

FLORIDA RETIREMENT SYSTEM
Actuarial Valuation
as of
July 1, 2003

A MILLIMAN GLOBAL FIRM



Milliman USA
Consultants and Actuaries

December 2003

TABLE OF CONTENTS

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



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December 22, 2003

Ms. Sarabeth Snuggs
Interim State Retirement Director
Division of Retirement
Cedars Executive Center, Building C
2639 North Monroe Street
Tallahassee, Florida 32399-1560

Dear Ms. Snuggs:

At your request, we have conducted our annual actuarial valuation of the Florida Retirement System (FRS) as of July 1, 2003. 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 the State implemented PEORP and there have been other minor changes to plan benefit features. These changes 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. Sarabeth Snuggs
December 22, 2003
Page 2

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Division of Retirement. This information includes, but is not limited to, plan provisions, employee data, and financial information. Census data provided to us by the Division has been reviewed for reasonableness and for consistency with data used in prior valuations. 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, 2003 actuarial valuation of the Florida Retirement System. In this section, we compare the 2002 and 2003 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, 2002. 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 11.62% of pay as of July 1, 2002 to 11.71%. The increase was partially 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 11.64% of pay (i.e., only a 0.02% increase) instead of the actual 11.71%. Both rates exclude DROP participants.
- The unfunded actuarial liability (including DROP Class liability) changed due to another year of unfavorable market returns; in fact the surplus decreased from \$12.9 billion to \$12.6 billion. Florida Law establishes a mechanism for how to develop the resulting usable surplus. This amount is statutorily amortized over 10 years and translates to \$0.795 billion available surplus for the FY 2004-2005 budget year.
- Subsequent to June 30, 2002, all members of the FRS Defined Benefit Program were provided a 90-day election period to elect between the Defined Benefit Program and the Public Employee Optional Retirement Program (PEORP). Members newly hired after the election period for their employee group are provided five months after their month of hire to file an election between the two primary programs. Members who do not make an election default into the Defined Benefit Program. After the period during which a member had the choice to elect the Defined Benefit Program or the PEORP, an employee will have one opportunity, at the employee's discretion, to choose to move from the Defined Benefit Program to the PEORP or from the PEORP to the Defined Benefit Program. Approximately 21,000 members (less than 4% of the active population) elected to join PEORP. Due to the relatively small percentage making the election, the current impact on the Defined Benefit Program was muted. Approximately \$363 million was transferred from the Defined Benefit Program to PEORP as a result of these elections creating a potential actuarial gain of \$293 million. Whether the long-term impact will be more dramatic will be determined by the actions (i.e., elections) of future hires. While to date these elections have also been primarily to the FRS Defined Benefit Program, it is unknown whether this trend will continue.

EXECUTIVE SUMMARY

Members of the FRS Defined Benefit Program who elected to join PEORP and then make a second election back to the Defined Benefit Program will not have to pay to the Defined Benefit Program the full cost of their actuarial liability. The cost of this potential subsidy is considered a contingent liability. This contingent liability is considered pre-funded because legislation enacted in 2001 “walls off” for 25 years the actuarial gain of \$293 million arising from these transfers to PEORP. Thus the available surplus of \$12.6 billion was reduced to \$12.3 billion prior to determining the available surplus for budget consideration.

In general, throughout this report, any reference to FRS refers to the FRS Defined Benefit Program, unless noted to the contrary.

- Legislation enacted in 2003 liberalized the post-retirement re-employment restrictions by permitting district school boards to reemploy a retired member as instructional personnel after he or she has been retired for one calendar month without further restrictions. During the 2003 legislation session Milliman estimated this enhancement would cost 0.11% of Regular Class Payroll. The cost increase is attributable to more members being assumed to retire at first eligibility for unreduced benefits. Since the next experience study is due to be completed in mid-2004, we have not adjusted the Regular Class retirement rates to reflect this legislation but instead have increased the regular class contribution rate by the aforementioned 0.11%. It should be noted that for the fiscal 2003-2004 year, the Legislature paid for the benefit improvement through the use of up to \$25 million in surplus.

The tables immediately following compare July 1, 2002 actuarial valuation results with July 1, 2003 actuarial results. The difference column shows the change between the final July 1, 2003 valuation results and the July 1, 2002 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, 2002	July 1, 2003	Difference
Actuarial Liability	\$ 86.5	\$ 89.3	\$ 2.8
Actuarial Value of Assets	\$ 99.4	\$ 101.9	\$ 2.5
Unfunded Actuarial Liability	\$ (12.9)	\$ (12.6)	\$ 0.3

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, 2003 the FRS has a UAL (surplus) of (\$12.6) billion, prior to adjustments for the contingent liability.

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 14.18% of the actuarial liability prior to recognition of the contingent liability and 13.78% after recognition of the contingent 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 \$4.8 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 \$0.795 billion available for the FY 2004-2005 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 2.03% contribution rate reduction approved by the Legislature last year (reduction was based on use of surplus).

EXECUTIVE SUMMARY

The comparative FRS Regular and Special Risk contribution rates resulting from the 2002 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, 2002		July 1, 2003		Difference	
	Valuation Results		Valuation Results		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	-2.03%	-2.03%				
Administrative Charge	0.00%	0.00%		Not determined		
Cost of liberalized re-employment	0.00%	0.00%	0.11%	0.00%	0.11%	0.00%
Final FRS Contribution Rate	6.18%	17.32%				

The July 1, 2002 valuation provided proposed contribution rates for fiscal year 2003-2004. 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 2.03% through use of the available surplus.

For the current valuation (which proposes rates for fiscal year 2004-2005) we only provided the preliminary contribution rate and prepared a possible scenario assuming the Legislature uses all \$0.795 available surplus to reduce contribution rates. Both scenarios maintain the DROP contribution rate at 8.00% and have an additional charge of 0.11% for the Regular Class to cover the liberalized re-employed rules for certain district school board members. In this scenario only 1.75% is available for rate reduction as compared to the 2.03% reduction last year.

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 Defined Benefit Program increased by 917 members from 894,256 as of July 1, 2002, to 895,173 as of July 1, 2003, an increase of 0.1%. The total annualized payroll of active members (exclusive of DROP members) increased by 0.68%, from \$20.61 billion as of July 1, 2002 to \$20.75 billion as of July 1, 2003, a \$0.14 billion increase in payroll. A summary of membership growth by status follows:

EXECUTIVE SUMMARY

	Valuation Results: Counts		
	July 1, 2002	July 1, 2003	% Change
Active Members	611,178	595,164	-2.6%
Terminated Vested Members	56,635	64,890	14.6%
Retired Members	198,054	208,399	5.2%
DROP Members	<u>28,389</u>	<u>26,720</u>	-5.9%
Total Members	894,256	895,173	0.1%

D. Experience

Several factors contributed to the changes in the FRS's assets, liabilities and contribution rates between July 1, 2002 and July 1, 2003. These factors included:

1. Assets:

The assets of the FRS, measured on an actuarial basis (i.e., smoothed), increased by \$2.501 billion. This change was attributable to the following:

Change Due to:

• Contributions Received	\$1.812
• Payment of Benefits, and Expenses	(4.314)
• Investment Experience	5.003
 Total	 \$2.501 billion

Of this total change, \$5.350 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 5.10% resulting in an investment loss of \$2.849 billion. On a market value basis, the assets of the FRS earned 3.76%. On a year-by-year basis, the assets earned the following:

Asset Bases	Rates of Return*	
	2001/2002	2002/2003
Market Value	(7.62)%	3.76%
Actuarial Valuation	5.44 %	5.10%

* Assumes net cash-flow occurs mid-year

EXECUTIVE SUMMARY

2. *Liabilities:*

The actuarial liabilities of the FRS increased by \$2.782 billion. This increase is attributable to the following:

Change due to:

- expected increase based on assumptions \$4.315

(Gains) / Losses

- inactive retired experience (death) (0.083)
- active experience (withdrawal, death, disability) (2.004)
- retirements: retirement decrement (0.033)
- retirements: retirement benefits 0.085
- salary increase less than expected (0.281)
- transfers among membership classes 0.027
- new renewed members 0.003
- new actives (includes rehires) 0.440
- PEORP (contingent) 0.313
- Other plan / assumption changes 0.000

