

FLORIDA RETIREMENT SYSTEM
Actuarial Valuation as of July 1, 2002

A MILLIMAN GLOBAL FIRM



Milliman USA
Consultants and Actuaries

December 2002

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December 31, 2002

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, 2002. 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 Actuarial Assumption Conference based on Milliman's most recent review of the System's experience completed during Fiscal Year 1999. We believe the assumptions used 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.

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

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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. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

I, Robert Dezube, am a consulting actuary for Milliman USA. I am also a member of the American Academy of Actuaries and meet their Qualification Standards to render the actuarial opinion contained herein.

I hereby certify that, to the best of my 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

Robert S. Dezube, F.S.A.

Consulting Actuary, Enrollment #02-3397

SECTION I

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This report presents the results of our July 1, 2002 actuarial valuation of the Florida Retirement System. In this section, we compare the 2001 and 2002 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, 2001. 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 11.56% of pay as of July 1, 2001 to 11.62%. The increase was primarily attributable to the distribution of salary among membership classes compared to the prior year. In other words, had the distribution of salary remained unchanged the composite normal cost rate would have been 11.58% of pay (i.e., only a 0.02% increase) instead of the actual 11.62%. Both rates exclude DROP participants.
- The unfunded actuarial liability (including DROP Class liability) changed due to a second year of unfavorable market returns; in fact the surplus decreased from \$14.5 billion to \$12.9 billion. Florida Law establishes a mechanism for how to develop the resulting surplus. This amount is statutorily amortized over 10 years and translates to \$0.895 billion available surplus for the FY 2003-2004 budget year.

The tables immediately following compare July 1, 2001 actuarial valuation results with July 1, 2002 actuarial results after plan changes. The difference column shows the change between the final July 1, 2002 valuation results and the July 1, 2001 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, 2001	July 1, 2002	Difference
Actuarial Liability	\$ 81.0	\$ 86.5	\$ 5.5
Actuarial Value of Assets	\$ 95.5	\$ 99.4	\$ 3.9
Unfunded Actuarial Liability	\$ (14.5)	\$ (12.9)	\$ 1.6

EXECUTIVE SUMMARY

In Section V of this report we present an additional measure of funded status; the "accumulated benefit obligation" (ABO). Tables referring to GASB Statement No. 5 were removed because GASB Statement No. 5 was superseded by GASB Statement No. 25. However, information for GASB Statement No. 25, which requires disclosure of the numbers in the table above remains.

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, differences in actual and expected experience, or changes in actuarial methodology (if applicable). As of July 1, 2002 the FRS has a UAL (surplus) of (\$12.9) billion.

HB 2393, enacted by the 2000 Legislature and signed into law by the Governor, modified employer contribution rate provisions. First, the law provides a possible across-the-board contribution rate reduction of 1.0%. Second, part of the surplus could be 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, etc. Lastly, a rate stabilization methodology was implemented to monitor use of the surplus.

Since the current surplus exceeds 10% of the actuarial liability (the actual percentage is 14.96% of the actuarial liability), $\frac{1}{2}$ of the excess from 5% to 10% and $\frac{3}{4}$ of the excess over 10% is available. After the rate stabilization mechanism is applied approximately \$5.4 billion of the surplus is available for contribution rate reduction, or other Florida Retirement System uses. This surplus pursuant to Florida Law is amortized over 10 years, which translates to \$0.895 billion available for the FY 2003-2004 budget year, prior to recognition of the 1% contribution rate reduction and the 1999 experience study offset, etc. as noted in the preceding paragraph and prior to other rate reductions such as the additional 2.02% contribution rate reduction approved by the Legislature last year (reduction was based on use of surplus).

The comparative FRS Regular and Special Risk contribution rates resulting from the 2001 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, 2001 Valuation Results		July 1, 2002 Valuation Results		Difference	
	FRS Reg	Special Risk	FRS Reg	Special Risk	FRS Reg	Special Risk
Preliminary FRS Contribution Rate	8.21%	19.35%	8.21%	19.35%	0.00%	0.00%
Surplus Reduction	-4.05%	-4.05%				
Administrative Charge	<u>0.15%</u>	<u>0.15%</u>			Not determined	
Final FRS Contribution Rate	4.31%	15.45%				

EXECUTIVE SUMMARY

The July 1, 2001 valuation provided proposed contribution rates for fiscal year 2002-2003. Hence, there is a two-year lag between when the rates are set and the contribution dollars are coming into the System. As shown above, the preliminary FRS contribution rates were reduced by 4.05% through use of the available surplus.

For the current valuation (which proposes rates for fiscal year 2003-2004) we only provided the preliminary contribution rate and prepared a possible scenario assuming the Legislature uses all \$0.895 available surplus to reduce contribution rates (specifically, reducing the DROP contribution rate from 11.56% to 8.00%). In this scenario, after applying the additional 2.02% reduction (which was shown last year and enacted two years ago) and reducing the DROP contribution rate to 8.00% there is additional surplus remaining. Therefore, the 2.02% reduction could be increased by 0.01% (to 2.03%) for all classes of membership, except DROP.

*** Please note this is just one scenario and is meant for illustrative purposes only as one possible use of the surplus.**

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

C. Membership

The total membership (active, terminated vested, retired, and DROP) of the FRS increased by 16,669 members from 877,587 as of July 1, 2001, to 894,256 as of July 1, 2002, an increase of 1.9%. The total annualized payroll of active members (exclusive of DROP members) increased by 2.7%, from \$20.06 billion as of July 1, 2001 to \$20.61 billion as of July 1, 2002, a \$0.55 billion increase in payroll. A summary of membership growth by status follows:

	Valuation Results: Counts		
	July 1, 2001	July 1, 2002	% Change
Active Members	612,340	611,178	-0.2%
Terminated Vested Members	53,288	56,635	6.3%
Retired Members	188,512	198,054	5.1%
DROP Members	<u>23,447</u>	<u>28,389</u>	21.1%
Total Members	877,587	894,256	1.9%

D. Experience

Several factors contributed to the changes in the FRS's assets, liabilities and contribution rates between July 1, 2001 and July 1, 2002. These factors included:

1. Assets:

The assets of the FRS, measured on an actuarial basis (i.e., smoothed), increased by \$3.888 billion. This change was attributable to the following:

Change Due to:

• Contributions Received	\$1.813
• Payment of Benefits, and Expenses	(3.087)
• Investment Experience	5.162
Total	\$3.888 billion

Of this total change, \$6.318 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 5.44% resulting in an investment loss of \$2.430 billion. On a market value basis, the assets of the FRS earned negative 7.62%. On a year-by-year basis, the assets earned the following:

Asset Bases	Rates of Return*	
	2000/2001	2001/2002
Market Value	(6.93)%	(7.62)%
Actuarial Valuation	8.82 %	5.44 %

* Assumes net cash-flow occurs mid-year

2. *Liabilities:*

The actuarial liabilities of the FRS increased by \$5.476 billion. This increase is attributable to the following:

Change due to:

- expected increase based on assumptions \$5.156

(Gains) / Losses

- inactive experience (death) (0.126)
- active experience (withdrawal, death, retirement) 0.586
- actual to expected: retirement decrement (0.011)
- actual to expected: retirement benefits (0.004)
- salary increase less than expected (0.645)
- transfers among membership classes 0.003
- new renewed members 0.002
- new actives (includes rehires) 0.515
- plan / assumption changes 0.000

Total Increase \$5.476 billion

3. *Unfunded Liability:*

The net change in the FRS's unfunded actuarial liability was an increase of \$1.588 billion (i.e., a decrease in the surplus of \$1.588 billion). The increase is attributable to the following:

Change due to:

- expected increase based on assumptions \$(1.162)
- unfavorable investment experience 2.430
- unfavorable liability experience 0.320

Total \$1.588 billion

4. Contributions (prior to the Legislature's use of the surplus):

On a level-rate-of-pay basis, the FRS contribution rates for each membership class changed as follows:

	FRS	----- Special Risk -----	-- Elected Officers' Class --			Senior	
	<u>Regular</u>	<u>Regular</u>	<u>Administration</u>	<u>Judicial</u>	<u>Leg-Atty-Cab</u>	<u>County</u>	<u>Management</u>
• July 1, 2001 Normal Cost	9.94%	22.15%	12.60%	20.64%	15.42%	17.52%	11.68%
• Offset for increase resulting from 1999 Experience Study, six year vesting, etc.	-0.73%	-1.80%	-0.86%	-0.17%	-1.11%	-0.47%	-0.49%
• 1% Rate Reduction	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>
• Subtotal July 1, 2002 Contribution Rate ¹	8.21%	19.35% ³	10.74%	19.47%	13.31%	16.05%	10.19%
• Impact of							
- Transfers between membership classes	0.00%	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%
- Retirements, Terminations, etc.	-0.02%	-0.03%	0.01%	0.00%	-0.07%	0.20%	-0.12%
- Actual Salary Increases	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
- New Entrants	0.02%	0.03%	-0.03%	0.03%	0.01%	-0.14%	0.01%
- Other Experience	<u>0.01%</u>	<u>0.05%</u>	<u>0.07%</u>	<u>0.02%</u>	<u>0.11%</u>	<u>-0.01%</u>	<u>0.16%</u>
• Total July 1, 2003 Contribution Rate ²	8.21%	19.35%	10.74%	19.47%	13.31%	16.05%	10.19%

¹ 2002 Legislation further used the available surplus to reduce the contribution rates by 4.05% and a DROP reduction of 3.56%.

² Before any additional surplus utilization.

³ The reader should be aware that if the surplus were to be eliminated there would be an additional cost of 0.82% attributable to the 12% increase in benefits, which is currently being paid from the surplus.

