Judicial: Women

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	6	673,297	3	343,830	3	354,324
40 to 44	7	785,746	10	1,145,123	10	1,036,145
45 to 49	8	866,600	6	738,223	17	2,091,125
50 to 54	2	240,510	8	985,060	12	1,419,601
55 to 59	3	367,265	5	571,549	4	491,134
60 to 64			6	760,530	3	354,846
65 & UP					1	126,755
TOTALS	26	2,933,418	38	4,544,315	50	5,873,930

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	1	113,755				
40 to 44	6	679,719				
45 to 49	18	2,147,733	8	989,797		
50 to 54	13	1,645,152	10	1,273,967	4	516,784
55 to 59	2	240,510	6	719,565	2	253,510
60 to 64	1	126,755	2	240,510	2	250,274
65 & UP			1	136,519		
TOTALS	41	4,953,624	27	3,360,358	8	1,020,568

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS						

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39					13	1,485,206
40 to 44					33	3,646,733
45 to 49					57	6,833,478
50 to 54					49	6,081,074
55 to 59					22	2,643,533
60 to 64					14	1,732,915
65 & UP					2	263,274
TOTALS					190	22,686,213

MEMBERSHIP DATA

Table C-15
Florida Retirement System
Members and Their Salaries at July 1, 2001
EOC-Legislators/Attorneys/Cabinet: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29	1	27,087				
30 to 34	7	183,832	5	126,720		
35 to 39	7	173,177	4	111,600	3	83,700
40 to 44	14	344,728	9	253,044	4	111,600
45 to 49	6	165,774	4	127,793	2	55,800
50 to 54	7	164,961	7	204,740	6	354,863
55 to 59	3	82,887	3	83,700	1	27,900
60 to 64	3	81,261	2	151,082	2	160,924
65 & UP	2	54,987	4	201,932		
TOTALS	50	1,278,694	38	1,260,611	18	794,787

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	1	27,900				
40 to 44	1	25,274	1	133,024		
45 to 49	1	66,435	2	142,310		
50 to 54	2	182,214	9	716,410	3	388,426
55 to 59	2	260,725	5	539,814	3	393,749
60 to 64					1	21,121
65 & UP			1	27,900		
TOTALS	7	562,548	18	1,559,458	7	803,296

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59	1	133,024				
60 to 64						
65 & UP						
TOTALS	1	133,024				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	27,087
30 to 34					12	310,552
35 to 39					15	396,377
40 to 44					29	867,670
45 to 49					15	558,112
50 to 54					34	2,011,614
55 to 59					18	1,521,799
60 to 64					8	414,388
65 & UP					7	284,819
TOTALS					139	6,392,418

MEMBERSHIP DATA

Table C-16
Florida Retirement System
Members and Their Salaries at July 1, 2001
EOC-Legislators/Attorneys/Cabinet: Women

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	2	54,174				
35 to 39	1	18,058	1	27,900	1	27,900
40 to 44	3	119,577	1	118,232	3	183,502
45 to 49	3	82,887	2	55,800	1	127,701
50 to 54	4	110,787				
55 to 59	4	100,945	1	27,900	4	251,764
60 to 64					1	27,900
65 & UP						
TOTALS	17	486,428	5	229,832	10	618,767

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	2	45,958	1	125,351		
50 to 54	1	27,900	1	133,024	1	27,900
55 to 59					1	27,900
60 to 64	1	27,900				
65 & UP						
TOTALS	4	101,758	2	258,375	2	55,800

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS						

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					2	54,174
35 to 39					3	73,858
40 to 44					7	421,311
45 to 49					9	437,697
50 to 54					7	299,611
55 to 59					10	408,509
60 to 64					2	55,800
65 & UP						
TOTALS					40	1,750,960

MEMBERSHIP DATA

Table C-17
Florida Retirement System
Members and Their Salaries at July 1, 2001
EOC-County Officials: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	7	180,843	1	21,156	1	57,987
35 to 39	14	445,479	14	612,407	7	272,410
40 to 44	18	657,922	16	595,303	15	668,897
45 to 49	30	1,198,235	33	1,040,779	19	921,007
50 to 54	35	1,166,068	24	979,124	18	855,283
55 to 59	25	879,539	31	1,133,102	18	691,994
60 to 64	16	454,717	18	702,650	10	508,666
65 & UP	14	397,029	17	517,026	11	239,611
TOTALS	159	5,379,832	154	5,601,547	99	4,215,855