Total Increase \$2.782 billion

3. *Unfunded Liability:*

The net change in the FRS's unfunded actuarial liability was an increase of \$0.280 billion (i.e., a decrease in the surplus of \$0.280 billion). The increase is attributable to the following:

Change due to:

- expected increase based on assumptions \$(1.035)
- unfavorable investment experience 2.849
- unfavorable liability experience (1.533)

Total \$0.281 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 <u>Regular</u>	---- Special Risk ---- <u>Regular</u> <u>Administration</u>	-- Elected Officers' Class -- <u>Judicial</u> <u>Leg-Atty-Cab</u> <u>County</u>	Senior <u>Management</u>			
• July 1, 2002 Normal Cost	9.96%	22.15%	12.58%	20.70%	15.48%	17.81%	11.59%
• Offset for increase resulting from 1999 Experience Study, six year vesting, etc.	-0.75%	-1.80%	-0.84%	-0.23%	-1.17%	-0.76%	-0.40%
• 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%
• Liberalized Re-employment Rules for District School Board Employees	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
• Impact of							
- Transfers between membership classes	0.00%	0.01%	-0.01%	0.02%	-0.06%	0.01%	0.00%
- Retirements, Terminations, etc.	-0.03%	-0.03%	0.01%	-0.02%	-0.01%	-0.25%	0.01%
- Actual Salary Increases	-0.02%	0.01%	-0.04%	0.00%	0.03%	-0.01%	0.01%
- New Entrants	0.03%	0.02%	-0.01%	0.09%	0.15%	-0.02%	0.01%
- Other Experience	<u>0.00%</u>	<u>0.00%</u>	<u>0.02%</u>	<u>-0.01%</u>	<u>0.23%</u>	<u>0.19%</u>	<u>0.02%</u>
• Change the Amount of Surplus used to offset the 1999 Experience Study	-0.02%	-0.01%	0.03%	-0.08%	-0.34%	0.08%	-0.05%
• Total July 1, 2003 Contribution Rate ²	8.32%	19.35%	10.74%	19.47%	13.31%	16.05%	10.19%

¹ 2003 Legislation further used the available surplus to reduce the contribution rates by 2.03% 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 0.60% attributable to the 12% increase in benefits, which is currently being paid from the surplus.

E. Graphs

Chart A: ASSET / LIABILITIES

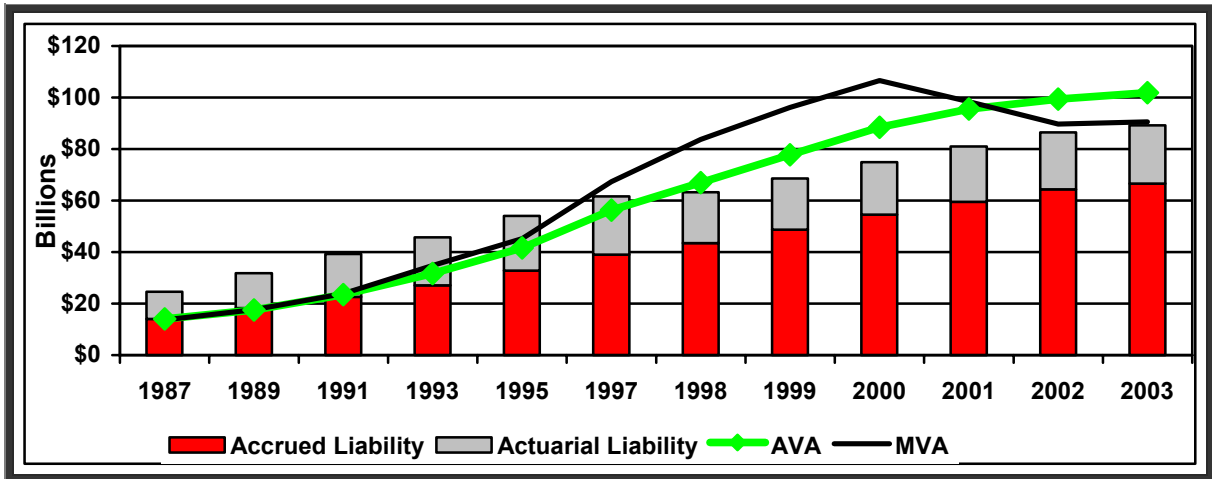


Chart B: CASH FLOWS

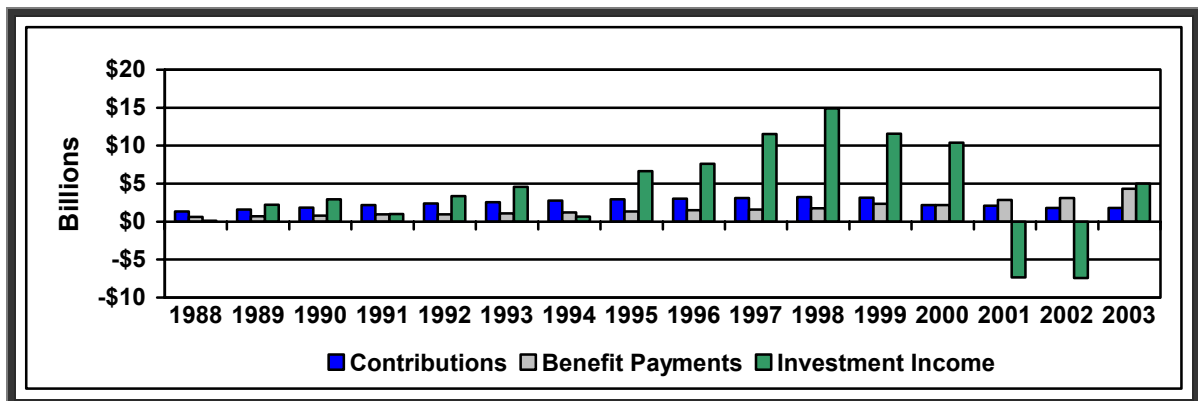
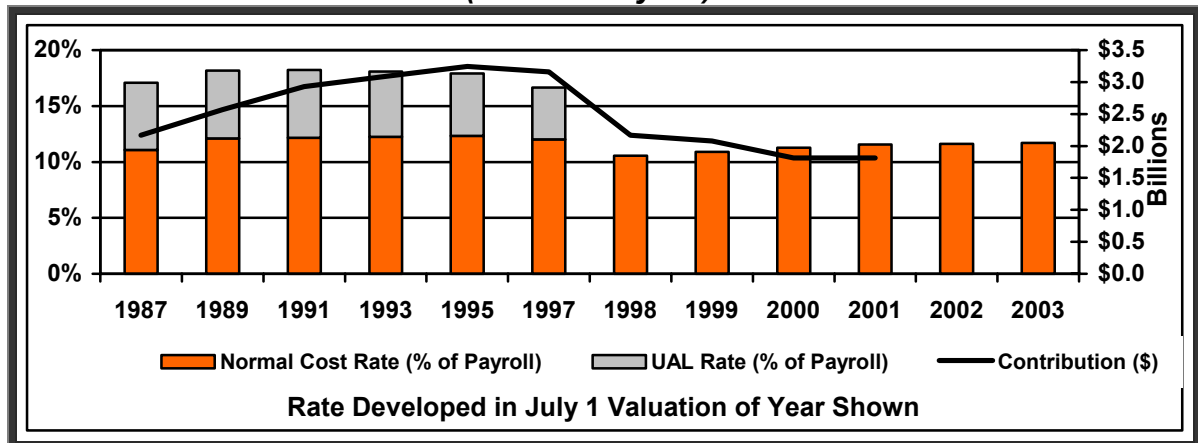


Chart C: CONTRIBUTION RATE (as % of Payroll)



* As discussed earlier, the contribution rate developed in this report is for fiscal year 2004 – 2005. 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 three 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 2003–2004	FY 2004–2005	July 1, 2003	July 1, 2004	July 1, 2005
8%	8%	\$ (12,342)	\$ (10,064)	\$ (7,961)
0%	8%	(12,342)	(8,630)	(5,174)
0%	0%	(12,342)	(8,630)	(2,050)
7.6% ²⁾	7.6%	(12,342)	(9,992)	(7,746)

¹⁾ Numbers in Millions

²⁾ The estimated market value as of November 2003 was \$95.5 billion as supplied by the State. The 7.6% is the necessary market return required to reflect a \$95.5 billion market value as of July 1, 2004.