E. Graphs

Chart A: ASSET / LIABILITIES

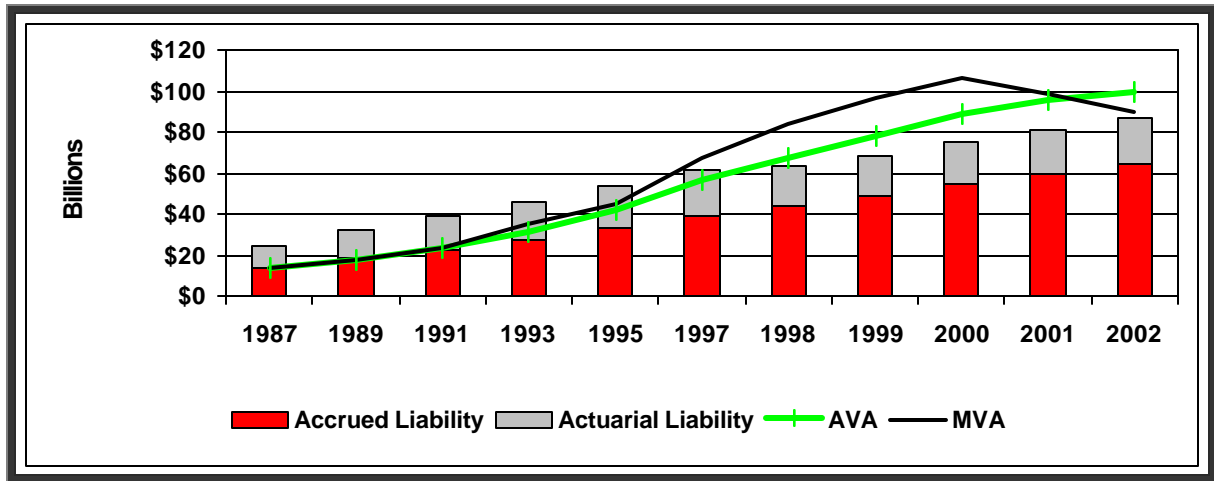


Chart B: CASH FLOWS

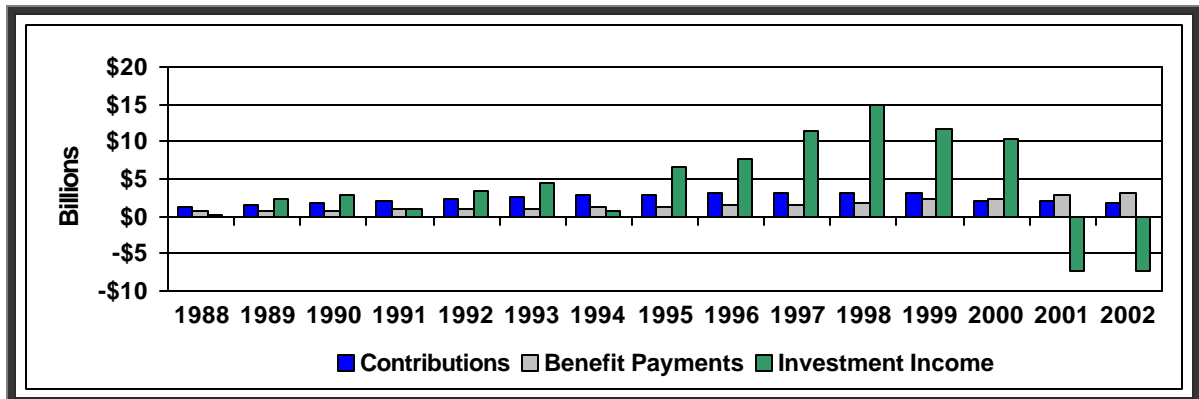
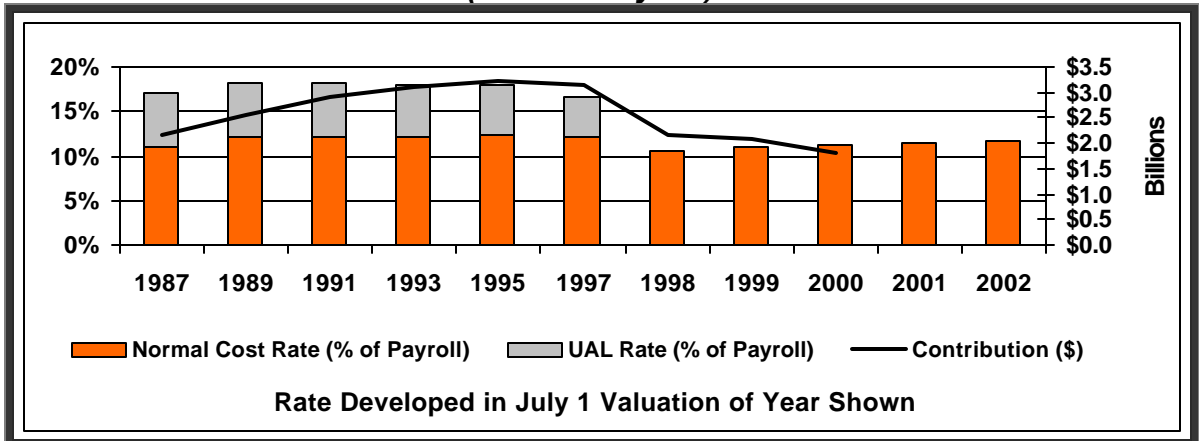


Chart C: CONTRIBUTION RATE (as % of Payroll)



* As discussed earlier, the contribution rate developed in this report is for fiscal year 2003 – 2004. Therefore, our graph above accounts for the two-year lag between the development of the contribution rate and the actual contribution to the System.

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 past two years and maintain the actuarial surplus. Unfavorable investment returns will continue to erode the actuarial surplus. For example, returns in the following table will produce the respective amounts assuming no liability gains or losses.

Market Return		UAL / (Surplus) ¹⁾ measured as of		
FY 2002–2003	FY 2003–2004	July 1, 2002	July 1, 2003	July 1, 2004
8%	8%	\$ (12,936)	\$ (11,117)	\$ (9,347)
0%	8%	(12,936)	(9,694)	(6,582)
0%	0%	(12,936)	(9,694)	(4,702)
-3.5% ²⁾	-3.5%	(12,936)	(9,072)	2,565

¹⁾ Numbers in Millions

²⁾ The estimated market value as of December 2002 was \$85 billion as supplied by the State. The –3.5% is the necessary market return required to reflect an \$85.0 billion market value as of July 1, 2003.

- The reader should note that while PEORP is not included in this report, at the time of publication, the election percentage was less than 5%. There is at least one more window that remains open, however no changes in the behavior patterns are expected. Therefore, the impact PEORP will have on the results contained herein is expected to be minimal. Furthermore, the blended rate analysis is also not contained in this report since it pertains to the results of an independent PEORP study, which is forthcoming.
- The last experience study covered the period from July 1, 1993 to June 30, 1998. Typically experience studies are performed every five years and compare actual plan experience to the assumptions set forth in this report. For example, we analyze the actual retirement patterns and make proposals, if necessary, to revise the retirement assumption to best reflect Plan experience. This study will be performed after the 2003 valuation is completed and any changes will be reflected in the 2004 valuation report.

EXECUTIVE SUMMARY

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, changes in member behavior (e.g. withdrawal rates, rates of retirement, etc.), or changes in actual to expected investment return 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, 2002. 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 Florida Law (S.121.031(3)(a), Florida Statutes). Under this method, the expected actuarial value of assets is determined by crediting the rate of investment return assumed in our valuation (8%) to the prior year's actuarial value of assets. Then, 20% of the difference between the actual market value and the expected actuarial value of assets 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, 2002. The assets are analyzed by category in Table II-1. Table II-2 shows the reconciliation of assets from July 1, 2001 to July 1, 2002. Table II-3 provides a detailed development of the July 1, 2002 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 2001 and 2002.

The data for Table II-1 (Market Value as of July 1, 2002) 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.

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

<u>Asset Category</u>	Market Value as of July 1	
	<u>2001</u>	<u>2002</u>
1. Common Stock	\$67,687,730	\$60,436,120
2. Bonds	\$23,700,753	\$24,995,497
3. Real Estate	\$3,585,610	\$3,261,417
4. Temporary Investments	\$11,550,257	\$9,037,641
5. Cash – Including Certificates of Deposit	\$74,042	\$1,107,281
6. Receivables	\$2,388,616	\$3,632,932
7. Miscellaneous	\$2,982	\$2,262
8. Reverse Purchase Agreements	<u>\$0</u>	<u>\$984,711</u>
Gross Assets	\$108,989,990	\$103,457,861
9. Current Liabilities and Reserves	<u>(\$10,579,860)</u>	<u>(\$13,769,774)</u>
Total Net Assets	\$98,410,130	\$89,688,087

Table II-2
Florida Retirement System

Reconciliation of Market Value of Assets

Total Net Assets as of June 30, 2001	\$98,410,130,290
+ Adjustment to Market Value	0
+ Contributions by Source:	
Pension Contributions - State	448,800,182
Pension Contributions - Non-State	1,328,549,073
Pension Contributions - Employees	36,106,293
Transfer from ORP	0
Transfer from OAP	179
Other	48,867
+ Interest and Dividends:	
Interest Income	1,489,423,128
Dividend Income	700,636,053
Real Estate Income	266,235,365
Other ¹	(86,822,462)
 +Net Realized and Unrealized Appreciation:	 (9,818,189,537)
- Pension Payments:	3,044,287,975
- Contribution Refunds:	3,890,449
- Expenses ¹⁾ :	16,068,958
- Transfers to Other Funds and Departments:	<u>22,582,563</u>
 Total Net Assets as of June 30, 2002	 \$89,688,087,486

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 2002
Actuarial Value of Assets

1. Actuarial Value of Assets on July 1, 2001	\$95,517,948,307
2. 2001/2002 Net Cash Flow (Contributions less Benefits and Expenses)	(\$1,273,374,218)
3. Value of Assets, July 1, 2002, if items 1 and 2 earned an assumed rate of 8%	\$101,835,074,985
4. Market Value of Assets, July 1, 2002	\$89,688,087,486
5. Net Assets Available for Benefits [3 + 20% (4 - 3)]	\$99,405,677,485
6. 120% of Market Value [120% (4)]	\$107,625,704,983
7. 80% of Market Value [80% (4)]	\$71,750,469,989
8. Actuarial Value of Assets on July 1, 2002 Lesser of (5) and (6), but not less than (7)	<u>\$99,405,677,485</u>

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

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior		Total
	Regular	Regular	Administration	Judicial	Leg-Atty -Cab	County	Management	DROP	System
1. 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
2. Employer Contribution for the Plan Year	1,132,219	465,459	387	17,595	1,003	7,095	33,207	156,492	1,813,457
3. Benefit Payments and other Disbursements	2,154,304	269,444	2,595	25,161	2,421	19,011	22,735	591,160	3,086,831
4. Estimated Investment Earnings during the Year	4,266,496	784,601	4,407	43,016	4,488	20,791	55,932	(18,628)	5,161,103
5. Net Transfers	(223,752)	0	0	0	0	0	223,752	0	0
6. Allocated Actuarial Value of Assets by Class, July 1, 2002	\$81,966,615	\$15,306,638	\$84,301	\$830,032	\$86,287	\$397,060	\$1,313,172	(\$578,428)	\$99,405,677

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 (dating back to 1998 when the UAL first became negative), assets, on an actuarial basis, were transferred from the Regular Class of membership to the Senior Management Class (\$223,762 million) 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-5
Florida Retirement System

A. Rates of Return on Investments ¹

Asset Bases	Rates of Return	
	2000/2001	2001/2002
Market Value	-6.93%	-7.62%
Actuarial Value	8.82%	5.44%

¹ Assumes net cash flow occurs mid-year.

B. Allocation of Assets at Market Value

Asset Category	July 1, 2001	July 1, 2002
Stocks	68.78%	67.38%
Bonds	24.08%	27.87%
Real Estate	3.64%	3.64%
Temporary Investments	11.74%	10.08%
Cash	0.08%	1.23%
Other (includes receivables & payables)	-8.32%	-10.20%
	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, 2002. 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 2001 and 2002 valuations. In Table III-2, the 2002 liabilities are shown for each employee group.