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	2	161,043				
40 to 44	7	411,788	1	77,256	1	97,246
45 to 49	20	1,101,517	8	648,396	10	884,587
50 to 54	14	673,266	16	1,278,325	19	1,392,245
55 to 59	15	745,974	17	1,209,063	7	638,547
60 to 64	6	124,327	13	961,211	2	196,013
65 & UP	6	184,268	7	275,949	6	136,753
TOTALS	70	3,402,183	62	4,450,200	45	3,345,391

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	5	474,068				
55 to 59	7	506,027				
60 to 64	3	190,819	3	77,647		
65 & UP	2	67,359	2	68,884	8	218,639
TOTALS	17	1,238,273	5	146,531	8	218,639

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					9	259,986
35 to 39					37	1,491,339
40 to 44					58	2,508,412
45 to 49					120	5,794,521
50 to 54					131	6,818,379
55 to 59					120	5,804,246
60 to 64					71	3,216,050
65 & UP	1	21,156			74	2,126,674
TOTALS	1	21,156			620	28,019,607

MEMBERSHIP DATA

Table C-18
Florida Retirement System
Members and Their Salaries at July 1, 2001
EOC-County Officials: Women

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	4,800				
25 to 29	1	3,750				
30 to 34	3	104,150	1	67,096		
35 to 39	6	176,177	4	130,279	3	139,969
40 to 44	22	831,453	4	122,306	4	155,672
45 to 49	19	684,966	14	452,960	13	441,802
50 to 54	18	760,309	21	789,328	21	946,169
55 to 59	15	538,931	11	334,812	14	445,136
60 to 64	5	158,216	3	105,381	4	168,247
65 & UP	9	221,564	7	183,039	7	248,377
TOTALS	99	3,484,316	65	2,185,201	66	2,545,372

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39			1	61,574		
40 to 44	8	524,335				
45 to 49	10	585,554	9	631,273	12	1,037,077
50 to 54	8	576,034	8	462,800	6	412,698
55 to 59	8	387,228	9	594,785	10	600,380
60 to 64	3	192,001	1	22,123	6	390,133
65 & UP	3	184,080	4	156,956	3	100,258
TOTALS	40	2,449,232	32	1,929,511	37	2,540,546

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	3	239,891				
50 to 54	3	231,510				
55 to 59	2	116,734	3	104,527		
60 to 64	1	29,511	2	52,995		
65 & UP	2	56,574	1	23,134	1	23,257
TOTALS	11	674,220	6	180,656	1	23,257

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	4,800
25 to 29					1	3,750
30 to 34					4	171,246
35 to 39					14	507,999
40 to 44					38	1,633,766
45 to 49					80	4,073,523
50 to 54					85	4,178,848
55 to 59					72	3,122,533
60 to 64					25	1,118,607
65 & UP					37	1,197,239
TOTALS					357	16,012,311

MEMBERSHIP DATA

**Table C-19
Florida Retirement System
Members and Their Salaries at July 1, 2001
FRS-Senior Management Service: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	26,436				
25 to 29	281	9,661,091	2	87,367		
30 to 34	261	9,803,453	105	5,111,841	3	171,451
35 to 39	123	5,526,751	82	4,463,693	87	5,599,906
40 to 44	89	5,061,341	68	4,044,423	96	6,923,184
45 to 49	81	4,876,270	84	6,218,354	89	6,386,677
50 to 54	75	4,880,711	95	7,300,120	99	7,973,347
55 to 59	36	2,411,322	62	4,828,339	60	4,625,048
60 to 64	11	887,850	30	2,525,450	25	2,112,896
65 & UP	8	526,754	8	742,460	7	643,901
TOTALS	966	43,661,979	536	35,322,047	466	34,436,410

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	1	52,332				
35 to 39	7	486,154				
40 to 44	95	7,503,077	19	1,560,395		
45 to 49	112	9,056,227	101	9,459,016	30	2,839,279
50 to 54	91	7,218,110	136	11,698,197	118	11,671,032
55 to 59	52	4,821,708	54	5,481,297	65	7,222,035
60 to 64	14	1,265,856	16	1,481,229	7	749,092
65 & UP	2	176,432	3	335,472	2	187,598
TOTALS	374	30,579,896	329	30,015,606	222	22,669,036