- The reader should note that while the effect of the implementation of PEORP is included in this report, the election percentage was less than 5%. Elections by future hires may have a more material impact if a much larger percentage elect PEORP.
- 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, 2003. 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, 2003. The assets are analyzed by category in Table II-1. Table II-2 shows the reconciliation of assets from July 1, 2002 to July 1, 2003. Table II-3 provides a detailed development of the July 1, 2003 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 2002 and 2003.

The data for Table II-1 (Market Value as of July 1, 2003) 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>2002</u>	<u>2003</u>
1. Common Stock	\$60,436,120	\$63,473,010
2. Bonds	\$24,995,497	\$22,036,960
3. Real Estate	\$3,261,417	\$3,353,677
4. Temporary Investments	\$9,037,641	\$10,525,754
5. Cash – Including Certificates of Deposit	\$1,107,281	\$45,252
6. Receivables	\$3,632,932	\$2,233,771
7. Miscellaneous	\$2,262	\$1,094
8. Reverse Purchase Agreements	\$984,711	\$1,018,367
Gross Assets	\$103,457,861	\$102,687,885
9. Current Liabilities and Reserves	(\$13,769,774)	(\$12,177,142)
Total Net Assets	\$89,688,087	\$90,510,743

**Table II-2
Florida Retirement System**

Reconciliation of Market Value of Assets

Total Net Assets as of June 30, 2002	\$89,688,087,486
+ Adjustment to Market Value	0
+ Contributions by Source:	
Pension Contributions - State	371,658,690
Pension Contributions - Non-State	1,429,785,255
Pension Contributions - PEORP	9,672,502
Pension Contributions - Employees	1,055,490
Transfer from ORP	0
Transfer from OAP	0
Other	2,555
+ Interest and Dividends:	
Interest Income	1,257,834,535
Dividend Income	854,888,039
Real Estate Income	248,542,342
Other ¹	(123,124,024)
+Net Realized and Unrealized Appreciation:	1,086,832,892
- Pension Payments:	3,899,614,092
- Contribution Refunds:	3,455,273
- Disbursements - PEORP	362,865,323
- Expenses ¹ :	15,951,234
- Transfers to Other Funds and Departments:	<u>32,606,344</u>
Total Net Assets as of June 30, 2003	<u>\$90,510,743,496</u>

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 2003
Actuarial Value of Assets

1. Market Value of Assets on July 1, 2002	\$89,688,087,486
2. Actuarial Value of Assets on July 1, 2002	\$99,405,677,485
3. 2002/2003 Net Cash Flow (Contributions less Benefits and Expenses)	(\$2,502,320,329)
4. Value of Assets, July 1, 2003, if items 1 and 2 earned an assumed rate of 8%	\$104,755,718,542
5. Market Value of Assets, July 1, 2003	\$90,510,743,496
6. Net Assets Available for Benefits [3 + 20% (4 - 3)]	\$101,906,723,533
7. 120% of Market Value [120% (4)]	\$108,612,892,195
8. 80% of Market Value [80% (4)]	\$72,408,594,797
9. Actuarial Value of Assets on July 1, 2003 Lesser of (5) and (6), but not less than (7)	<u>\$101,906,723,533</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, 2002	\$81,966,615	\$15,306,638	\$84,301	\$830,032	\$86,287	\$397,060	\$1,313,172	(\$578,428)	\$99,405,677
2. Employer Contribution for the Plan Year	1,069,332	536,401	350	19,330	880	6,649	25,319	153,911	1,812,172
3. Benefit Payments and other Disbursements	3,072,674	411,945	3,702	36,903	3,552	27,884	35,704	722,129	4,314,493
4. Estimated Investment Earnings during the Year	4,127,139	783,419	4,211	41,863	4,331	19,699	66,673	(43,968)	5,003,367
5. Net Transfers	(81,428)	0	0	0	0	0	81,428	0	0
6. Allocated Actuarial Value of Assets by Class, July 1, 2003	\$84,008,984	\$16,214,513	\$85,160	\$854,322	\$87,946	\$395,524	\$1,450,888	(\$1,190,614)	\$101,906,723

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 (\$81,428 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	
	2001/2002	2002/2003
Market Value	-7.62%	3.76%
Actuarial Value	5.44%	5.10%

¹ Assumes net cash flow occurs mid-year.

B. Allocation of Assets at Market Value

Asset Category	July 1, 2002	July 1, 2003
Stocks	67.38%	70.13%
Bonds	27.87%	24.35%
Real Estate	3.64%	3.71%
Temporary Investments	10.08%	11.63%
Cash	1.23%	0.05%
Other (includes receivables & payables)	-10.20%	-9.87%
	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, 2003. 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.

Legislation enacted in 2001 "walls off," for 25 years, the actuarial gains arising from former Pension Plan participants electing the Investment Plan option. The "walled off" amount is called the contingent liability. The actuarial liabilities generally do not include the contingent liability. However, surplus used for rate reductions is net of the contingent liability. Table III-3 shows contingent liability and the number of participants, by class, who elected to transfer from the Retirement Plan to the Investment Plan.

Table III-1 contains a breakdown of the actuarial liabilities and unfunded actuarial liabilities/(surplus) in the FRS for both the 2002 and 2003 valuations. In Table III-2, the 2003 liabilities are shown for each employee group.

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

	July 1, 2002	July 1, 2003
1. Actuarial Liabilities for:		
(a) Active Members	\$47,454,496	\$49,244,304
(b) Retired, Disabled and Beneficiary Members	27,223,515	29,601,620
(c) Terminated Vested Members	1,936,450	2,257,558
(d) DROP	9,855,313	8,147,849
2. Total Actuarial Liability	\$86,469,774	\$89,251,331
3. Actuarial Value of Assets	\$99,405,677	\$101,906,724
4. Unfunded Actuarial Liability / (Surplus)	(\$12,935,903)	(\$12,655,393)
5. PEORP Contingent Liability ¹⁾	N/A	312,915
6. Surplus Available for Rate Reduction	(\$12,935,903)	(\$12,342,478)

¹⁾ See Table III-3.

**Table III-2
Florida Retirement System
Actuarial Liabilities
July 1, 2003
(\$ 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	\$37,772,485	\$9,871,712	\$16,707	\$349,415	\$27,379	\$147,467	\$1,059,139	\$0	\$49,244,304
b. Retired, Disabled and Beneficiary Members	24,743,078	3,977,598	35,223	284,814	30,184	193,995	336,728	8,147,849	37,749,469
c. Terminated Vested Members	1,843,860	328,870	1,389	9,420	5,109	13,889	55,021	0	2,257,558
2. Total Actuarial Liability	\$64,359,423	\$14,178,180	\$53,319	\$643,649	\$62,672	\$355,351	\$1,450,888	\$8,147,849	\$89,251,331
3. Actuarial Value of Assets	\$84,008,984	\$16,214,513	\$85,160	\$854,322	\$87,946	\$395,524	\$1,450,888	(\$1,190,614)	\$101,906,724
4. Unfunded Actuarial Liability / (Surplus)	(\$19,649,561)	(\$2,036,333)	(\$31,841)	(\$210,673)	(\$25,274)	(\$40,173)	\$0	\$9,338,463 ¹	(\$12,655,393)

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.

**Table III-3
Florida Retirement System
Actuarial Liabilities
July 1, 2003
(\$ in Thousands)**

	<u>FRS Regular</u>	<u>Special Risk Regular</u>	<u>Administration</u>	<u>Elected Officers' Class Judicial</u>	<u>Leg-Atty-Cab</u>	<u>County</u>	<u>Senior Management</u>	<u>DROP</u>	<u>Total System</u>
<u>As of July 1, 2002</u>									
Contingent Liability ¹	\$260,112	\$17,345	(\$22)	(\$679)	\$209	\$201	\$16,100	\$0	\$293,266
Participant Counts	19,706	873	2	11	11	42	657	0	21,302
<u>As of July 1, 2003</u>									
Contingent Liability ^{2&3}	\$277,742	\$18,110	(\$12)	(\$667)	\$226	\$207	\$17,309	N/A	\$312,915
Participant Counts	19,483	844	1	10	11	40	654	N/A	21,043

¹ The actual elections occurred post-July 1, 2002, and hence were not included in the July 1, 2002 actuarial valuation report.