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

	<u>July 1, 2001</u>	<u>July 1, 2002</u>
1. Actuarial Liabilities for:		
(a) Active Members	\$45,864,526	\$47,454,496
(b) Retired, Disabled and Beneficiary Members	25,424,812	27,223,515
(c) Terminated Vested Members	1,913,828	1,936,450
(d) DROP	<u>7,790,552</u>	<u>9,855,313</u>
2. Total Actuarial Liability	\$80,993,718	\$86,469,774
3. Actuarial Value of Assets	<u>\$95,517,948</u>	<u>\$99,405,677</u>
4. Unfunded Actuarial Liability / (Surplus)	(\$14,524,230)	(\$12,935,903)

Table III-2
Florida Retirement System
Actuarial Liabilities
July 1, 2002
(\$ in Thousands)

	FRS	----- Special Risk -----	-- Elected Officers' Class --				Senior		Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	System
1. Actuarial Liabilities for:									
a. Active Members	\$36,753,389	\$9,184,054	\$14,724	\$341,859	\$29,218	\$144,578	\$986,674	\$0	\$47,454,496
b. Retired, Disabled and Beneficiary Members	23,005,682	3,437,263	33,018	248,881	26,513	188,994	283,164	9,855,313	37,078,828
c. Terminated Vested Members	1,594,968	273,111	1,188	7,448	5,986	10,415	43,334	0	1,936,450
2. Total Actuarial Liability	\$61,354,039	\$12,894,428	\$48,930	\$598,188	\$61,717	\$343,987	\$1,313,172	\$9,855,313	\$86,469,774
3. Actuarial Value of Assets	\$81,966,615	\$15,306,638	\$84,301	\$830,032	\$86,287	\$397,060	\$1,313,172	(\$578,428)	\$99,405,677
4. Unfunded Actuarial Liability / (Surplus)	(\$20,612,576)	(\$2,412,210)	(\$35,371)	(\$231,844)	(\$24,570)	(\$53,073)	\$0	\$10,433,741 ¹	(\$12,935,903)

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 of (1) the excess of future contributions over normal costs and (2) the excess of actual investment returns over assumed 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 possible FRS contribution rates based on the July 1, 2002 membership data to be effective for the Plan Year beginning July 1, 2003.

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.

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-1.

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 fifth 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 Florida 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-3 of this section presents the total possible 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 proposed 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 using surplus actuarial assets. First, the bill provided an

CONTRIBUTIONS

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, etc. 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, fiscal 2001-2002 and fiscal 2002-2003 (based on the July 1, 1999, 2000 and 2001 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 10% of the actuarial liability (the actual percentage is 14.96% of the actuarial liability), 1/6 of the excess from 5% to 10% and 3/6 of the excess over 10% is available. After the rate stabilization mechanism is applied, approximately \$5.4 billion of the surplus is available for contribution rate reduction or other Florida Retirement System uses. This surplus, pursuant to Florida Law, is amortized over 10 years, which translates to \$0.895 billion available for the FY 2003-2004 budget year, prior to the recognition of the 1% contribution rate reduction and the 1999 experience study offset, etc., as noted is the preceding paragraph, and prior to other rate reductions previously adopted for fiscal year 2000-2001 and 2001-2002 (see subsequent paragraph).

Below is an excerpt from Table D-3 which provides a projection of the available surplus. This table assumes several prior rate reductions or offsets would continue for fiscal 2003-2004 and reduce the total available surplus of \$0.895 billion. If these items were to be adopted by the Legislature, \$56.7 million of the available surplus remains. We used this surplus, as a possible scenario, to reduce the DROP contribution rate from 11.56% to 8.00% and revised the across the board reduction to all other classes from 2.02% to 2.03%. Table IV-3 presents the results assuming the additional surplus is not used for rate reduction, whereas Table IV-4 presents this possible scenario.

	2002 – 2003 Fiscal Year (in millions)
1.0% Rate Reduction	(\$216.5)
Experience Study hold harmless (hold normal cost rate at 10.55%)	(\$99.9)
6 yr DB vesting – hold harmless from rate increase	(\$89.5)
Cost to DB program of adding new DC program	\$21.1
2.02% Rate Reduction	(\$437.2)
12% Increase in Special Risk benefits (in pay status before 07/01/2000)	<u>(\$15.8)</u>
Total	(\$837.8)
Estimate Surplus Available RSM 11	\$894.5
Additional Surplus Available	\$56.7

Please refer to table D-3 for important footnotes that should be understood when reading this table.

C. CHANGES SINCE PRIOR VALUATION

None.

Table IV-1
Florida Retirement System
Normal Cost Rates by Decrement
July 1, 2002

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior		Composite
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	Rate
1. Vested Benefits	0.97%	1.35%	0.78%	1.28%	2.92%	1.73%	1.27%	NA	1.03%
2. Early Retirement	1.32%	2.28%	1.17%	0.93%	1.67%	1.94%	1.37%	NA	1.45%
3. Regular Retirement	6.44%	15.28%	8.35%	14.24%	8.76%	11.11%	7.33%	NA	7.63%
4. Non-Duty Death	0.37%	0.92%	0.50%	2.15%	0.81%	1.40%	0.56%	NA	0.45%
5. Line of Duty Death	0.33%	0.80%	0.76%	0.76%	0.56%	0.67%	0.42%	NA	0.39%
6. Non-Duty Disability	0.43%	0.93%	0.53%	1.09%	0.60%	0.77%	0.52%	NA	0.50%
7. Line of Duty Disability	0.10%	0.59%	0.49%	0.25%	0.16%	0.19%	0.12%	NA	0.17%
8. Total Normal Cost	<u>9.96%</u>	<u>22.15%</u>	<u>12.58%</u>	<u>20.70%</u>	<u>15.48%</u>	<u>17.81%</u>	<u>11.59%</u>	<u>NA</u>	<u>11.62%</u>

Table IV-2
Florida Retirement System
Unfunded Actuarial Liability (UAL) Bases
July 1, 2002
(\$ in Thousands)

	FRS	----- Special Risk -----	-- Elected Officers' Class --				Senior		
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	Total
1. Actuarial Accrued Liability (Table III-2)	\$61,354,039	\$12,894,428	\$48,930	\$598,188	\$61,717	\$343,987	\$1,313,172	\$9,855,313	\$86,469,774
2. Actuarial Value of Assets (Table II-4)	81,966,615	15,306,638	84,301	830,032	86,287	397,060	1,313,172	(578,428)	99,405,677
3. Total UAL / (Surplus) (1 - 2)	(\$20,612,576)	(\$2,412,210)	(\$35,371)	(\$231,844)	(\$24,570)	(\$53,073)	\$0	\$10,433,741	(\$12,935,903)
4. Expected UAL / (Surplus)	(21,188,484)	(2,685,592)	(40,992)	(237,788)	(26,174)	(56,077)	0	8,548,939	(15,686,168)
5. New UAL Base Attributable to Plan / Assumption Change	NA	NA	NA	NA	NA	NA	NA	NA	NA
6. New UAL Base Attributable to 2001-2002 (Gain)/Loss (3 - 4 - 5)	\$575,908	\$273,382	\$5,621	\$5,944	\$1,604	\$3,004	\$0	\$1,884,802	\$2,750,265

Table IV-3
Florida Retirement System
Possible Employer Contribution Rates
July 1, 2002 Valuation for Fiscal Year Beginning July 1, 2003

No utilization of the additional surplus available for further 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	9.96%	22.15%	12.58%	20.70%	15.48%	17.81%	11.59%	11.62%	NA	NA
2. UAL Cost ²	-0.75%	-1.80%	-0.84%	-0.23%	-1.17%	-0.76%	-0.40%	-0.87%	NA	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.47%	14.31%	17.05%	11.19%	10.75% ³	11.56%	10.80%
4. 1% Rate Reduction	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.93%
5. Additional Rate Reduction #1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6. Additional Rate Reduction #2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Total Adjusted Contribution [(3) + (4) + (5) + (6)]	8.21%	19.35%	10.74%	19.47%	13.31%	16.05%	10.19%	9.75%	11.56%	9.87%

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 (excluding DROP) is 0.05% more than last year's rate of 10.70%.

* Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2003-2004. The reader should also be aware that if the surplus were to be eliminated there would be an additional cost to the Special Risk Regular Class of 0.82% attributable to the 12% increase in pre-2000 retired benefits, which is currently being paid from the surplus. Furthermore, the above table does not incorporate the cost attributable to the implementation of the DC Plan as shown on Table D-3.

Table IV-4
Florida Retirement System
Possible Employer Contribution Rates
July 1, 2002 Valuation for Fiscal Year Beginning July 1, 2003

Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:
The DROP contribution rate is reduced to 8.00% with the 2.02% increased by 0.01% to 2.03%

	FRS Regular	----- Special Risk ----- Regular	Administration	-- Elected Officers' Class -- Judicial	Leg-Atty-Cab	County	Senior Management	Composite (excluding DROP)	Composite DROP ¹	Composite (including DROP)
1. Normal Cost	9.96%	22.15%	12.58%	20.70%	15.48%	17.81%	11.59%	11.62%	NA	NA
2. UAL Cost ²	-0.75%	-1.80%	-0.84%	-0.23%	-1.17%	-0.76%	-0.40%	-0.87%	NA	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.47%	14.31%	17.05%	11.19%	10.75% ³	11.56%	10.80%
4. 1% Rate Reduction	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.93%
5. Additional Rate Reduction #1	-2.02%	-2.02%	-2.02%	-2.02%	-2.02%	-2.02%	-2.02%	-2.02%	NA	-1.89%
6. Additional Rate Reduction #2	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-3.56%	-0.25%
7. Total Adjusted Contribution [(3) + (4) + (5) + (6)]	6.18%	17.32%	8.71%	17.44%	11.28%	14.02%	8.16%	7.72%	8.00%	7.73%

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 (excluding DROP) is 0.05% more than last year's rate of 10.70%.

* Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2003-2004. The reader should also be aware that if the surplus were to be eliminated there would be an additional cost to the Special Risk Regular Class of 0.82% attributable to the 12% increase in pre-2000 retired benefits, which is currently being paid from the surplus. Furthermore, the above table does not incorporate the cost attributable to the implementation of the DC Plan as shown on Table D-3.

Table IV-5
Florida Retirement System
Possible UAL / (Surplus)
July 1, 2002

	FRS	----- Special Risk -----	-- Elected Officers' Class --				Senior		
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	Total
1. Previous UAL Bases *	0.00%	0.00%	000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2. 2001-2002 (Gains) / Losses *	0.00%	0.00%	000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3. 2001-2002 Assumption Changes *	NA	NA	NA	NA	NA	NA	NA	NA	NA
4. 2001-2002 Plan Changes *	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Use of Surplus									
- UAL Cost	-0.75%	-1.80%	-0.84%	-0.23%	-1.17%	-0.76%	-0.40%	NA	-0.82%
- 1% rate reduction	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>NA</u>	<u>-0.93%</u>
- Total surplus Utilization	-1.75%	-2.80%	-1.84%	-1.23%	-2.17%	-1.76%	-1.40%	NA	-1.75%
6. Total	-1.75%	-2.80%	-1.84%	-1.23%	-2.17%	-1.76%	-1.40%	NA	-1.75%

SECTION V

ACCOUNTING STATEMENT

ACCOUNTING STATEMENT

Statement No. 35 of the Financial Accounting Standards Board (FASB) establishes standards for disclosure of certain information regarding the Plan's funded status. Statement No. 25 of the Governmental Standards Board (GASB) establishes standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in notes to financial statements and supplementary information.

The FASB-35 disclosures are intended to provide a "snap shot" view of how the Plan's assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. The present value of accrued benefits (ABO) are determined assuming that the plan is ongoing and participants continue to terminate employment, retire, and otherwise act in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 8% per annum.

Table V-1 presents the ABO for the Florida Retirement System determined as of July 1, 2002. All of the calculations presented in that table are based on the actuarial assumptions used in the valuation, as described in Appendix A, except no salary projection. Values of the ABO 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.

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

Table V-3 reconciles the ABO determined as of the prior valuation, July 1, 2001, to the ABO as of July 1, 2002. This reconciliation indicates the impact of the assumption changes and plan changes, if any.