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	13	1,169,605				
55 to 59	22	2,321,461	1	137,399		
60 to 64	6	706,839	1	170,000	1	85,169
65 & UP	2	290,731				
TOTALS	43	4,488,636	2	307,399	1	85,169

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	26,436
25 to 29					283	9,748,458
30 to 34					370	15,139,077
35 to 39					299	16,076,504
40 to 44					367	25,092,420
45 to 49					497	38,835,823
50 to 54					627	51,911,122
55 to 59					352	31,848,609
60 to 64					111	9,984,381
65 & UP					32	2,903,348
TOTALS					2,939	201,566,178

MEMBERSHIP DATA

Table C-20
Florida Retirement System
Members and Their Salaries at July 1, 2001
FRS-Senior Management Service: Women

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	10,385				
25 to 29	261	8,801,520	2	60,184	1	38,429
30 to 34	225	8,457,173	101	4,810,947	9	363,808
35 to 39	81	3,601,730	88	4,474,487	94	5,832,912
40 to 44	60	2,866,119	43	2,617,795	77	4,680,548
45 to 49	50	2,581,280	58	3,706,317	71	4,799,769
50 to 54	27	1,456,174	25	1,381,309	44	3,298,862
55 to 59	12	584,201	16	941,085	19	1,112,495
60 to 64	3	227,958	3	190,207	8	560,167
65 & UP	1	95,606	1	35,952		
TOTALS	721	28,682,146	337	18,218,283	323	20,686,990

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	2	77,625				
35 to 39	10	793,172				
40 to 44	64	4,673,540	17	1,056,297	1	114,407
45 to 49	81	5,935,078	67	5,439,424	21	1,640,241
50 to 54	35	2,408,619	62	5,257,060	61	5,216,888
55 to 59	34	2,840,690	35	3,134,127	28	2,300,215
60 to 64	8	531,421	8	556,258	9	575,473
65 & UP			1	47,983		
TOTALS	234	17,260,145	190	15,491,149	120	9,847,224

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	11	1,019,394				
55 to 59	4	472,683	1	42,235		
60 to 64			2	261,163		
65 & UP			1	78,525		
TOTALS	15	1,492,077	4	381,923		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	10,385
25 to 29					264	8,900,133
30 to 34					337	13,709,553
35 to 39					273	14,702,301
40 to 44					262	16,008,706
45 to 49					348	24,102,109
50 to 54					265	20,038,306
55 to 59					149	11,427,731
60 to 64					41	2,902,647
65 & UP					4	258,066
TOTALS					1,944	112,059,937

MEMBERSHIP DATA

**Table C-21
Florida Retirement System
Members and Their Salaries at July 1, 2001
TRS-Teachers' Retirement System: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS						

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54					1	70,534
55 to 59			1	59,176	3	220,441
60 to 64					1	32,308
65 & UP						
TOTALS			1	59,176	5	323,283

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	11	821,465				
55 to 59	36	2,474,437	4	273,030		
60 to 64	18	1,214,994	12	696,309	1	73,272
65 & UP	7	463,425	7	480,720	2	150,685
TOTALS	72	4,974,321	23	1,450,059	3	223,957

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54					12	891,999
55 to 59					44	3,027,084
60 to 64					32	2,016,883
65 & UP			1	75,125	17	1,169,955
TOTALS			1	75,125	105	7,105,921

MEMBERSHIP DATA

Table C-22
Florida Retirement System
Members and Their Salaries at July 1, 2001
TRS-Teachers' Retirement System: Women

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59					3	121,262
60 to 64						
65 & UP						
TOTALS					3	121,262

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	1	58,204	2	87,207	17	972,990
55 to 59	1	38,100	8	374,038	14	761,645
60 to 64	1	44,744	5	284,688	1	48,419
65 & UP						
TOTALS	3	141,048	15	745,933	32	1,783,054

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	57	3,310,213				
55 to 59	83	4,969,990	10	604,965	1	69,652
60 to 64	10	552,302	14	762,800	5	311,100
65 & UP	3	205,809	10	578,292	6	306,123
TOTALS	153	9,038,314	34	1,946,057	12	686,875