² The contingent liability is not included in the actuarial liabilities of FRS and is removed from the surplus.

³ The contingent liability as of July 1, 2003 is calculated as the July 1, 2002 contingent liability increased by one year of interest, adjusted for the proportion of original transfers remaining in PEORP.

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 that 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, 2003 membership data to be effective for the Plan Year beginning July 1, 2004.

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 that has not been as favorable as anticipated. Under these circumstances, an unfunded actuarial liability (UAL) exists. For the FRS, this is the sixth 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 2000-2002 and since the actuarial value of assets continued to exceed the actuarial liabilities, the FY 2000-2002 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, 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, fiscal 2002-2003, and fiscal 2003-2004 (based on the July 1, 1999, 2000, 2001, and 2002 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 13.8% 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 \$4.8 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 \$0.795 billion available for the FY 2004-2005 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, fiscal 2001-2002, and fiscal 2002-2003 (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 2004-2005 and reduce the total available surplus of \$0.795 billion. If these items are adopted by the Legislature, none of the available surplus will remain. Table IV-3 presents the results assuming the additional surplus is not used for rate reduction, whereas Table IV-4 presents this possible scenario.

	2004 – 2005 Fiscal Year (in millions)
1.0% Rate Reduction	(\$217.9)
Experience Study hold harmless (hold normal cost rate at 10.55%)	(\$106.0)
6 yr DB vesting – hold harmless from rate increase	(\$90.5)
Cost to DB program of adding new DC program	\$17.7
1.75% Rate Reduction	(\$381.4)
12% Increase in Special Risk benefits (in pay status before 07/01/2000)	<u>(\$16.6)</u>
Total	(\$794.7)
Estimate Surplus Available RSM 11	\$794.8
Additional Surplus Available	\$0.1

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

C. CHANGES SINCE PRIOR VALUATION

During fiscal 2002-2003, FRS participants had a period to elect the Investment Plan Option. Approximately 21,000 participants (less than 4%) made such an election.

**Table IV-1
Florida Retirement System
Normal Cost Rates by Decrement
July 1, 2003**

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior	DROP	Composite Rate
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management		
1. Vested Benefits	0.97%	1.35%	0.79%	1.26%	2.76%	1.75%	1.26%	NA	1.03%
2. Early Retirement	1.34%	2.29%	1.16%	0.93%	1.63%	1.92%	1.41%	NA	1.46%
3. Regular Retirement	6.45%	15.28%	8.35%	14.36%	9.31%	11.01%	7.35%	NA	7.69%
4. Non-Duty Death	0.37%	0.92%	0.49%	2.14%	0.81%	1.42%	0.56%	NA	0.46%
5. Line of Duty Death	0.32%	0.80%	0.74%	0.75%	0.58%	0.67%	0.42%	NA	0.39%
6. Non-Duty Disability	0.43%	0.93%	0.54%	1.09%	0.57%	0.77%	0.52%	NA	0.51%
7. Line of Duty Disability	0.10%	0.59%	0.48%	0.25%	0.16%	0.19%	0.12%	NA	0.17%
8. Total Normal Cost	<u>9.98%</u>	<u>22.16%</u>	<u>12.55%</u>	<u>20.78%</u>	<u>15.82%</u>	<u>17.73%</u>	<u>11.64%</u>	<u>NA</u>	<u>11.71%</u>

Table IV-2
Florida Retirement System
Unfunded Actuarial Liability (UAL) Bases
July 1, 2003
(\$ in Thousands)

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior		Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	
1. Actuarial Accrued Liability (Table III-2)	\$64,359,423	\$14,178,180	\$53,319	\$643,649	\$62,672	\$355,351	\$1,450,888	\$8,147,849	\$89,251,331
2. Actuarial Value of Assets (Table II-4)	84,063,174	16,208,288	85,269	855,323	88,033	395,524	1,450,888	(1,127,074)	102,020,816
3. Total UAL / (Surplus) (1 – 2)	(\$19,703,751)	(\$2,030,108)	(\$31,950)	(\$211,674)	(\$25,361)	(\$40,173)	\$0	\$9,274,923	(\$12,769,485)
4. Expected UAL / (Surplus)	(22,261,582)	(2,605,187)	(38,201)	(250,392)	(26,536)	(57,319)	0	11,268,440	(13,970,777)
5. New UAL Base Attributable to Plan/Assumption Change	NA	NA	NA	NA	NA	NA	NA	NA	NA
6. New UAL Base Attributable to 2002-2003 (Gain)/Loss (3 – 4 – 5)	\$2,612,021	\$568,854	\$6,360	\$39,719	\$1,262	\$17,146	\$0	(\$1,929,977)	\$1,315,385

Table IV-3
Florida Retirement System
Possible Employer Contribution Rates *
July 1, 2003 Valuation for Fiscal Year Beginning July 1, 2004

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	9.98%	22.16%	12.55%	20.78%	15.82%	17.73%	11.64%	11.71%	NA	NA
2. UAL Cost ²	-0.77%	-1.81%	-0.81%	-0.31%	-1.51%	-0.68%	-0.45%	-0.90%	NA	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.47%	14.31%	17.05%	11.19%	10.81% ³	8.00%	10.64%
4. 1% Rate Reduction	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.94%
5. Liberalized Re-employment Rules ⁴	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	NA	0.09%
6. Additional Rate Reduction #1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Additional Rate Reduction #2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
8. Total Adjusted Contribution [(3) + (4) + (5) + (6)]	8.32%	19.35%	10.74%	19.47%	13.31%	16.05%	10.19%	9.90%	8.00%	9.79%

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 0.06% more than last year's rate of 10.75%.

⁴ Beginning July 1, 2003, FRS pension plan retirees may work for a district school board in certain positions after they retire or end DROP without violating reemployment restrictions.

* Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2004-2005. 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 0.60% attributable to the 12% increase in pre-2000 retired benefits, which is currently being paid from the surplus.

**Table IV-4
Florida Retirement System
Possible Employer Contribution Rates *
July 1, 2003 Valuation for Fiscal Year Beginning July 1, 2004**

**Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:
The contribution rate is reduced by 1.75% for all classes except DROP.**

	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	9.98%	22.16%	12.55%	20.78%	15.82%	17.73%	11.64%	11.71%	NA	NA
2. UAL Cost ²	-0.77%	-1.81%	-0.81%	-0.31%	-1.51%	-0.68%	-0.45%	-0.90%	NA	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.47%	14.31%	17.05%	11.19%	10.81% ³	8.00%	10.64%
4. 1% Rate Reduction	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.94%
5. Liberalized Re-employment Rules ⁴	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.00%	0.09%
6. Additional Rate Reduction #1	-1.75%	-1.75%	-1.75%	-1.75%	-1.75%	-1.75%	-1.75%	-1.75%	0.00%	-1.64%
7. Additional Rate Reduction #2	NA	NA	NA	NA	NA	NA	NA	0.00%	NA	0.00%
8. Total Adjusted Contribution [(3) + (4) + (5) + (6)]	6.57%	17.60%	8.99%	17.72%	11.56%	14.30%	8.44%	8.15%	8.00%	8.15%

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 0.06% more than last year's rate of 10.75%.

⁴ Beginning July 1, 2003, FRS pension plan retirees may work for a district school board in certain positions after they retire or end DROP without violating reemployment restrictions.

* Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2004-2005. 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 0.60% attributable to the 12% increase in pre-2000 retired benefits, which is currently being paid from the surplus.