GASB Statement No. 25 requires the actuarial accrued liability (AAL) to be compared with the actuarial value of assets used for funding purposes. The report includes two tables for GASB No. 25 disclosures and a third table used in the Comprehensive Annual Financial Report. Table V-4 shows the GASB No. 25 Accounting Statement Information by membership class. Table V-5 shows similar information for the total FRS comparing several year's results in addition to the July 1, 2001 results. Table V-6 shows the Solvency Test for the FRS for the 2000, 2001, and 2002 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 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, 2000 and July 1, 2001) for the FRS are shown in Table V-2 (ABO) and Table V-5 (AAL). Past and future results are affected by changes in actuarial assumptions, benefit provisions, accounting policies, etc.

ACCOUNTING STATEMENT

The implementation of the rate stabilization mechanism causes the System to contribute less than actually determined contributions and therefore leads to an accounting disclosure under GASB Statement Number 27. The Annual Required Contribution (ARC) developed in the 2000 annual valuation which applies to FY 2001-2002, \$1,825,485, included the sum of the composite contribution rate (excluding DROP) of 11.28% and the DROP contribution rate of 11.56% offset by the minimum UAL amortization payment required by GASB. As shown on Table V-7, the Annual Pension Cost (APC) is \$1,814,465, and the total employer contribution was actually \$1,777,349. Therefore, if GASB 27 applies, the State's CAFR must reflect a Net Pension Obligation (NPO) of (\$322,811).

Note: Statement No. 5 of the Governmental Accounting Standards Board (GASB) no longer applies and therefore the tables were removed from the report.

ACCOUNTING STATEMENT

Table V-1
Florida Retirement System
Accumulated Benefit Obligation - FASB Statement #35
July 1, 2002
(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	\$77,997	\$5,666	\$22	\$1,034	\$85	\$484	\$2,446	\$0	\$87,734
b. Vested Benefits	19,114,738	4,375,208	8,777	180,226	16,601	74,327	529,998	0	24,299,875
c. Non - Vested Benefits	<u>723,858</u>	<u>186,593</u>	<u>0</u>	<u>7,381</u>	<u>627</u>	<u>5,335</u>	<u>13,561</u>	<u>0</u>	<u>937,355</u>
d. Total	\$19,916,593	\$4,567,467	\$8,799	\$188,641	\$17,313	\$80,146	\$546,005	\$0	\$25,324,964
2. Annuitants	\$23,005,682	\$3,437,263	\$33,018	\$248,881	\$26,513	\$188,994	\$283,164	\$9,855,313	\$37,078,828
3. Other Inactive Members	<u>\$1,594,968</u>	<u>\$273,111</u>	<u>\$1,188</u>	<u>\$7,448</u>	<u>\$5,986</u>	<u>\$10,415</u>	<u>\$43,334</u>	<u>\$0</u>	<u>\$1,936,450</u>
4. Total Accumulated Benefit Obligation	\$44,517,243	\$8,277,841	\$43,005	\$444,970	\$49,812	\$279,555	\$872,503	\$9,855,313	\$64,340,242
B. Assets Available for Benefits									
1. Market	\$73,953,813	\$13,810,309	\$76,060	\$748,891	\$77,852	\$358,245	\$1,184,800	(\$521,883)	\$89,688,087
2. Actuarial Basis	\$81,966,615	\$15,306,638	\$84,301	\$830,032	\$86,287	\$397,060	\$1,313,172	(\$578,428)	\$99,405,677
C. Unfunded Total Accumulated Benefit Obligation,									
Assets at:									
1. Market	(\$29,436,570)	(\$5,532,468)	(\$33,055)	(\$303,921)	(\$28,040)	(\$78,690)	(\$312,297)	\$10,377,196	(\$25,347,845)
2. Actuarial Basis	<u>(\$37,449,372)</u>	<u>(\$7,028,797)</u>	<u>(\$41,296)</u>	<u>(\$385,062)</u>	<u>(\$36,475)</u>	<u>(\$117,505)</u>	<u>(\$440,669)</u>	<u>\$10,433,741</u>	<u>(\$35,065,435)</u>
D. Percent of Accumulated Obligation Funded,									
Assets at:									
1. Market	166.12%	166.83%	176.86%	168.30%	156.29%	128.15%	135.79%	-5.30%	139.40%
2. Actuarial Basis	184.12%	184.91%	196.03%	186.54%	173.23%	142.03%	150.51%	-5.87%	154.50%

ACCOUNTING STATEMENT

Table V-2
Florida Retirement System
Analysis of Funding Progress - FASB Statement #35
(All Amounts in Thousands)

	<u>July 1, 2000</u> <u>Valuation Basis</u>	<u>July 1, 2001</u> <u>Valuation Basis</u>	<u>July 1, 2002</u> <u>Valuation Basis</u>
A. Accumulated Benefit Obligation			
1. Active Members			
a. Accumulated Member Contributions Employer - Financed	\$120,214	\$112,961	\$87,734
b. Vested Benefits	21,812,775	23,435,318	24,299,875
c. Non - Vested Benefits	<u>813,153</u>	<u>853,650</u>	<u>937,355</u>
d. Total	\$22,746,142	\$24,401,929	\$25,324,964
2. Annuitants	\$23,605,509	\$25,424,812	\$27,223,515
3. Other Inactive Members	\$1,684,156	\$1,913,828	\$1,936,450
3. DROP	<u>\$6,459,056</u>	<u>\$7,790,552</u>	<u>\$9,855,313</u>
4. Total Accumulated Benefit Obligation	\$54,494,863	\$59,531,121	\$64,340,242
B. Assets Available for Benefits			
1. Market	\$106,526,168	\$98,410,130	\$89,688,087
2. Actuarial Basis	\$88,503,838	\$95,517,948	\$99,405,677
C. Unfunded Total Accumulated Benefit Obligation, Assets at:			
1. Market	(\$52,031,305)	(\$38,879,009)	(\$25,347,845)
2. Actuarial Basis	(\$34,008,975)	(\$35,986,827)	(\$35,065,435)
D. Percent of Accumulated Benefit Obligation Funded, Assets at:			
1. Market	195.48%	165.31%	139.40%
2. Actuarial Basis	162.41%	160.45%	154.50%
E. Annual Salaries ¹	\$20,463,403	\$21,360,862	\$22,195,184
F. Unfunded Accumulated Benefit Obligation as a Percent of Salary, Assets at:			
1. Market	-254.27%	-182.01%	-114.20%
2. Actuarial Basis	-166.19%	-168.47%	-157.99%

¹ Includes Drop Salaries

ACCOUNTING STATEMENT

Table V-3
Florida Retirement System
Statement of Changes in Total Actuarial
Present Value of All Accrued Benefits
(All Amounts in Thousands)

	Accumulated Benefit Obligation
Actuarial Present Value of Accrued Benefits at July 1, 2001	\$59,531,121
Increase (Decrease) During Year Attributable to:	
Increase for Interest Due to Decrease in Discount Period	\$4,641,392
Benefits Paid – FY 2002	(\$3,086,830)
Benefits Accrued & Other Gains / Losses	\$3,254,559
Plan Provision / Assumption Changes	\$0
Net Increase (Decrease)	\$4,809,121
Actuarial Present Value of Accrued Benefits at July 1, 2002	\$64,340,242

ACCOUNTING STATEMENT

Table V-4
Florida Retirement System
Accounting Statement Information - GASB Statement #25
July 1, 2002
(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	\$77,997	\$5,666	\$22	\$1,034	\$85	\$484	\$2,446	\$0	\$87,734
b. Annuitants	23,005,682	3,437,263	33,018	248,881	26,513	188,994	283,164	9,855,313	37,078,828
c. Other Inactive Members	1,594,968	273,111	1,188	7,448	5,986	10,415	43,334	0	1,936,450
d. Active Members	<u>36,675,392</u>	<u>9,178,388</u>	<u>14,702</u>	<u>340,825</u>	<u>29,133</u>	<u>144,094</u>	<u>984,228</u>	<u>0</u>	<u>47,366,762</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d)]	\$61,354,039	\$12,894,428	\$48,930	\$598,188	\$61,717	\$343,987	\$1,313,172	\$9,855,313	\$86,469,774
3. Actuarial Value of Assets	\$81,966,615	\$15,306,638	\$84,301	\$830,032	\$86,287	\$397,060	\$1,313,172	(\$578,428)	\$99,405,677
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$20,612,576)	(\$2,412,210)	(\$35,371)	(\$231,844)	(\$24,570)	(\$53,073)	\$0	\$10,433,741	(\$12,935,903)
5. Funded Ratio	133.60%	118.71%	172.29%	138.76%	139.81%	115.43%	100.00%	-5.87%	114.96%
6. Covered Payroll	\$17,545,989	\$2,629,203	\$4,206	\$98,311	\$8,650	\$49,413	\$392,921	\$1,466,491	\$22,195,184
7. UAAL / (Surplus) as a % of Payroll	-117.48%	-91.75%	-840.97%	-235.83%	-284.05%	-107.41%	0.00%	711.48%	-58.28%

ACCOUNTING STATEMENT

Table V-5
Florida Retirement System
Accounting Statement Information - GASB Statement #25
(All Amounts in Thousands)

	July 1, 2000 Valuation Basis	July 1, 2001 Valuation Basis	July 1, 2002 Valuation Basis
1. Actuarial Accrued Liability:			
a. Active Member Contributions	\$120,214	\$112,961	\$87,734
b. Annuitants	23,605,509	25,424,812	27,223,515
c. DROP	6,459,056	7,790,552	9,855,313
d. Other Inactive Members	1,684,156	1,913,828	1,936,450
e. Active Members	<u>43,080,015</u>	<u>45,751,565</u>	<u>47,366,762</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d) + 1(e)]	\$74,948,950	\$80,993,718	\$86,469,774
3. Actuarial Value of Assets	\$88,503,838	\$95,517,948	\$99,405,677
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$13,554,888)	(\$14,524,230)	(\$12,935,903)
5. Funded Ratio	118.09%	117.93%	114.96%
6. Covered Payroll ¹	\$20,463,403	\$21,360,862	\$22,195,184
7. UAAL / (Surplus) as a % of Payroll	-66.24%	-67.99%	-58.28%

¹ Includes Drop Salaries

ACCOUNTING STATEMENT

Table V-6
Florida Retirement System
Solvency Test
(All Amounts in Thousands)

	July 1, 2000 Valuation Basis	July 1, 2001 Valuation Basis	July 1, 2002 Valuation Basis
1. Actuarial Accrued Liability for:			
a. Retired and Disabled Members, and Survivors	\$23,605,509	\$25,424,812	\$27,223,515
b. DROP	6,459,056	7,790,552	9,855,313
c. Vested Deferred and Inactive Status Members	1,684,156	1,913,828	1,936,450
d. Active Members			
i) Accumulated employee contributions with interest	120,214	112,961	87,734
ii) Employer-financed liabilities	43,080,015	45,751,565	47,366,762
e. Total	\$74,948,950	\$80,993,718	\$86,469,774
2. Net Assets Available for Benefits at Market Value	\$106,526,168	\$98,410,130	\$89,688,087
3. Ratio of Assets to Actuarial Accrued Liabilities: [2 / 1]	142.13%	121.50%	103.72%

ACCOUNTING STATEMENT

Table V-7
Florida Retirement System
Net Pension Obligation - GASB Statement #27
(All Amounts in Thousands)

	ACTUAL		PROJECTED
	<u>7/1/2000 - 6/30/2001</u>	<u>7/1/2001 - 6/30/2002</u>	<u>7/1/2002 - 6/30/2003</u>
1. Annual Required Contribution:	\$1,869,731	\$1,825,485	\$1,962,966
2. Interest on Net Pension Obligation:	(13,915)	(28,794)	(25,825)
3. Adjustment to Annual Required Contribution:	<u>8,589</u>	<u>17,774</u>	<u>15,941</u>
4. Annual Pension Cost: [1 + 2 + 3]	\$1,864,405	\$1,814,465	\$1,953,082
5. Contributions Made:	<u>\$2,050,396</u>	<u>\$1,777,349</u>	<u>N A</u>
6. Increase in Net Pension Obligation: [4 - 5]	(185,991)	37,116	N A
7. Net Pension Obligation at Beginning of Year:	<u>(173,936)</u>	<u>(359,927)</u>	<u>(322,811)</u>
8. Net Pension Obligation at End of Year:	(359,927)	(322,811)	N A

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-I 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

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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.