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54					77	4,428,614
55 to 59					120	6,939,652
60 to 64					36	2,004,053
65 & UP	1	64,971			20	1,155,195
TOTALS	1	64,971			253	14,527,514

MEMBERSHIP DATA

Table C-23
Florida Retirement System
Members and Their Salaries at July 1, 2001
SCOERS-State & County Officers' Employees' R.S.: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP	1	7,485				
TOTALS	1	7,485				

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS						

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	1	35,385	1	30,879		
55 to 59	2	83,533	1	37,103		
60 to 64	2	70,614	1	47,834		
65 & UP						
TOTALS	5	189,532	3	115,816		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54					2	66,264
55 to 59					3	120,636
60 to 64					3	118,448
65 & UP	2	59,351			3	66,836
TOTALS	2	59,351			11	372,184

MEMBERSHIP DATA

**Table C-24
Florida Retirement System
Members and Their Salaries at July 1, 2001
SCOERS-State & County Officers' Employees' R.S.: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59			1	13,058	1	23,002
60 to 64						
65 & UP						
TOTALS			1	13,058	1	23,002

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59			2	47,153		
60 to 64						
65 & UP			1	31,588		
TOTALS			3	78,741		

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	3	73,592				
55 to 59	4	93,503				
60 to 64	1	14,576				
65 & UP	1	15,958				
TOTALS	9	197,629				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54					3	73,592
55 to 59					8	176,716
60 to 64					1	14,576
65 & UP	1	26,873			3	74,419
TOTALS	1	26,873			15	339,303

MEMBERSHIP DATA

Table C-25
Florida Retirement System
Distribution of Active Participants
Grand Totals
July 1, 2001

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1,533	12,139,015	1	20,643		
20 to 24	17,962	337,798,378	307	6,307,417	2	51,672
25 to 29	37,725	957,035,176	9,902	282,512,578	248	7,350,778
30 to 34	31,514	768,932,977	25,896	814,532,294	9,490	322,172,624
35 to 39	26,361	576,453,994	20,659	617,590,297	22,797	832,006,159
40 to 44	24,844	540,392,898	19,352	551,984,673	21,070	734,402,579
45 to 49	20,426	464,673,443	18,447	534,463,330	20,608	712,804,387
50 to 54	16,056	378,261,286	15,706	465,693,138	18,894	663,385,809
55 to 59	10,635	236,975,907	10,546	306,254,080	12,834	436,504,544
60 to 64	5,162	98,225,489	5,913	156,992,295	5,876	189,790,603
65 & UP	3,739	47,447,754	3,824	77,787,653	2,839	70,715,106
TOTALS	195,957	4,418,336,317	130,553	3,814,138,398	114,658	3,969,184,261

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29	1	49,575				
30 to 34	341	11,628,552	2	42,419		
35 to 39	8,774	340,404,599	462	17,769,655		
40 to 44	18,010	743,313,668	8,447	350,743,311	402	16,249,997
45 to 49	16,269	663,142,327	16,907	775,185,131	7,619	351,318,928
50 to 54	15,126	607,995,727	14,593	661,980,077	14,989	759,826,625
55 to 59	10,339	404,204,754	9,746	421,910,009	7,755	369,248,830
60 to 64	4,340	159,012,192	3,949	156,580,832	3,024	131,939,128
65 & UP	1,493	41,924,798	1,145	34,839,493	741	24,411,828
TOTALS	74,693	2,971,676,192	55,251	2,419,050,927	34,530	1,652,995,336

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	164	6,709,484				
50 to 54	2,477	129,479,765	13	532,375		
55 to 59	2,194	116,985,837	170	8,626,860	2	101,052
60 to 64	704	35,074,795	231	11,353,836	40	1,810,585
65 & UP	387	14,701,727	177	7,113,152	113	4,860,617
TOTALS	5,926	302,951,608	591	27,626,223	155	6,772,254

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					1,534	12,159,658
20 to 24					18,271	344,157,467
25 to 29					47,876	1,246,948,107
30 to 34					67,243	1,917,308,866
35 to 39					79,053	2,384,224,704
40 to 44					92,125	2,937,087,126
45 to 49					100,440	3,508,297,030
50 to 54					97,854	3,667,154,802
55 to 59					64,221	2,300,811,873
60 to 64					29,239	940,779,755
65 & UP	24	1,220,879	2	154,378	14,484	325,177,385
TOTALS	24	1,220,879	2	154,378	612,340	19,584,106,773