**Table IV-5
Florida Retirement System
Possible UAL / (Surplus)
July 1, 2003**

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior		Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	
1. Previous UAL Bases *	0.00%	0.00%	000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2. 2002-2003 (Gains) / Losses *	0.00%	0.00%	000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3. 2002-2003 Assumption Changes *	NA	NA	NA	NA	NA	NA	NA	NA	NA
4. 2002-2003 Plan Changes *	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Use of Surplus									
- UAL Cost	-0.77%	-1.81%	-0.81%	-0.31%	-1.51%	-0.68%	-0.45%	NA	-0.84%
- 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>-0.94%</u>
- Total surplus Utilization	-1.77%	-2.81%	-1.81%	-1.31%	-2.51%	-1.68%	-1.45%	NA	-1.78%
6. Total	-1.77%	-2.81%	-1.81%	-1.31%	-2.51%	-1.68%	-1.45%	NA	-1.78%

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

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, 2003. 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, 2002, to the ABO as of July 1, 2003. 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 years' results in addition to the July 1, 2002 results. Table V-6 shows the Solvency Test for the FRS for the 2001, 2002, and 2003 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, 2001 and July 1, 2002) 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 2001 annual valuation which applies to FY 2002-2003, \$1,844,203, included the sum of the composite contribution rate (excluding DROP) of 11.56% 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 \$1,834,319, and the total employer contribution was actually \$1,811,116. Therefore, if GASB 27 applies, the State's CAFR must reflect a Net Pension Obligation (NPO) of (\$299,608).

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, 2003
(All Amounts in Thousands)

	-- Special Risk --		-- Elected Officers' Class --				Senior Management	DROP	Total
	FRS Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County			
A. Accumulated Benefit Obligation									
1. Active Members									
a. Accumulated Member Contribution Employer - Financed	\$66,064	\$5,701	\$22	\$902	\$78	\$392	\$2,264	\$0	\$75,423
b. Vested Benefits	19,932,796	4,762,273	9,817	185,995	15,507	79,154	583,653	0	25,569,195
c. Non-Vested Benefits	<u>714,502</u>	<u>195,959</u>	<u>11</u>	<u>6,438</u>	<u>776</u>	<u>3,532</u>	<u>11,709</u>	<u>0</u>	<u>932,927</u>
d. Total	\$20,713,362	\$4,963,933	\$9,850	\$193,335	\$16,361	\$83,078	\$597,626	\$0	\$26,577,545
2. Annuitants	\$24,743,078	\$3,977,598	\$35,223	\$284,814	\$30,184	\$193,995	\$336,728	\$8,147,849	\$37,749,469
3. Other Inactive Members	<u>\$1,843,860</u>	<u>\$328,870</u>	<u>\$1,389</u>	<u>\$9,420</u>	<u>\$5,109</u>	<u>\$13,889</u>	<u>\$55,021</u>	<u>\$0</u>	<u>\$2,257,558</u>
4. Total Accumulated Benefit Obligation	\$47,300,300	\$9,270,401	\$46,462	\$487,569	\$51,654	\$290,962	\$989,375	\$8,147,849	\$66,584,572
B. Assets Available for Benefits									
1. Market	\$74,614,464	\$14,401,284	\$75,637	\$758,785	\$78,111	\$351,294	\$1,288,639	(\$1,057,471)	\$90,510,743
2. Actuarial Basis	\$84,008,984	\$16,214,513	\$85,160	\$854,322	\$87,946	\$395,524	\$1,450,888	(\$1,190,614)	\$101,906,723
C. Unfunded Total Accumulated Benefit Obligation									
Assets at:									
1. Market	(\$27,314,164)	(\$5,130,883)	(\$29,175)	(\$271,216)	(\$26,457)	(\$60,332)	(\$299,264)	\$9,205,320	(\$23,926,171)
2. Actuarial Basis	(\$36,708,684)	(\$6,944,112)	(\$38,698)	(\$366,753)	(\$36,292)	(\$104,562)	(\$461,513)	\$9,338,463	(\$35,322,151)
D. Percent of Accumulated Obligation Funded,									
Assets at:									
1. Market	157.75%	155.35%	162.79%	155.63%	151.22%	120.74%	130.25%	-12.98%	135.93%
2. Actuarial Basis	177.61%	174.91%	183.29%	175.22%	170.26%	135.94%	146.65%	-14.61%	153.05%

ACCOUNTING STATEMENT

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

	July 1, 2001 Valuation Basis	July 1, 2002 Valuation Basis	July 1, 2003 Valuation Basis
A. Accumulated Benefit Obligation			
1. Active Members			
a. Accumulated Member Contributions Employer - Financed	\$112,961	\$87,734	\$75,423
b. Vested Benefits	23,435,318	24,299,874	25,569,196
c. Non - Vested Benefits	853,650	937,356	932,927
d. Total	\$24,401,929	\$25,324,964	\$26,577,546
2. Annuitants	\$25,424,812	\$27,223,515	\$29,601,620
3. Other Inactive Members	\$1,913,828	\$1,936,450	\$2,257,558
3. DROP	\$7,790,552	\$9,855,313	\$8,147,849
4. Total Accumulated Benefit Obligation	\$59,531,121	\$64,340,242	\$66,584,573
B. Assets Available for Benefits			
1. Market	\$98,410,130	\$89,688,087	\$90,510,743
2. Actuarial Basis	\$95,517,948	\$99,405,677	\$101,906,724
C. Unfunded Total Accumulated Benefit Obligation, Assets at:			
1. Market	(\$38,879,009)	(\$25,347,845)	(\$23,926,170)
2. Actuarial Basis	(\$35,986,827)	(\$35,065,435)	(\$35,322,151)
D. Percent of Accumulated Benefit Obligation Funded, Assets at:			
1. Market	165.31%	139.40%	135.93%
2. Actuarial Basis	160.45%	154.50%	153.05%
E. Annual Salaries ¹	\$21,360,862	\$22,195,184	\$22,270,807
F. Unfunded Accumulated Benefit Obligation as a Percent of Salary, Assets at:			
1. Market	-182.01%	-114.20%	-107.43%
2. Actuarial Basis	-168.47%	-157.99%	-158.60%

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, 2002	\$64,340,242
Increase (Decrease) During Year Attributable to:	
Increase for Interest Due to Decrease in Discount Period	\$4,977,960
Benefits Paid – FY 2003	(\$4,314,492)
Benefits Accrued & Other Gains / Losses	\$1,580,862
Plan Provision / Assumption Changes	\$0
Net Increase (Decrease)	\$2,244,330
Actuarial Present Value of Accrued Benefits at July 1, 2003	\$66,584,572

ACCOUNTING STATEMENT

Table V-4
Florida Retirement System
Accounting Statement Information - GASB Statement #25
July 1, 2003
(All Amounts in Thousands)

	FRS	---- Special Risk ----		---- Elected Officers' Class ----			Senior	DROP	Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management		
1. Actuarial Accrued Liability:									
a. Active Member Contributions	\$66,064	\$5,701	\$22	\$902	\$78	\$392	\$2,264	\$0	\$75,423
b. Annuitants	24,743,078	3,977,598	35,223	284,814	30,184	193,995	336,728	8,147,849	37,749,469
c. Other Inactive Members	1,843,860	328,870	1,389	9,420	5,109	13,889	55,021	0	2,257,558
d. Active Members	<u>37,706,421</u>	<u>9,866,011</u>	<u>16,685</u>	<u>348,513</u>	<u>27,301</u>	<u>147,075</u>	<u>1,056,875</u>	<u>0</u>	<u>49,168,881</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d)]	\$64,359,423	\$14,178,180	\$53,319	\$643,649	\$62,672	\$355,351	\$1,450,888	\$8,147,849	\$89,251,331
3. Actuarial Value of Assets	\$84,008,984	\$16,214,513	\$85,160	\$854,322	\$87,946	\$395,524	\$1,450,888	(\$1,190,614)	\$101,906,724
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$19,649,561)	(\$2,036,333)	(\$31,841)	(\$210,673)	(\$25,274)	(\$40,173)	\$0	\$9,338,463	(\$12,655,393)
5. Funded Ratio	130.53%	114.36%	159.72%	132.73%	140.33%	111.31%	100.00%	-14.61%	114.18%
6. Covered Payroll	\$17,532,868	\$2,784,233	\$4,644	\$100,238	\$8,127	\$47,315	\$390,355	\$1,403,027	\$22,270,807
7. UAAL / (Surplus) as a % of Payroll	-112.07%	-73.14%	-685.64%	-210.17%	-310.99%	-84.91%	0.00%	665.59%	-56.83%