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.

ACTUARIAL METHODS, PROCEDURES AND 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.

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 EARNINGS

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.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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.

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

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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.

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:

FRS-Special Risk		
Type of Service Credit	Men	Women
Military Service Credit	0.2818	0
Out-of-State Service Credit	0	0

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Type of Service Credit	FRS-All Other Groups	
	Men	Women
Military Service Credit	0.1853	0
Out-of-State Service Credit	0.0910	0.0910

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

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, 2002	
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
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	0.022%	0.013%
35	0.040	0.039
45	0.092	0.087
55	0.273	0.230
FRS-All Other Groups		
Age	Men	Women
25	0.007%	0.002%
35	0.013	0.007
45	0.031	0.015
55	0.091	0.038
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	0.045%	0.027%
35	0.079	0.079
45	0.175	0.348
55	0.727	0.613
FRS-All Other Groups		
Age	Men	Women
25	-%	-%
35	0.066	0.052
45	0.216	0.160
55	0.636	0.536
TRS and SCOERS		
Age	Men	Women
25	0.149%	0.089%
35	0.264	0.262
45	0.616	0.585
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	0.05%	0.02%
25	0.05	0.03
30	0.07	0.04
35	0.09	0.05
40	0.13	0.08
45	0.20	0.11
50	0.38	0.17
55	0.65	0.25
60	1.00	0.39
65	1.59	0.69
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	0.04%	0.02%
25	0.06	0.03
30	0.08	0.03
35	0.08	0.04
40	0.10	0.06
45	0.14	0.08
50	0.21	0.12
55	0.36	0.22
60	0.67	0.44
65	1.26	0.86
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				
Completed Years of Service	Attained Age			
	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				
Completed Years of Service	Attained Age			
	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* Attained Age			
	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* Attained Age			
	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, city, and special district officers. 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	2002-2003 Fiscal Year Rates
Regular	4.16%
Special Risk	15.30
Special Risk Administrative	6.69
Elected Officers	
- Judges	15.42
- State	9.26
- County	12.00
Senior Management	5.65
DROP	11.56

The above rates exclude the 0.15% administrative charge for PEORP administration and education (except DROP), and the 1.11% for the financing of the health insurance subsidy described later in this part.

The above rates were modified by 2002 Legislation to reflect potential transfers to PEORP. The net result of the Legislation was that employers contributed the same rate whether the member elected PEORP membership or FRS defined benefit membership with the anticipated elections to not impact the expected amount of actual FRS defined benefit contributions.

SUMMARY OF PLAN PROVISIONS

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))

- 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.

(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 Special Risk Member and a member of another class, 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 under Division A prior to Social Security coverage; and 1.50% for creditable service rendered under Division B 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 and retired under normal retirement.

Benefit Amount

Effective July 1, 2002, the minimum monthly benefit is \$20.12 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 for the minimum benefit calculation 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.

(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 after 6 years if disability retirement is ordered for a judge by the Supreme Court); 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 eligible 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.

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 until termination. Since the normal retirement benefit commenced upon DROP participation, 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, 2002, the minimum monthly benefit is \$20.12 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 for the minimum benefit calculation 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 TRS 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 until termination. Since the normal retirement benefit commenced upon DROP participation, 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 121.101)

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.
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Members after July 1, 1963:	Age 62 and 10 years of service, or 30 years of creditable service.
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Members under former Chapter 121 and Chapter 134:	30 years of service.
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(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.
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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 and retired under normal retirement.

Benefit Amount

Effective July 1, 2002, the minimum monthly benefit is \$20.12 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 for the minimum benefit calculation 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 SCOERS 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 until termination. Since the normal retirement benefit commenced upon DROP participation, 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 121.101)

APPENDIX C

MEMBERSHIP DATA

MEMBERSHIP DATA

This valuation is based upon the membership of the System as of July 1, 2002.

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, 2002
Regular and Early Retirement by Age

Age		Men	Women	Total
Number of Persons				
Under	50	717	531	1,248
	50 to 54	2,641	2,724	5,365
	55 to 59	7,025	8,773	15,798
	60 to 64	10,833	15,867	26,700
	65 to 69	15,913	22,199	38,112
	70 to 74	16,051	20,853	36,904
	75 to 79	12,668	16,618	29,286
	80 & Up	15,055	19,321	34,376
Total		80,903	106,886	187,789
Annual Benefits (in Thousands)				
Under	50	\$7,886	\$2,517	\$10,403
	50 to 54	43,194	23,011	66,205
	55 to 59	133,558	105,064	238,622
	60 to 64	194,770	192,691	387,461
	65 to 69	262,100	266,502	528,602
	70 to 74	256,078	251,183	507,261
	75 to 79	184,879	180,689	365,568
	80 & Up	161,420	183,521	344,941
Total		\$1,243,885	\$1,205,178	\$2,449,063

Table C-2
Florida Retirement System
Annuitants at July 1, 2002
Disability Retirement by Age

Age		Men	Women	Total
Number of Persons				
Under	50	610	755	1,365
	50 to 54	628	904	1,532
	55 to 59	852	1,277	2,129
	60 to 64	755	1,193	1,948
	65 to 69	503	706	1,209
	70 to 74	308	470	778
	75 to 79	257	372	629
	80 & Up	234	441	675
Total		4,147	6,118	10,265

Annual Benefits (in Thousands)				
Under	50	\$6,749	\$6,658	\$13,407
	50 to 54	7,291	8,378	15,669
	55 to 59	9,642	11,983	21,625
	60 to 64	7,785	10,640	18,425
	65 to 69	5,003	5,962	10,965
	70 to 74	2,953	3,308	6,261
	75 to 79	2,116	2,556	4,672
	80 & Up	1,637	2,969	4,606
Total		\$43,176	\$52,454	\$95,630

Table C-3
Florida Retirement System
Potential Annuitants at July 1, 2002
Vested Terminated Members by Age for the Regular,
Senior Management, and Elected Officer Classes

Age	Men	Women	Total
Number of Persons			
Under 30	46	104	150
30 to 34	386	1,026	1,412
35 to 39	1,510	3,501	5,011
40 to 44	3,158	6,274	9,432
45 to 49	4,307	8,345	12,652
50 to 54	4,297	8,145	12,442
55 to 59	2,609	4,521	7,130
60 & Up	1,403	3,384	4,787
Total	17,716	35,300	53,016

Annual Benefits (in Thousands) *			
Under 30	\$115	\$267	\$382
30 to 34	1,556	3,860	5,416
35 to 39	8,267	17,043	25,310
40 to 44	20,075	34,494	54,569
45 to 49	30,486	49,222	79,708
50 to 54	34,031	50,746	84,777
55 to 59	20,365	26,504	46,869
60 & Up	8,615	14,250	22,865
Total	\$123,510	\$196,386	\$319,896

* Deferred to Age 62

Table C-4
Florida Retirement System
Potential Annuitants at July 1, 2002
Vested Terminated Members by Age for the
Special Risk Regular & Administrative Support Class

Age	Men	Women	Total
Number of Persons			
Under 30	36	6	42
30 to 34	249	87	336
35 to 39	679	206	885
40 to 44	731	214	945
45 to 49	585	180	765
50 to 54	396	84	480
55 to 59	86	29	115
60 & Up	42	9	51
Total	2,804	815	3,619

Annual Benefits (in Thousands) *			
Under 30	\$240	\$31	\$271
30 to 34	2,226	675	2,901
35 to 39	7,738	2,264	10,002
40 to 44	9,464	2,502	11,966
45 to 49	7,574	2,338	9,912
50 to 54	4,877	990	5,867
55 to 59	1,032	300	1,332
60 & Up	416	82	498
Total	\$33,567	\$9,182	\$42,749

* Deferred to Age 55

Table C-5
Florida Retirement System
Annuitants and Potential Annuitants at July 1, 2002
All Types of Retirement by System

System	Annuitants	Potential Annuitants	Total
Number of Persons			
Regular	182,940	52,330	235,270
Senior Management	635	401	1,036
Special Risk	12,913	3,596	16,509
Special Risk Administrative	112	23	135
Judges	534	30	564
Legislative/Attorneys/Cabinet	131	67	198
County Officials	789	188	977
Total	198,054	56,635	254,689
Annual Benefits (in Thousands)			
Regular	\$2,197,187	\$308,152	\$2,505,339
Senior Management	23,171	8,024	31,195
Special Risk	273,817	42,587	316,404
Special Risk Administrative	2,650	162	2,812
Judges	27,208	1,276	28,484
Legislative/Attorneys/Cabinet	2,653	825	3,478
County Officials	18,007	1,619	19,626
Total	\$2,544,693	\$362,645	\$2,907,338

Table C-6
Florida Retirement System
Annuitants at July 1, 2002
DROP Members *

Age		Men	Women	Total
Number of Persons				
Under	50	307	60	367
	50 to 54	1,758	1,827	3,585
	55 to 59	4,479	4,399	8,878
	60 to 64	4,002	5,135	9,137
	65 to 69	2,069	2,634	4,703
	70 to 74	569	668	1,237
	75 to 79	197	181	378
	80 & Up	<u>52</u>	<u>52</u>	<u>104</u>
Total		13,433	14,956	28,389

Annual Benefits (in Thousands)				
Under	50	\$12,836	\$1,440	\$14,276
	50 to 54	58,741	40,380	99,121
	55 to 59	131,633	108,832	240,465
	60 to 64	88,136	87,695	175,831
	65 to 69	36,221	34,203	70,424
	70 to 74	10,577	8,170	18,747
	75 to 79	2,753	2,141	4,894
	80 & Up	<u>1,175</u>	<u>550</u>	<u>1,725</u>
Total		\$342,072	\$283,411	\$625,483

* 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, 2002
FRS-Regular: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	521	4,407,914				
20 to 24	4,339	76,047,197	75	1,676,583		
25 to 29	8,334	217,609,016	1,963	55,964,340	58	1,830,594
30 to 34	7,752	213,715,163	6,202	208,961,616	1,677	57,552,917
35 to 39	6,375	174,962,640	5,563	188,118,920	4,891	192,526,270
40 to 44	6,547	179,197,122	5,324	182,316,826	5,268	208,512,223
45 to 49	6,233	171,638,801	5,181	175,413,289	5,049	200,535,735
50 to 54	5,547	152,902,954	5,160	175,212,990	4,933	194,138,023
55 to 59	4,770	125,984,882	4,196	139,374,948	4,224	167,092,903
60 to 64	2,701	62,760,831	2,547	77,153,259	2,193	81,801,452
65 & UP	2,594	40,385,583	1,793	39,036,668	1,124	31,960,529
TOTALS	55,713	1,419,612,103	38,004	1,243,229,439	29,417	1,135,950,646