Table C-26
Florida Retirement System
Summary Totals for All Systems
Number, Total Annualized Payroll and Accumulated Employee
Contributions of Active Members by System

<u>System</u>	<u>Number of Members</u>	<u>Total Payroll</u> (000's omitted)	<u>Accumulated Employee Contributions</u> (000's omitted)
Florida Retirement System			
Regular	543,825	\$17,176,252	\$80,486
Senior Management	4,883	322,964	2,432
Florida Retirement System - Special Risk			
Non-Administrative	61,231	2,504,332	5,817
Administrative	97	4,245	45
Florida Retirement System - Elected Officers' Class			
Judicial	764	95,390	1,146
Leg. / Atty. / Cabinet	179	8,375	104
County Elected Off.	977	45,259	1,106
Teachers Retirement System	358	22,205	21,094
State and County Retirement System	26	730	506
Total	612,340	\$20,179,752	\$112,736
Average Annual Salary =		\$32,955	

APPENDIX D PROJECTIONS

PROJECTIONS

Table D-1 presents a projection of total costs of the employers covered by the Florida Retirement System during the five-year period following the actuarial valuation date, July 1, 2001. The contributions shown are based on the assumption that the contribution levels calculated in this report and in conjunction with Florida law (see next paragraph) are extended throughout the projection period. It also assumes that the additional surplus generated by the Rate Stabilization Mechanism is not used to further reduce the contribution rate.

Table D-2 projects each existing amortization base as of July 1, 2001. Since July 1, 1998, no UAL has existed and all bases are assumed to be fully amortized. Florida law modified employer contribution rate provisions. First, by providing an across-the-board contribution rate reduction of 1.0%. Second, a rate stabilization methodology was implemented to monitor the use of the surplus. The UAL amortization payment in Table D-2 is the part of the surplus needed to comply with Florida law, prior to any use of the surplus for further contribution rate reductions or any other Florida Retirement System uses.

Table D-3 estimates the available surplus for the next four fiscal years based on Florida law. The estimates are projections of our July 1, 2001 valuation results, and assumes experience occurs as stated in our July 1, 2001 valuation, except that the market value of assets is assumed to earn 8% per annum, and some of the stored asset gains will be recognized over this time period. It also assumes that only part of the available surplus is used for rate reduction (i.e. applying the 2.02% rate reduction in order to keep the same contribution rate as last year), using an amortization methodology that recognizes the time value of money. The dollar amounts attributable to the proposed pension reform changes are dependent on each other and should be reviewed in total.

Table D-4 is the same as Table D-3, except that the projections are done as of December 31 (rather than July 1), and assume the December 31, 2001 market value of assets is \$94.5 billion as previously reported to us by the State.

Table D-1
Florida Retirement System
Projection of Retirement Costs (Excluding Member Contributions)
July 1, 2001
(All Amounts in Millions)

	2001 -2002	2002 -2003	2003 -2004	2004 -2005	2005 -2006
A. Normal Cost *	\$2,450	\$2,576	\$2,647	\$2,752	\$2,851
B. Surplus Utilization	(\$791)	(\$391)	(\$410)	(\$431)	(\$452)
C. Cost for Additional Administrative Charge (for PEORP)	\$20	\$0	\$0	\$0	\$0
D. Total	\$1,679	\$2,185	\$2,237	\$2,321	\$2,399
E. Social Security	\$1,624	\$1,702	\$1,750	\$1,818	\$1,884
F. Grand Total	\$3,303	\$3,887	\$3,987	\$4,139	\$4,283

* Includes DROP contributions on behalf of DROP members.