ACCOUNTING STATEMENT

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

	July 1, 2001 Valuation Basis	July 1, 2002 Valuation Basis	July 1, 2003 Valuation Basis
1. Actuarial Accrued Liability:			
a. Active Member Contributions	\$112,961	\$87,734	\$75,423
b. Annuitants	25,424,812	27,223,515	29,601,620
c. DROP	7,790,552	9,855,313	8,147,849
d. Other Inactive Members	1,913,828	1,936,450	2,257,558
e. Active Members	<u>45,751,565</u>	<u>47,366,762</u>	<u>49,168,881</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d) + 1(e)]	\$80,993,718	\$86,469,774	\$89,251,331
3. Actuarial Value of Assets	\$95,517,948	\$99,405,677	\$101,906,724
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$14,524,230)	(\$12,935,903)	(\$12,655,393)
5. Funded Ratio	117.93%	114.96%	114.18%
6. Covered Payroll ¹	\$21,360,862	\$22,195,184	\$22,270,807
7. UAAL / (Surplus) as a % of Payroll	-67.99%	-58.28%	-56.83%

¹ Includes Drop Salaries

ACCOUNTING STATEMENT

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

	<u>July 1, 2001</u> <u>Valuation Basis</u>	<u>July 1, 2002</u> <u>Valuation Basis</u>	<u>July 1, 2003</u> <u>Valuation Basis</u>
1. Actuarial Accrued Liability for:			
a. Retired and Disabled Members, and Survivors	\$25,424,812	\$27,223,515	\$29,601,620
b. DROP	7,790,552	9,855,313	8,147,849
c. Vested Deferred and Inactive Status Members	1,913,828	1,936,450	2,257,558
d. Active Members			
i) Accumulated employee contributions with interest	112,961	87,734	75,423
ii) Employer-financed liabilities	<u>45,751,565</u>	<u>47,366,762</u>	<u>49,168,881</u>
e. Total	\$80,993,718	\$86,469,774	\$89,251,331
2. Net Assets Available for Benefits at Market Value	\$98,410,130	\$89,688,087	\$90,510,743
3. Ratio of Assets to Actuarial Accrued Liabilities: [2 / 1]	121.50%	103.72%	101.41%

ACCOUNTING STATEMENT

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

	ACTUAL		PROJECTED
	<u>7/1/2001 - 6/30/2002</u>	<u>7/1/2002 - 6/30/2003</u>	<u>7/1/2003 - 6/30/2004</u>
1. Annual Required Contribution:	\$1,825,485	\$1,844,203	\$2,063,825
2. Interest on Net Pension Obligation:	(28,794)	(25,825)	(23,969)
3. Adjustment to Annual Required Contribution:	<u>17,774</u>	<u>15,941</u>	<u>14,795</u>
4. Annual Pension Cost: [1 + 2 + 3]	\$1,814,465	\$1,834,319	\$2,054,651
5. Contributions Made:	<u>\$1,777,349</u>	<u>\$1,811,116</u>	<u>NA</u>
6. Increase in Net Pension Obligation: [4 - 5]	37,116	23,203	NA
7. Net Pension Obligation at Beginning of Year:	<u>(359,927)</u>	<u>(322,811)</u>	<u>(299,608)</u>
8. Net Pension Obligation at End of Year:	(322,811)	(299,608)	NA

APPENDIX A ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

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

The actuarial assumptions are intended to estimate the future experience of the members of the FRS and of the FRS in other areas that 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 be not 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:

Type of Service Credit	FRS-Special Risk	
	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, 2003	
I. Economic Assumptions	
A. General Wage Increases	5.0%*
B. Investment Earnings	8.0%*
C. Growth in Membership	0.0%
D. Post-Retirement Benefit Increases	3.0%
* Including a 3.5% inflation assumption.	
II. Non-Economic Assumptions	
A. Salary Increases Due to Promotion and Longevity	Table A-2
B. Service Retirement	Table A-3
C. Disablement	Tables A-4 and A-5
D. Pre-Retirement Mortality	1971 Group Annuity Mortality Table for males and females, with ages set back 3 years-Table A-6
E. Post-Retirement Mortality	1994 UP Mortality Table for males and females, projected to the year 2009 using Projection Scale AA-Table A-7
F. Disability Termination (Mortality and Recovery)	Table A-8
G. Other Terminations of Employment	Table A-9

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

* Same rates for men and women

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-9, CONT.				
Other Terminations of Employment Annual Rates				
		FRS-Judicial*		
		Attained Age		
Completed Years of Service	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
FRS-Legislature, Attorneys, Cabinet*				
		Attained Age		
Completed Years of Service	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 briefly summarized 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 Chapter 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, and 238.

EFFECTIVE DATE

The effective date of the Florida Retirement System (FRS) was December 1, 1970. The FRS was created with closure and consolidation of the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund. In 1972, the Judicial Retirement System was also consolidated with the Florida Retirement System. The FRS was created to provide a defined benefit retirement, disability, and survivor program for participating public employees, Social Security coverage is also provided to all members.

Beginning in 2002, the FRS became one system with two primary programs, the existing Defined Benefit Program and a defined contribution plan alternative to the defined benefit plan known as the Public Employee Optional Retirement Program (PEORP). The earliest that any member could participate in PEORP was July 1, 2002.

(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.

Members of the FRS Defined Benefit Program were provided an educational period about their plan choice options prior to a 90-day election period to elect between the Defined Benefit Program and the Public Employee Optional Retirement Program

SUMMARY OF PLAN PROVISIONS

(PEORP). Members newly hired after the election period for their employee group are provided five months after their month of hire to file an election between the two primary programs. Members who do not make an election default into the Defined Benefit Program.

After the period during which a member had the choice to elect the Defined Benefit Program or the PEORP, the employee has one opportunity, at the employee's discretion, to choose to move from the Defined Benefit Program to the PEORP or from the PEORP to the Defined Benefit Program.

(Section 121.051)

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 under the defined benefit program of the FRS.

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, firefighter trainers, fire prevention inspectors, correctional probation officers, certain professional health care positions within the Department of Children and Family Services and the Department of Corrections, youth custody officers, 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 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, public defenders, and elected county officers. Also included are city and special district officers if the employer chose to place their elected officials in this class. All such elected officers may withdraw from the Florida Retirement System, or elect membership in the Senior Management Service Class or in the Senior

SUMMARY OF PLAN PROVISIONS

Management Service Optional Annuity Program for state officers or a local optional program if provided by the non-state employer.

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; community college presidents; appointed school board superintendents; county and city managers; selected managerial staff of the Legislature; the Auditor General and managerial staff; the Executive Director of the Ethics Commission; the State University System Executive Service and university presidents; selected managerial staff of the State Board of Administration; judges of compensation claims; selected managerial staff with the Judicial Branch; Chief Deputy Court Administrator; capital collateral regional counsels and assistant capital collateral regional counsels; assistant state attorneys; assistant public defenders; assistant statewide prosecutors or assistant attorneys general; and nonelective managerial positions designated for SMSC membership by local government agencies. Members in this class have chosen not to participate in the elective Senior Management Service Optional Annuity Program for state senior managers or a local optional program provided by non-state employers for their senior managers. This class became effective February 1, 1987, and 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 could elect to remain in such system or class.

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

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

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 121.71)

SUMMARY OF PLAN PROVISIONS

The employer contribution rates are as follows:

Classification	2003-2004 Fiscal Year Rates
Regular	6.18%
Special Risk	17.32
Special Risk Administrative Elected Officers	8.71
- Judges	17.44
- State	11.28
- County	14.02
Senior Management	8.16
DROP	8.00

The above rates exclude the 0.10% 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 the 2003 Legislature to reflect potential transfers to PEORP and to continue the uniform rate structure for both the primary plans of the FRS. The net result of the legislation was that employers contributed the same rate whether the member elected PEORP membership or FRS Defined Benefit Program membership with the anticipated elections to not impact the expected amount of actual FRS defined benefit contributions.