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	38,154				
30 to 34	104	3,649,879				
35 to 39	2,106	80,862,986	132	5,264,530		
40 to 44	5,033	221,193,493	2,014	85,542,486	138	5,617,709
45 to 49	4,799	213,634,692	4,342	205,972,463	2,146	97,321,904
50 to 54	4,205	192,022,988	4,033	199,967,370	4,667	250,143,356
55 to 59	3,262	145,747,683	2,754	137,992,693	2,675	148,653,312
60 to 64	1,560	67,124,436	1,064	52,296,403	861	47,828,116
65 & UP	538	21,248,328	256	12,065,977	146	7,943,067
TOTALS	21,608	945,522,639	14,595	699,101,922	10,633	557,507,464

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	88	3,992,984				
50 to 54	967	51,361,603	10	442,611		
55 to 59	863	51,927,926	44	2,207,131		
60 to 64	254	17,532,253	69	4,406,757	6	293,649
65 & UP	87	6,230,382	32	2,483,787	14	1,208,411
TOTALS	2,259	131,045,148	155	9,540,286	20	1,502,060

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					521	4,407,914
20 to 24					4,414	77,723,780
25 to 29					10,356	275,442,104
30 to 34					15,735	483,879,575
35 to 39					19,067	641,735,346
40 to 44					24,324	882,379,859
45 to 49					27,838	1,068,509,868
50 to 54					29,522	1,216,191,895
55 to 59					22,788	918,981,478
60 to 64					11,255	411,197,156
65 & UP	2	70,392	2	136,508	6,588	162,769,632
TOTALS	2	70,392	2	136,508	172,408	6,143,218,607

MEMBERSHIP DATA

Table C-8
Florida Retirement System
Members and Their Salaries at July 1, 2002
FRS-Regular: Women

AGE	UNDER 5		SERVICE 5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	900	6,378,127				
20 to 24	10,619	191,479,698	175	3,559,053	1	34,373
25 to 29	22,952	573,994,896	5,655	153,181,320	98	2,578,785
30 to 34	18,470	426,241,432	15,442	457,942,342	4,343	136,658,198
35 to 39	16,682	335,762,686	12,291	330,022,835	11,264	379,153,823
40 to 44	16,651	329,652,649	12,870	325,777,540	11,248	359,614,284
45 to 49	13,459	280,079,719	12,221	316,732,365	12,278	386,758,829
50 to 54	9,975	214,097,315	9,792	264,322,835	11,176	363,553,812
55 to 59	6,881	140,778,584	6,532	168,197,986	7,595	242,900,976
60 to 64	3,407	59,770,725	3,125	71,043,570	3,279	94,009,181
65 & UP	2,289	27,344,795	1,629	27,261,899	1,224	26,265,940
TOTALS	122,285	2,585,580,626	79,732	2,118,041,745	62,506	1,991,528,201

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	206	6,480,312	1	17,020		
35 to 39	4,429	155,542,680	186	6,561,268		
40 to 44	10,085	380,276,590	4,452	169,221,697	183	6,895,766
45 to 49	9,922	364,015,987	9,842	419,770,472	4,209	181,277,345
50 to 54	10,244	380,562,183	8,780	368,647,705	9,279	451,063,200
55 to 59	7,699	283,078,221	6,929	280,100,080	5,120	223,638,939
60 to 64	3,060	104,880,716	2,769	103,866,479	2,096	83,772,653
65 & UP	779	20,267,431	483	13,778,416	317	10,478,859
TOTALS	46,424	1,695,104,120	33,442	1,361,963,137	21,204	957,126,762

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	99	4,091,667				
50 to 54	1,410	70,897,130	7	365,370		
55 to 59	1,184	59,745,165	77	3,777,275		
60 to 64	325	13,280,297	64	3,100,526	13	626,839
65 & UP	130	4,331,109	25	996,321	14	747,367
TOTALS	3,148	152,345,368	173	8,239,492	27	1,374,206

AGE	SERVICE 45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					900	6,378,127
20 to 24					10,795	195,073,124
25 to 29					28,705	729,755,001
30 to 34					38,462	1,027,339,304
35 to 39					44,852	1,207,043,292
40 to 44					55,489	1,571,438,526
45 to 49					62,030	1,952,726,384
50 to 54					60,663	2,113,509,550
55 to 59					42,017	1,402,217,226
60 to 64					18,138	534,350,986
65 & UP	11	617,224	1	68,732	6,902	132,158,093
TOTALS	11	617,224	1	68,732	368,953	10,871,989,613

MEMBERSHIP DATA

Table C-9
Florida Retirement System
Members and Their Salaries at July 1, 2002
FRS-Special Risk: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	7	119,334				
20 to 24	1,607	44,342,061	32	912,700		
25 to 29	3,627	112,559,198	1,653	58,878,796	18	724,240
30 to 34	3,067	99,601,610	3,984	153,678,221	1,875	80,335,334
35 to 39	1,462	46,615,221	2,311	88,763,948	3,388	155,215,500
40 to 44	881	28,476,292	1,193	43,677,536	1,975	88,998,598
45 to 49	645	21,959,329	851	30,407,192	1,090	47,139,649
50 to 54	424	15,022,711	645	23,363,283	816	33,546,069
55 to 59	261	8,989,231	400	14,874,291	465	18,289,998
60 to 64	77	2,365,682	164	6,141,811	175	7,091,851
65 & UP	18	671,258	45	1,508,741	39	1,584,820
TOTALS	12,076	380,721,927	11,278	422,206,519	9,841	432,926,059

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	56	2,719,089				
35 to 39	2,022	101,904,660	69	3,779,420		
40 to 44	2,684	141,318,526	1,437	83,499,534	50	3,169,789
45 to 49	1,407	72,342,705	2,037	123,319,905	670	42,107,848
50 to 54	883	43,118,149	1,128	66,856,339	576	35,750,517
55 to 59	376	18,232,116	278	15,250,019	137	7,735,659
60 to 64	153	7,102,620	73	3,810,729	41	2,253,688
65 & UP	23	1,067,299	11	608,177	11	535,374
TOTALS	7,604	387,805,164	5,033	297,124,123	1,485	91,552,875

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	12	674,162				
50 to 54	62	3,766,201				
55 to 59	51	3,368,727	5	298,796		
60 to 64	6	326,333	4	252,334		
65 & UP			1	62,002	1	80,977
TOTALS	131	8,135,423	10	613,132	1	80,977

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					7	119,334
20 to 24					1,639	45,254,761
25 to 29					5,298	172,162,234
30 to 34					8,982	336,334,254
35 to 39					9,252	396,278,749
40 to 44					8,220	389,140,275
45 to 49					6,712	337,950,790
50 to 54					4,534	221,423,269
55 to 59					1,973	87,038,837
60 to 64					693	29,345,048
65 & UP					149	6,118,648
TOTALS					47,459	2,021,166,199

MEMBERSHIP DATA

Table C-10
Florida Retirement System
Members and Their Salaries at July 1, 2002
FRS-Special Risk: Women

AGE	UNDER 5		SERVICE 5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	3	56,622				
20 to 24	642	16,957,070	6	184,309		
25 to 29	1,362	39,290,565	525	16,608,109	3	154,121
30 to 34	978	29,266,903	1,293	45,332,927	423	17,140,250
35 to 39	520	15,411,801	780	27,784,597	1,015	42,014,686
40 to 44	318	9,565,841	491	17,433,019	680	27,703,987
45 to 49	199	5,920,351	307	10,127,115	419	16,262,015
50 to 54	121	3,794,216	195	6,665,601	249	9,425,637
55 to 59	45	1,281,675	112	3,775,575	97	3,666,233
60 to 64	17	561,454	36	1,364,183	32	1,332,342
65 & UP			4	185,368	2	105,965
TOTALS	4,205	122,106,498	3,749	129,460,803	2,920	117,805,236

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	15	623,152				
35 to 39	457	21,376,472	7	339,476		
40 to 44	751	35,405,726	272	14,470,166	4	232,769
45 to 49	415	18,601,081	405	21,088,373	102	5,644,012
50 to 54	264	11,459,751	214	10,686,631	119	6,163,035
55 to 59	82	3,553,555	56	2,727,091	22	1,193,730
60 to 64	34	1,497,988	14	680,705	9	385,140
65 & UP	3	120,768			1	63,383
TOTALS	2,021	92,638,493	968	49,992,442	257	13,682,069

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	8	448,038				
55 to 59	5	259,683				
60 to 64						
65 & UP						
TOTALS	13	707,721				

AGE	SERVICE 45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					3	56,622
20 to 24					648	17,141,379
25 to 29					1,890	56,052,795
30 to 34					2,709	92,363,232
35 to 39					2,779	106,927,032
40 to 44					2,516	104,811,508
45 to 49					1,847	77,642,947
50 to 54					1,170	48,642,909
55 to 59					419	16,457,542
60 to 64					142	5,821,812
65 & UP					10	475,484
TOTALS					14,133	526,393,262

MEMBERSHIP DATA

Table C-11
Florida Retirement System
Members and Their Salaries at July 1, 2002
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						
30 to 34			6	231,549	4	145,739
35 to 39			1	35,206	3	103,883
40 to 44			1	30,747	3	155,062
45 to 49			2	70,205	4	153,856
50 to 54					2	75,199
55 to 59					1	42,821
60 to 64					1	31,996
65 & UP						
TOTALS			10	367,707	18	708,556

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	3	110,295				
40 to 44	6	228,293	3	183,479		
45 to 49	4	147,325	8	337,073	1	45,177
50 to 54	4	128,224	4	163,033	5	266,166
55 to 59			2	52,056	6	284,093
60 to 64						
65 & UP						
TOTALS	17	614,137	17	735,641	12	595,436

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	2	131,530				
55 to 59						
60 to 64						
65 & UP	1	84,586				
TOTALS	3	216,116				

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					10	377,288
35 to 39					7	249,384
40 to 44					13	597,581
45 to 49					19	753,636
50 to 54					17	764,152
55 to 59					9	378,970
60 to 64					1	31,996
65 & UP					1	84,586
TOTALS					77	3,237,593

Table C-12
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	34,360		
30 to 34						
35 to 39					3	99,881
40 to 44					1	31,478
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS			1	34,360	4	131,359

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	32,786				
40 to 44	4	176,524	1	64,434		
45 to 49	2	80,284	3	124,794		
50 to 54			2	86,323		
55 to 59					2	115,596
60 to 64						
65 & UP						
TOTALS	7	289,594	6	275,551	2	115,596

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	34,360
30 to 34						
35 to 39					4	132,667
40 to 44					6	272,436
45 to 49					5	205,078
50 to 54					2	86,323
55 to 59					2	115,596
60 to 64						
65 & UP						
TOTALS					20	846,460

MEMBERSHIP DATA

Table C-13
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	2	226,376				
35 to 39	4	341,751	1	117,000	3	365,375
40 to 44	9	1,091,631	10	1,270,308	10	1,123,684
45 to 49	17	2,059,313	16	1,996,351	24	2,969,069
50 to 54	17	1,943,252	20	2,511,551	31	3,882,882
55 to 59	17	2,162,354	36	4,568,650	36	4,563,728
60 to 64	5	643,453	6	782,619	16	1,996,635
65 & UP	2	255,500	5	650,000	6	775,500
TOTALS	73	8,723,630	94	11,896,479	126	15,676,873