Table D-2
Florida Retirement System - July 1, 2001 Valuation
Funding of UAL / (Surplus) by Duration of Amortization

Years to Amortize Surplus

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior	DROP
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	
Outstanding Balance / (Surplus)	(\$19,618,967)	(\$2,486,659)	(\$37,956)	(\$220,174)	(\$24,235)	(\$51,923)	\$0	\$7,915,684
UAL Cost / (Savings) (see Table IV-1)	-1.73%	-2.80%	-1.86%	-1.17%	-2.11%	-1.47%	-1.49%	0.00%
Normal Cost Payroll ¹	\$17,082,059	\$2,503,315	\$4,245	\$95,260	\$8,319	\$43,912	\$322,399	\$0
Annual Payment / (Savings) for FY 2002 - 2003	(\$310,296)	(\$73,597)	(\$83)	(\$1,170)	(\$184)	(\$678)	(\$5,044)	\$0
Amortization Period Calculated Assuming								
Level Dollar	NA ²	NA ²	NA ²	NA ²	NA ²	NA ²	2	NA ³
Level Percent of Payroll	NA ²	NA ²	NA ²	NA ²	NA ²	NA ²	2	NA ³

- 1 A separate UAL payroll that includes OAP and ORP members would apply if a UAL existed.
- 2 Current annual payment / (savings) will never accumulate to the Surplus if the earned interest rate is 8%.
- 3 No annual payment, therefore no amortization period.

**Table D-3
Proposed Retirement Plan with FRS Reserve Mechanism #11
Impact of Florida Law on FRS Trust Fund**

Updated FY 2002-2003 Forward Based on 07/01/2001 Valuation Results and 07/01/2001 Assets
(000,000 omitted)

	<u>2002 - 03</u>	<u>2003 - 04</u>	<u>2004 - 05</u>
1 1.0% Rate Reduction ⁴	(\$210.6)	(\$221.2)	(\$232.2)
2 Experience Study hold harmless (hold normal cost rate at 10.55%) ⁴	(\$93.3)	(\$98.0)	(\$102.9)
3 6 yr DB vesting - hold harmless from rate increase ⁴	(\$87.1)	(\$91.5)	(\$96.0)
4 Cost to DB program of adding a new DC program ^{3 & 5}	\$22.4	\$23.6	\$24.7
5 2.02% Rate Reduction ⁴	(\$425.5)	(\$446.7)	(\$469.1)
6 12% Increase in Special Risk benefits (in pay status before 07/01/2000) ⁶	(\$15.1)	(\$15.8)	(\$16.6)
Total	(\$809.2)	(\$849.6)	(\$892.1)
7 Estimated Surplus Available RSM 11 ^{2 & 7}	\$1,237.0	\$1,319.8	\$1,320.8
8 Increase in Surplus from year to year	\$537.3	\$82.8	\$1.0
9 Surplus Available with DC Bill & Rate Reduction	\$427.8	\$470.2	\$428.7

¹ Numbers exclude contributions to DC Plan

² Projected surplus based on 07/01/2001 valuation results

³ Costs do not reflect potential for adverse selection since members can revoke their original choice of Plans

⁴ Future legislation is assumed to continue to fund these rate reductions

⁵ Available surplus does not recognize potential increases in surplus from DC elections, because legislation was passed requiring additional surplus to be held for 25 years due to possible second election.

⁶ Assumes increase will be paid from surplus

⁷ Using amortization method that reflects interest

Table D-4
Proposed Retirement Plan with FRS Reserve Mechanism #11
Impact of Florida Law on FRS Trust Fund

Updated FY 2002-2003 Forward Based on 07/01/2001 Valuation Results
And Market Value of Assets at 12/31/2001 of \$94.5 Billion
(000,000 omitted)

	<u>2002 - 03</u>	<u>2003 - 04</u>	<u>2004 - 05</u>
1 1.0% Rate Reduction ⁴	(\$210.6)	(\$221.2)	(\$232.2)
2 Experience Study hold harmless (hold normal cost rate at 10.55%)	(\$93.3)	(\$98.0)	(\$102.9)
3 6 yr DB vesting - hold harmless from rate increase ⁴	(\$87.1)	(\$91.5)	(\$96.0)
4 Cost to DB program of adding a new DC program ^{3 & 5}	\$22.4	\$23.6	\$24.7
5 2.02% Rate Reduction ⁴	(\$425.5)	(\$446.7)	(\$469.1)
6 12% Increase in Special Risk benefits (in pay status before 07/01/2)	(\$15.1)	(\$15.8)	(\$16.6)
Total	(\$809.2)	(\$849.6)	(\$892.1)
7 Estimated Surplus Available RSM 11 ^{2 & 7}	\$1,162.6	\$999.0	\$837.2
8 Increase in Surplus from year to year	\$355.1	(\$163.6)	(\$161.8)
9 Surplus Available with DC Bill & Rate Reduction	\$353.4	\$149.4	(\$54.9)

1 Numbers exclude contributions to DC Plan

2 Projected surplus based on 07/01/2001 valuation results

3 Costs do not reflect potential for adverse selection since members can revoke their original choice of Plans

4 Future legislation is assumed to continue to fund these rate reductions

5 Available surplus does not recognize potential increases in surplus from DC elections, because legislation was passed requiring additional surplus to be held for 20 years due to possible second election.