FRS DEFINED BENEFIT PROGRAM

NORMAL RETIREMENT BENEFIT

Eligibility

- Regular Members
 1. 30 years of creditable service at any age, which may include a maximum of 4 years of active duty wartime 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 special risk service at any age; or

SUMMARY OF PLAN PROVISIONS

2. Age 55 and 6 or more years of special risk service; or
3. Age 52 and 25 years of creditable service, including special risk service and up to a maximum of four years of active duty wartime military service credit.
4. 30 years of any creditable service, at any age (same requirement as Regular Members).

(Section 121.021(29)(b))

- Special Risk Administrative Support Members
(with six or more years of Special Risk Class service, the same requirements as apply to Special Risk Members, otherwise same as apply to Regular Members)

(Section 121.021(29)(b))

- Elected Officers Members
(same requirements as apply to Regular Members)

(Section 121.021(29)(d))

- Senior Management Service Members
(same requirements as apply to 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))

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

SUMMARY OF PLAN PROVISIONS

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))

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 of creditable service, or 30 years of creditable service	1.60%
Age 63 with 6 years of creditable service, or 31 years of creditable service	1.63
Age 64 with 6 years of creditable service, or 32 years of creditable service	1.65
Age 65 with 6 years of creditable service, or 33 years of creditable service	1.68

(Sections 121.091(1))

SUMMARY OF PLAN PROVISIONS

- 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))

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

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

(Sections 121.091(1))

SUMMARY OF PLAN PROVISIONS

- 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), Section 121.091(1))

- 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))

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 10 years of creditable service and retired under normal retirement.

SUMMARY OF PLAN PROVISIONS

Benefit Amount

Effective July 1, 2003, the minimum monthly benefit is \$20.72 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)

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))

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))

SUMMARY OF PLAN PROVISIONS

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.

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 the Supreme Court orders disability retirement for a judge, 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 Support classes whose members are entitled to 65% of average monthly compensation.

SUMMARY OF PLAN PROVISIONS

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

(Section 121.091(4))

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 at least 20 years of creditable service, the reduction for early retirement 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))

LINE-OF-DUTY PRE-RETIREMENT DEATH BENEFITS

Eligibility

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

SUMMARY OF PLAN PROVISIONS

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))

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 121.021(45) 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. Participants who reached normal retirement before July 1, 1998 were eligible to participate in DROP for up to 60 months beginning July 1, 1998.

Effective July 1, 1998, eligible members can retire without terminating their employment during DROP participation. Monthly retirement benefits 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

SUMMARY OF PLAN PROVISIONS

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).

Effective July 1, 2003, participants employed in eligible instructional positions with a district school board or the Florida School for the Deaf and Blind could extend their participation beyond their initial 60-month period, for up to an additional 36 months. The employer must approve the request for DROP extension as well as the period of extension granted to an eligible DROP participant, if any, within the 36-month limit.

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(2)(b), 121.091(7)(a), Sections 121.091(5)(a) and (c))

SUMMARY OF PLAN PROVISIONS

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 pro-rated rate may apply in the initial year of applicability.

(Section 121.101)

PUBLIC EMPLOYEE OPTIONAL RETIREMENT PROGRAM

The Public Employee Optional Retirement Program is a defined contribution plan offered to eligible employees as an alternative to the FRS Pension Plan. The plan is authorized under sec. 401(a) of the Internal Revenue Code.

Benefits

Under the Public Employee Optional Retirement Program, benefits accrue in individual member accounts funded entirely by employer contributions and earnings thereon. Benefits are provided through employee-directed investments offered by approved investment providers. Vested benefits are payable upon termination or death as a lump-sum distribution, direct rollover distribution, or periodic distribution. In addition to normal benefits and death benefits, the plan also provides disability coverage as described below.

(Sections 121.4501 and 121.591)

CONTRIBUTIONS

The employer contributions deposited in each participant's PEORP account are based upon allocation rates established by law for each membership class. This statutorily prescribed percentage of the participant's gross compensation for the calendar month is deducted from the total amount paid by the employer on behalf of all members in the same class of membership based on the uniform contribution rate established by law. Current PEORP allocation rates are set forth in the following charts. The allocation rates shown in the first chart below do not include the 0.10% charge for PEORP administration and education, the separate employer contribution assessed to fund the PEORP disability program, or the contribution of 1.11% for the financing of the health insurance subsidy described later in this part.

(Sections 121.71 and 121.72)

SUMMARY OF PLAN PROVISIONS

The employer allocations to PEORP accounts are based on contribution rates as follows:

Classification	2003-2004 Fiscal Year Rates
Regular	9.00%
Special Risk	20.00
Special Risk Administrative	11.35
Elected Officers	
- Judges	18.90
- State	13.40
- County	16.20
Senior Management	10.95

The employer contribution rates to fund the disability benefit under PEORP are as follows:

Classification	2003-2004 Fiscal Year Rates
Regular	0.25%
Special Risk	1.33
Special Risk Administrative	0.45
Elected Officers	
- Judges	0.73
- State	0.41
- County	0.41
Senior Management	0.26

HEALTH INSURANCE PREMIUM SUBSIDY

In addition to retirement or death benefits eligible, PEORP retirees may receive a subsidy of \$5 per month per year of creditable service, with a minimum of \$30, and a maximum of \$150 per month, to subsidize the cost of health insurance premiums. This benefit is established by law and is not indexed (adjusted for changes in the

SUMMARY OF PLAN PROVISIONS

cost of living). To qualify for this benefit, PEORP members must terminate employment and meet the normal retirement requirements applicable to Defined Benefit Program members as defined under s. 121.021(29).

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

(Section 112.363)

NON-DUTY DISABILITY RETIREMENT

Eligibility

PEORP participants who have completed at least eight years of creditable service (or six years of creditable service if disability retirement is ordered for a judge by the Supreme Court) are eligible for regular disability benefits if they become totally and permanently disabled due to injury or illness suffered while actively employed in an FRS-covered position. Upon approval for disability retirement, the PEORP participant may choose either to retain his/her PEORP account balance or to surrender his/her account balance to the Defined Benefit Program and receive guaranteed lifetime monthly benefits.

Benefit Amount

If the disabled PEORP participant chooses to retain his/her account balance, he/she may elect to receive the normal benefit payable under PEORP. If he/she elects to receive lifetime monthly disability benefits, the amount of each monthly payment is calculated in the same manner as provided for regular disability retirement under the Defined Benefit Program and is subject to the same threshold benefit amounts.

(Section 121.091(4) and Section 121.591(1) and (2))

LINE-OF-DUTY-DISABILITY

Eligibility

PEORP participants are eligible for in-line-of-duty disability benefits if they become totally and permanently disabled due to injury or illness suffered during the actual performance of duty while actively employed in an FRS-covered position. There is no service credit requirement for in-line-of-duty disability benefits. Upon approval for disability retirement, the PEORP member may choose either to retain his/her PEORP account balance or to surrender his/her

SUMMARY OF PLAN PROVISIONS

account balance to the Defined Benefit Program and receive guaranteed lifetime monthly benefits.

Benefit Amount

If the disabled PEORP participant elects to retain his/her account balance, he/she may elect to receive the normal benefit payable under PEORP if he/she elects to receive lifetime monthly disability benefits, the amount of each monthly payment is calculated in the same manner as provided for in-line-of-duty disability retirement under the Defined Benefit Program, and is subject to the same threshold benefit amounts.

(Section 121.091(4) and Section 121.591(1) and (2))

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 Chapter 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 0.25% 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 at any age.

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

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

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

Plan E:

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

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

(Sections 238.07(2) and (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, 2003, the minimum monthly benefit is \$20.72 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 benefit \$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 benefit \$250 per month if more than one child.
3. One calendar day	Dependent parents 65 years of age 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. Participants who reached normal retirement before July 1, 1998, were eligible to participate in DROP for up to 60 months beginning July 1, 1998.

Effective July 1, 1998, eligible members can retire without terminating their employment during DROP participation. Monthly retirement benefits 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).