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	627,007				
45 to 49	22	2,708,917	17	2,105,345		
50 to 54	31	3,972,201	39	4,965,410	20	2,532,058
55 to 59	35	4,396,905	34	4,376,761	34	4,270,964
60 to 64	12	1,530,814	11	1,415,988	5	624,461
65 & UP	3	415,500	2	260,000	2	268,500
TOTALS	108	13,651,344	103	13,123,504	61	7,695,983

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	130,000				
55 to 59	1	138,500				
60 to 64	4	509,959				
65 & UP	3	385,500				
TOTALS	9	1,163,959				

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	226,376
35 to 39					8	824,126
40 to 44					34	4,112,630
45 to 49					96	11,838,995
50 to 54					159	19,937,354
55 to 59					193	24,477,862
60 to 64					59	7,503,929
65 & UP					23	3,010,500
TOTALS					574	71,931,772

MEMBERSHIP DATA

Table C-14
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	5	552,076	2	239,176	1	92,828
40 to 44	5	617,560	12	1,420,460	9	1,093,687
45 to 49	8	934,152	8	1,020,482	13	1,605,415
50 to 54	2	240,453	7	904,173	12	1,474,358
55 to 59			6	768,772	5	620,980
60 to 64	2	247,083	6	780,000	2	234,263
65 & UP					2	260,000
TOTALS	22	2,591,324	41	5,133,063	44	5,381,531

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	10	1,204,549				
45 to 49	15	1,856,679	8	992,503		
50 to 54	17	2,162,294	10	1,295,288	3	390,000
55 to 59	2	251,706	7	893,095	5	646,320
60 to 64	1	130,000	4	520,000	1	138,500
65 & UP			1	138,500		
TOTALS	45	5,605,228	30	3,839,386	9	1,174,820

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					8	884,080
40 to 44					36	4,336,256
45 to 49					52	6,409,231
50 to 54					51	6,466,566
55 to 59					25	3,180,873
60 to 64					16	2,049,846
65 & UP					3	398,500
TOTALS					191	23,725,352

MEMBERSHIP DATA

Table C-15
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	28,254				
30 to 34	4	113,016	7	197,778		
35 to 39	8	226,032	3	84,762	3	84,762
40 to 44	11	310,794	5	136,260	4	123,889
45 to 49	7	196,020	4	213,247	5	141,152
50 to 54	8	226,032	6	259,991	8	442,383
55 to 59	4	113,016	3	84,762	3	84,762
60 to 64	2	56,508	2	155,419	1	133,840
65 & UP	4	109,017	4	203,719		
TOTALS	49	1,378,689	34	1,335,938	24	1,010,788

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	28,254				
40 to 44	1	28,254				
45 to 49	1	133,840	2	248,952		
50 to 54			7	609,412	2	156,739
55 to 59			5	452,673	6	791,844
60 to 64			1	118,957		
65 & UP			1	28,254		
TOTALS	3	190,348	16	1,458,248	8	948,583

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	133,840				
60 to 64	1	133,840				
65 & UP						
TOTALS	2	267,680				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	28,254
30 to 34					11	310,794
35 to 39					15	423,810
40 to 44					21	599,197
45 to 49					19	933,211
50 to 54					31	1,694,557
55 to 59					22	1,660,897
60 to 64					7	598,564
65 & UP					9	340,990
TOTALS					136	6,590,274

MEMBERSHIP DATA

Table C-16
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	56,508				
35 to 39	1	28,254	1	28,136	1	28,254
40 to 44			2	56,508	1	28,254
45 to 49	1	28,254	4	303,950	2	256,970
50 to 54	4	113,016	1	28,254		
55 to 59	3	84,762	2	56,508	3	184,993
60 to 64	1	28,254			1	28,254
65 & UP						
TOTALS	12	339,048	10	473,356	8	526,725

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	1	28,254				
45 to 49	1	28,254				
50 to 54	2	56,508	2	255,954		
55 to 59					1	28,254
60 to 64	2	56,508			1	28,254
65 & UP						
TOTALS	6	169,524	2	255,954	2	56,508

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	56,508
35 to 39					3	84,644
40 to 44					4	113,016
45 to 49					8	617,428
50 to 54					9	453,732
55 to 59					9	354,517
60 to 64					5	141,270
65 & UP						
TOTALS					40	1,821,115

MEMBERSHIP DATA

Table C-17
Florida Retirement System
Members and Their Salaries at July 1, 2002
EOC-County Officials: Men

AGE	UNDER 5		SERVICE 5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	8	137,031	2	49,742	1	83,442
35 to 39	15	407,210	10	504,941	8	313,384
40 to 44	24	676,190	22	943,951	15	707,079
45 to 49	29	977,068	24	932,502	23	873,026
50 to 54	35	1,149,255	30	1,123,703	31	1,285,411
55 to 59	37	1,022,773	31	1,229,823	29	1,090,832
60 to 64	31	959,755	26	1,040,383	18	651,879
65 & UP	38	934,845	30	679,149	24	707,048
TOTALS	217	6,264,127	175	6,504,194	149	5,712,101

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	88,843				
40 to 44	5	293,195	4	344,810	1	100,806
45 to 49	17	556,509	9	726,991	15	1,297,715
50 to 54	9	550,838	12	1,003,837	21	1,758,282
55 to 59	15	788,580	13	801,351	11	1,117,084
60 to 64	11	366,596	9	464,123	4	366,555
65 & UP	10	205,537	4	106,809	1	3,600
TOTALS	68	2,850,098	51	3,447,921	53	4,644,042

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	92,520				
55 to 59	5	534,616				
60 to 64	2	203,270				
65 & UP	2	202,637	1	22,527		
TOTALS	10	1,033,043	1	22,527		

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					11	270,215
35 to 39					34	1,314,378
40 to 44					71	3,066,031
45 to 49					117	5,363,811
50 to 54					139	6,963,846
55 to 59					141	6,585,059
60 to 64					101	4,052,561
65 & UP					110	2,862,152
TOTALS					724	30,478,053

MEMBERSHIP DATA

Table C-18
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	3,900				
30 to 34	3	59,421	1	79,444	1	68,853
35 to 39	4	126,701	4	151,129	4	228,604
40 to 44	16	692,209	6	183,647	3	139,707
45 to 49	24	721,666	13	525,879	11	447,630
50 to 54	15	539,115	30	1,253,139	16	729,863
55 to 59	19	590,742	19	860,688	20	847,951
60 to 64	7	269,979	12	408,776	4	141,825
65 & UP	12	302,566	24	488,303	3	36,216
TOTALS	102	3,311,099	109	3,951,005	62	2,640,649

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	86,847		
40 to 44	6	412,780	2	132,097		
45 to 49	11	670,690	3	269,810	12	1,061,850
50 to 54	9	502,151	8	613,164	11	975,208
55 to 59	6	293,517	8	577,718	5	337,092
60 to 64	4	227,196	3	133,295	7	442,935
65 & UP	4	146,672	1	5,700	3	194,417
TOTALS	40	2,253,006	26	1,818,631	38	3,011,502

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	4	363,163				
55 to 59	2	159,554				
60 to 64	1	88,844				
65 & UP						
TOTALS	7	611,561				

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	3,900
30 to 34					5	207,718
35 to 39					13	593,281
40 to 44					33	1,560,440
45 to 49					74	3,697,525
50 to 54					93	4,975,803
55 to 59					79	3,667,262
60 to 64					38	1,712,850
65 & UP					47	1,173,874
TOTALS					384	17,597,453

MEMBERSHIP DATA

Table C-19
Florida Retirement System
Members and Their Salaries at July 1, 2002
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						
25 to 29	293	10,674,394	4	189,716		
30 to 34	282	11,266,157	136	7,180,057	4	247,306
35 to 39	106	4,905,099	114	6,498,059	100	6,885,423
40 to 44	74	3,648,919	70	4,489,040	101	7,043,483
45 to 49	62	3,434,957	69	5,031,718	97	6,912,542
50 to 54	63	4,096,791	88	6,802,647	85	6,803,469
55 to 59	43	2,832,771	66	5,224,553	88	6,590,013
60 to 64	14	1,284,011	31	2,305,956	45	3,876,579
65 & UP	6	330,726	12	1,141,652	17	1,407,672
TOTALS	943	42,473,825	590	38,863,398	537	39,766,487

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	54,909				
35 to 39	12	729,006				
40 to 44	116	9,173,595	17	1,438,712		
45 to 49	147	11,914,499	133	12,282,144	30	2,954,886
50 to 54	126	10,570,378	146	12,981,778	169	15,819,599
55 to 59	75	6,497,205	61	5,548,432	99	10,509,561
60 to 64	18	1,837,241	20	1,812,491	16	1,477,433
65 & UP	4	588,231	2	144,529	5	520,718
TOTALS	499	41,365,064	379	34,208,086	319	31,282,197

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	22	2,286,027				
55 to 59	29	3,100,542				
60 to 64	10	1,256,250	1	183,600	1	87,173
65 & UP	2	228,761	1	169,000		
TOTALS	63	6,871,580	2	352,600	1	87,173

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					297	10,864,110
30 to 34					423	18,748,429
35 to 39					332	19,017,587
40 to 44					378	25,793,749
45 to 49					538	42,530,746
50 to 54					699	59,360,689
55 to 59					461	40,303,077
60 to 64					156	14,120,734
65 & UP					49	4,531,289
TOTALS					3,333	235,270,410

MEMBERSHIP DATA

Table C-20
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	32,172				
25 to 29	295	10,714,382	4	147,031		
30 to 34	257	10,136,623	128	6,344,117	15	748,075
35 to 39	98	4,151,818	111	5,817,097	104	6,337,966
40 to 44	66	2,943,244	68	3,974,658	105	6,726,106
45 to 49	44	2,472,707	47	2,864,063	78	5,261,733
50 to 54	33	1,666,347	38	2,129,118	52	3,954,407
55 to 59	22	1,193,722	21	1,268,106	30	1,924,549
60 to 64	2	73,056	5	217,094	10	569,055
65 & UP			2	75,195	1	98,474
TOTALS	818	33,384,071	424	22,836,479	395	25,620,365

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	54,508				
35 to 39	23	1,194,255				
40 to 44	99	7,472,022	22	1,455,328	5	319,318
45 to 49	102	7,430,597	94	7,765,975	39	2,852,160
50 to 54	57	4,438,061	103	8,502,626	85	7,227,876
55 to 59	36	2,775,419	50	4,080,832	43	3,500,930
60 to 64	13	800,207	4	383,510	17	1,159,702
65 & UP	2	195,078	2	128,220		
TOTALS	333	24,360,147	275	22,316,491	189	15,059,986

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	2	152,328				
50 to 54	12	1,042,694				
55 to 59	9	914,078				
60 to 64	2	164,750	2	266,697		
65 & UP	1	85,130	1	82,452		
TOTALS	26	2,358,980	3	349,149		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	32,172
25 to 29					299	10,861,413
30 to 34					401	17,283,323
35 to 39					336	17,501,136
40 to 44					365	22,890,676
45 to 49					406	28,799,563
50 to 54					380	28,961,129
55 to 59					211	15,657,636
60 to 64					55	3,634,071
65 & UP					9	664,549
TOTALS					2,463	146,285,668