6 Assumes increase will be paid from surplus

7 Using amortization method that reflects interest

APPENDIX E

COMPARISONS/RECONCILIATION

COMPARISONS/RECONCILIATION

This Appendix contains certain comparative information required by the state. The table below compares actual investment return, aggregate payroll growth, and individual salary increases with the actuarial assumptions.

The next table reconciles the flow of participants from the 2000 actuarial valuation to the 2001 actuarial valuation.

TABLE E-1			
One-Year Comparisons			
1. Annual Rate of Investment Return on Actuarial Value of Assets			
Period Ending	Actual	Assumed	
June 30, 2000	13.79%	8.0%	
June 30, 2001	8.82%	8.0%	
2. Annual Rate of Payroll Growth			
Period Ending	Actual ¹⁾	Assumed	
June 30, 2000	6.77% ²⁾	0.00% ²⁾	
June 30, 2001	3.65% ²⁾	0.00% ²⁾	
3. Individual Rates of Salary Increases for Regular Members and Special Risk Members			
Year Ended June 30	Rate of Increase During Year		
	Regular Members	Special Risk	Assumed
1999	6.1%	6.7%	6.25% ³⁾
2000	7.5%	7.9%	6.25% ³⁾
2001	4.4%	7.1%	6.25% ³⁾

¹⁾ Payroll excludes DROP members for both years

²⁾ Since a UAL does not exist, the payroll base compared is used for normal cost calculations

³⁾ Individual rates vary by age

COMPARISONS/RECONCILIATION

TABLE E-2 FLORIDA RETIREMENT SYSTEM DATA RECONCILIATION (FRS TRUST FUND)					
	Active Participants	Disabled Participants	Retired Participants and Beneficiaries	DROP	Total
Number reported as of July 1, 2000	595,368	9,151	173,777	17,149 ¹	795,445
New Entrants	80,815	0	0	0	80,815
Retirements	(10,804)	1,120	12,405	(2,721)	0
DROP	(9,091)	0	0	9,091	0
Terminations and deaths with and without benefit	(43,948)	0	0	0	(43,948)
Cessation of benefit payments	NA	(560)	(7,381)	(72)	(8,013)
Number reported as of July 1, 2001	612,340	9,711	178,801	23,447	824,299

¹ Counts represent data received from the Division of Retirement; data was ratioed up to the actual DROP counts reported by the Division of Retirement: 20,491 on July 1, 2000.

APPENDIX F

GLOSSARY

The following definitions are largely excerpts from a list adopted in 1981 by the major actuarial organizations in the United States. In some cases the definitions have been modified for specific applicability to the Florida Retirement System.

1. Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement, and retirement; changes in compensation; rates of investment earnings, and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.

2. Actuarial Cost Method

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Liability.

3. Actuarial Gain (Loss)

A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

4. Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

5. Actuarial Valuation

The determination, as of a valuation date, of the Normal Cost, Actuarial Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

6. Actuarial Value of Assets

The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.

7. Actuarially Equivalent

Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

8. Amortization Payment

That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Liability.

- *Level Percent of Pay*
Produces a level series of payments when expressed as a percent of payroll. Cash payment increases in line with payroll growth assumption.
- *Level Dollar*
Produces a decreasing pattern of payments when expressed as a level percent of payroll. Cash payment remains level.

9. Entry Age Actuarial Cost Method

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Liability.

10. Normal Cost

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

11. Actuarial Liability

That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

12. Unfunded Actuarial Liability

The excess of the Actuarial Liability over the Actuarial Value of Assets. When the Actuarial Value of Assets exceed Actuarial Liabilities a surplus exists.

13. *Accrued Benefit*

The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.

14. *Projected Benefits*

Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.

15. *Unaccrued Benefit*

The excess of an individual's Projected Benefits over the Accrued Benefits as of a specified date.