MEMBERSHIP DATA

Table C-21
Florida Retirement System
Members and Their Salaries at July 1, 2002
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						
55 to 59					2	114,305
60 to 64			1	66,745		
65 & UP						
TOTALS			1	66,745	2	114,305

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	2	170,631				
55 to 59	30	2,114,412	2	115,474		
60 to 64	13	1,045,691	13	864,898		
65 & UP	6	369,809	5	348,902	3	225,406
TOTALS	51	3,700,543	20	1,329,274	3	225,406

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	170,631
55 to 59					34	2,344,191
60 to 64					27	1,977,334
65 & UP			1	68,591	15	1,012,708
TOTALS			1	68,591	78	5,504,864

MEMBERSHIP DATA

Table C-22
Florida Retirement System
Members and Their Salaries at July 1, 2002
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					1	42,148
60 to 64						
65 & UP						
TOTALS					1	42,148

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	60,906			5	292,367
55 to 59	1	57,865	5	250,887	14	777,787
60 to 64	1	38,460	4	224,816	2	96,268
65 & UP						
TOTALS	3	157,231	9	475,703	21	1,166,422

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	25	1,457,834				
55 to 59	64	3,818,933	13	782,994	1	71,887
60 to 64	9	561,446	15	792,395	4	243,688
65 & UP	1	112,574	8	506,107	6	315,913
TOTALS	99	5,950,787	36	2,081,496	11	631,488

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					31	1,811,107
55 to 59					99	5,802,501
60 to 64					35	1,957,073
65 & UP	1	53,757			16	988,351
TOTALS	1	53,757			181	10,559,032

MEMBERSHIP DATA

Table C-23
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	7,100				
TOTALS	1	7,100				

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	35,197				
55 to 59	2	86,255	1	29,695		
60 to 64	1	42,160	1	49,255		
65 & UP						
TOTALS	4	163,612	2	78,950		

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					1	35,197
55 to 59					3	115,950
60 to 64					2	91,415
65 & UP	2	61,173			3	68,273
TOTALS	2	61,173			9	310,835

MEMBERSHIP DATA

Table C-24
Florida Retirement System
Members and Their Salaries at July 1, 2002
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	13,424		
60 to 64						
65 & UP						
TOTALS			1	13,424		

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	1	24,871				
60 to 64			2	48,712		
65 & UP					1	31,782
TOTALS	1	24,871	2	48,712	1	31,782

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	24,535				
55 to 59	2	47,332	3	67,609		
60 to 64	1	14,039	1	12,689		
65 & UP	1	15,458				
TOTALS	5	101,364	4	80,298		

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					1	24,535
55 to 59					7	153,236
60 to 64					4	75,440
65 & UP	1	27,628			3	74,868
TOTALS	1	27,628			15	328,079

MEMBERSHIP DATA

Table C-25
Florida Retirement System
Distribution of Active Participants
Grand Totals
July 1, 2002

AGE	UNDER 5		SERVICE 5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1,431	10,961,997				
20 to 24	17,209	328,862,998	288	6,332,645	1	34,373
25 to 29	36,865	964,874,605	9,805	285,003,672	177	5,287,740
30 to 34	30,825	790,820,240	27,201	879,997,793	8,343	292,980,114
35 to 39	25,280	583,491,289	21,192	648,165,806	20,788	783,450,639
40 to 44	24,602	556,872,451	20,074	581,710,500	19,423	702,001,521
45 to 49	20,728	490,422,337	18,747	545,638,358	19,093	669,317,621
50 to 54	16,244	395,791,457	16,012	484,577,285	17,411	619,311,513
55 to 59	12,102	285,034,512	11,425	340,298,086	12,597	447,942,887
60 to 64	6,266	129,020,791	5,960	161,393,070	5,777	191,899,152
65 & UP	4,964	70,341,390	3,548	71,230,694	2,442	63,202,164
TOTALS	196,516	4,606,494,067	134,252	4,004,347,909	106,052	3,775,427,724

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	38,154				
30 to 34	383	13,581,849	1	17,020		
35 to 39	9,055	361,870,237	395	16,031,541		
40 to 44	18,806	797,838,808	8,224	356,352,743	381	16,336,157
45 to 49	16,865	694,122,059	16,903	795,004,800	7,224	334,562,897
50 to 54	15,852	649,604,632	14,488	676,634,870	14,962	772,538,403
55 to 59	11,590	465,697,643	10,202	453,103,688	8,182	403,715,470
60 to 64	4,869	185,592,782	3,979	165,842,953	3,060	138,573,705
65 & UP	1,366	44,254,844	763	27,264,582	487	20,039,700
TOTALS	78,787	3,212,601,008	54,955	2,490,252,197	34,296	1,685,766,332

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	201	8,911,141				
50 to 54	2,518	132,207,103	17	807,981		
55 to 59	2,248	126,349,563	145	7,278,974	1	71,887
60 to 64	629	35,159,132	170	9,929,151	24	1,251,349
65 & UP	234	12,045,946	74	4,671,098	38	2,578,074
TOTALS	5,830	314,672,885	406	22,687,204	63	3,901,310

AGE	SERVICE 45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					1,431	10,961,997
20 to 24					17,498	335,230,016
25 to 29					46,848	1,255,204,171
30 to 34					66,753	1,977,397,016
35 to 39					76,710	2,393,009,512
40 to 44					91,510	3,011,112,180
45 to 49					99,761	3,537,979,213
50 to 54					97,504	3,731,473,244
55 to 59					68,492	2,529,492,710
60 to 64					30,734	1,018,662,085
65 & UP	17	830,174	4	273,831	13,937	316,732,497
TOTALS	17	830,174	4	273,831	611,178	20,117,254,641

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</u> <u>Members</u>	<u>Total Payroll</u> <u>Payroll</u> (000's omitted)	<u>Accumulated</u> <u>Employee</u> <u>Contributions</u> (000's omitted)
Florida Retirement System			
Regular	541,361	\$17,528,848	\$61,174
Senior Management	5,796	392,921	2,446
Florida Retirement System - Special Risk			
Non-Administrative	61,592	2,629,203	5,666
Administrative	97	4,206	22
Florida Retirement System - Elected Officers' Class			
Judicial	765	98,311	1,034
Leg. / Atty. / Cabinet	176	8,650	85
County Elected Off.	1,108	49,413	484
Teachers Retirement System	259	16,485	16,192
State and County Retirement System	24	655	442
Total	611,178	\$20,728,692	\$87,545
Average Annual Salary =		\$33,916	

APPENDIX D 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, 2002. The contributions shown beginning with fiscal year 2003-2004 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 beyond the levels used in this report based on Legislation enacted in 2000. The contributions shown for fiscal year 2002-2003 are based on the rates on page B-3 of this report.

Table D-2 projects each existing amortization base as of July 1, 2002. 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 three fiscal years based on Florida law. The estimates are projections of our July 1, 2002 valuation results, and assumes experience occurs as stated in our July 1, 2002 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 the 2000 valuation for fiscal year 2001-2002), since the current surplus is not sufficient to provide the additional rate reductions enacted for fiscal year 2002-2003. The amortization methodology 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-1
Florida Retirement System
Projection of Retirement Costs (Excluding Member Contributions)
July 1, 2002

(All Amounts in Millions)

	2002 -2003	2003 -2004	2004 -2005	2005 -2006	2006 - 2007
A. Normal Cost *	\$2,561	\$2,642	\$2,751	\$2,856	\$2,955
B. Surplus Utilization	(\$1,221)	(\$405)	(\$425)	(\$446)	(\$469)
C. Cost for Additional Administrative Charge (for PEORP)	\$31	\$0	\$0	\$0	\$0
D. Total	\$1,371	\$2,237	\$2,326	\$2,410	\$2,486
E. Social Security	\$1,688	\$1,740	\$1,810	\$1,878	\$1,943
F. Grand Total	\$3,059	\$3,977	\$4,136	\$4,288	\$4,429

* Includes DROP contributions on behalf of DROP members.

Table D-2
Florida Retirement System – July 1, 2002 Valuation
Funding of UAL / (Surplus) by Duration of Amortization

Years to Amortize Surplus

	FRS	----- Special Risk -----	-- Elected Officers' Class --				Senior	
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP
Outstanding Balance / (Surplus)	(\$20,612,576)	(\$2,412,210)	(\$35,371)	(\$231,844)	(\$24,570)	(\$53,073)	\$0	\$10,433,741
UAL Cost / (Savings) (see Table IV -1)	-1.75%	-2.80%	-1.84%	-1.23%	-2.17%	-1.76%	-1.40%	0.00%
Normal Cost Payroll ¹	\$17,435,966	\$2,628,004	\$4,206	\$98,036	\$8,445	\$47,856	\$391,977	\$0
Annual Payment / (Savings) for FY 2003-2004	(\$320,386)	(\$77,263)	(\$81)	(\$1,266)	(\$192)	(\$884)	(\$5,762)	\$0
Amortization Period Calculated Assuming								
Level Dollar	NA ²	NA ²	NA ²	NA ²	NA ²	NA ²	4	NA ³
Level Percent of Payroll	NA ²	NA ²	NA ²	NA ²	NA ²	NA ²	4	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 2003-2004 Forward Based on 07/01/2002 Valuation Results and 07/01/2002 Assets
(000,000 omitted)

	2003 - 04	2004 - 05	2005 - 06
1 1.0% Rate Reduction ⁴	(\$216.5)	(\$227.3)	(\$238.6)
2 Experience Study hold harmless (hold normal cost rate at 10.55%) ⁴	(\$99.9)	(\$104.9)	(\$110.1)
3 6 yr DB vesting - hold harmless from rate increase ⁴	(\$89.5)	(\$94.0)	(\$98.7)
4 Cost to DB program of adding a new DC program ^{3 & 5}	\$21.1	\$22.2	\$23.3
5 2.02% Rate Reduction ⁴	(\$437.2)	(\$459.1)	(\$482.0)
6 12% Increase in Special Risk benefits (in pay status before 07/01/2000) ⁶	(\$15.8)	(\$16.6)	(\$17.4)
Total	(\$837.8)	(\$879.7)	(\$923.5)
7 Estimated Surplus Available RSM 11 ^{2 & 7}	\$894.5	\$617.4	\$366.0
8 Increase in Surplus from year to year	(\$342.5)	(\$277.1)	(\$251.4)
9 Surplus Available with DC Bill & Rate Reduction	\$56.7	(\$262.3)	(\$557.5)

¹ Numbers exclude contributions to DC Plan

² Projected surplus based on 07/01/2002 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 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

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 2001 actuarial valuation to the 2002 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, 2001	8.82%	8.0%	
June 30, 2002	5.44%	8.0%	
2. Annual Rate of Payroll Growth			
Period Ending	Actual ^{1) & 2)}	Assumed ²⁾	
June 30, 2001	3.65%	0.00%	
June 30, 2002	2.77%	0.00%	
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 ³⁾
2000	7.5%	7.9%	6.25%
2001	4.4%	7.1%	6.25%
2002	5.3%	7.6%	6.25%

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, 2001	612,340	9,711	178,801	23,447	824,299
New Entrants	69,013	0	0	0	69,013
Retirements	(12,762)	1,089	15,774	(4,101)	0
DROP	(9,043)	0	0	9,043	0
Terminations and deaths with and without benefit	(48,370)	0	0	0	(48,370)
Cessation of benefit payments	NA	(535)	(6,786)	0	(7,321)
Number reported as of July 1, 2002	611,178	10,265	187,789	28,389	837,621

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.