Effective July 1, 2003, participants employed in eligible instructional positions with a district school board or the Florida School for the Deaf and Blind could extend their participation beyond their initial 60-month period, for up to an additional 36 months. The employer must approve the request for DROP extension as well as the period of extension granted to an eligible DROP participant, if any, within the 36-month limit.

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))

SUMMARY OF PLAN PROVISIONS

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)

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 Chapter 122 of the Florida Statutes. Certain provisions are drawn from other sections of the Florida Statutes. This is a closed system that 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)

SUMMARY OF PLAN PROVISIONS

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)

EMPLOYER CONTRIBUTIONS

Employer contributions are:

Division A	9.99%
Division B	7.99%

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

(Section 122.35)

NORMAL RETIREMENT BENEFIT

Eligibility

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

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

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

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

Normal Form

Straight life benefit (Option 1).

(Section 122.08)

SUMMARY OF PLAN PROVISIONS

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.

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), 122.28(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)

SUMMARY OF PLAN PROVISIONS

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, 2003, the minimum monthly benefit is \$20.72 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)

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.

SUMMARY OF PLAN PROVISIONS

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))

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))

SUMMARY OF PLAN PROVISIONS

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.

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. Members who reached normal retirement before July 1, 1998 were eligible to participate in DROP for up to 60 months beginning July 1, 1998.

SUMMARY OF PLAN PROVISIONS

Effective July 1, 1998, eligible members can retire without terminating their employment during DROP participation. Monthly retirement benefits 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).

Effective July 1, 2003, participants employed in eligible instructional positions with a district school board or the Florida School for the Deaf and Blind could extend their participation beyond their initial 60-month period, for up to an additional 36 months. The employer must approve the request for DROP extension as well as the period of extension granted to an eligible DROP participant, if any, within the 36-month limit.

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))

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))

SUMMARY OF PLAN PROVISIONS

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, 2003.

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, 2003
Regular and Early Retirement by Age

Age	Men	Women	Total
Number of Persons			
Under 50	807	538	1,345
50 to 54	2,609	2,699	5,308
55 to 59	7,649	9,589	17,238
60 to 64	12,009	17,234	29,243
65 to 69	16,398	23,362	39,760
70 to 74	16,198	21,543	37,741
75 to 79	13,320	17,431	30,751
80 & Up	15,928	20,365	36,293
Total	84,918	112,761	197,679
Annual Benefits (in Thousands)			
Under 50	\$9,477	\$2,598	\$12,075
50 to 54	45,038	22,923	67,961
55 to 59	146,316	117,042	263,358
60 to 64	220,410	214,082	434,492
65 to 69	275,720	286,669	562,389
70 to 74	268,459	267,387	535,846
75 to 79	203,765	200,345	404,110
80 & Up	183,859	201,864	385,723
Total	\$1,353,044	\$1,312,910	\$2,665,954

Table C-2
Florida Retirement System
Annuitants at July 1, 2003
Disability Retirement by Age

Age	Men	Women	Total
Number of Persons			
Under 50	625	756	1,381
50 to 54	641	961	1,602
55 to 59	894	1,319	2,213
60 to 64	824	1,332	2,156
65 to 69	536	783	1,319
70 to 74	307	458	765
75 to 79	217	368	585
80 & Up	249	450	699
Total	4,293	6,427	10,720
Annual Benefits (in Thousands)			
Under 50	\$7,398	\$6,728	\$14,126
50 to 54	7,656	9,425	17,081
55 to 59	10,470	12,778	23,248
60 to 64	9,047	12,527	21,574
65 to 69	5,390	6,827	12,217
70 to 74	2,969	3,429	6,398
75 to 79	1,977	2,624	4,601
80 & Up	1,748	3,172	4,920
Total	\$46,655	\$57,510	\$104,165

Table C-3
Florida Retirement System
Potential Annuitants at July 1, 2003
Vested Terminated Members by Age for the Regular,
Senior Management, and Elected Officer Classes

Age	Men	Women	Total
Number of Persons			
Under 30	75	197	272
30 to 34	549	1,774	2,323
35 to 39	1,666	3,995	5,661
40 to 44	3,350	6,886	10,236
45 to 49	4,655	9,090	13,745
50 to 54	4,790	9,112	13,902
55 to 59	3,165	5,683	8,848
60 & Up	1,706	3,887	5,593
Total	19,956	40,624	60,580

Annual Benefits (in Thousands) *			
Under 30	\$173	\$481	\$654
30 to 34	2,082	6,280	8,362
35 to 39	8,797	18,602	27,399
40 to 44	21,043	37,475	58,518
45 to 49	32,909	53,161	86,070
50 to 54	37,875	56,864	94,739
55 to 59	24,971	33,727	58,698
60 & Up	10,907	16,972	27,879
Total	\$138,757	\$223,562	\$362,319

* Deferred to Age 62

Table C-4
Florida Retirement System
Potential Annuitants at July 1, 2003
Vested Terminated Members by Age for the
Special Risk Regular & Administrative Support Classes

Age	Men	Women	Total
Number of Persons			
Under 30	50	18	68
30 to 34	312	123	435
35 to 39	772	275	1,047
40 to 44	861	279	1,140
45 to 49	629	211	840
50 to 54	448	104	552
55 to 59	118	42	160
60 & Up	53	15	68
Total	3,243	1,067	4,310
Annual Benefits (in Thousands) *			
Under 30	\$316	\$98	\$414
30 to 34	2,545	932	3,477
35 to 39	8,860	2,923	11,783
40 to 44	11,170	3,399	14,569
45 to 49	8,459	2,771	11,230
50 to 54	5,793	1,203	6,996
55 to 59	1,474	474	1,948
60 & Up	501	186	687
Total	\$39,118	\$11,986	\$51,104

* Deferred to Age 55

Table C-5
Florida Retirement System
Annuitants and Potential Annuitants at July 1, 2003
All Types of Retirement by System

System	Annuitants	Potential Annuitants	Total
Number of Persons			
Regular	191,754	59,740	251,494
Senior Management	751	505	1,256
Special Risk	14,233	4,285	18,518
Special Risk Administrative	116	25	141
Judges	566	35	601
Legislative/Attorneys/Cabinet	142	79	221
County Officials	837	221	1,058
Total	208,399	64,890	273,289
Annual Benefits (in Thousands)			
Regular	\$2,370,102	\$347,888	\$2,717,990
Senior Management	27,531	9,985	37,516
Special Risk	316,563	50,923	367,486
Special Risk Administrative	2,861	181	3,042
Judges	31,014	1,617	32,631
Legislative/Attorneys/Cabinet	3,028	814	3,842
County Officials	19,020	2,015	21,035
Total	\$2,770,119	\$413,423	\$3,183,542

Table C-6
Florida Retirement System
Annuitants at July 1, 2003
DROP Members *

Age	Men	Women	Total
Number of Persons			
Under 50	308	83	391
50 to 54	1,809	2,007	3,816
55 to 59	4,472	4,802	9,274
60 to 64	3,588	5,332	8,920
65 to 69	1,551	2,169	3,720
70 to 74	244	193	437
75 to 79	75	58	133
80 & Up	18	11	29
Total	12,065	14,655	26,720
Annual Benefits (in Thousands)			
Under 50	\$13,207	\$1,959	\$15,166
50 to 54	63,218	44,483	107,701
55 to 59	132,062	119,742	251,804
60 to 64	77,475	86,467	163,942
65 to 69	21,714	24,773	46,487
70 to 74	2,533	1,539	4,072
75 to 79	703	460	1,163
80 & Up	430	26	456
Total	\$311,342	\$279,449	\$590,791

* 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, 2003
FRS-Regular: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	468	4,077,898				
20 to 24	4,197	75,290,871	119	2,433,874	1	22,354
25 to 29	7,613	198,615,657	1,894	55,553,541	78	2,432,608
30 to 34	6,944	190,892,983	5,612	193,868,341	1,649	58,994,622
35 to 39	5,647	155,038,054	4,976	172,427,731	4,452	178,387,871
40 to 44	6,060	167,143,255	4,903	170,574,282	5,008	202,480,962
45 to 49	5,831	161,463,654	4,904	169,499,845	4,751	192,528,413
50 to 54	5,175	145,335,346	4,808	166,800,777	4,745	192,294,319
55 to 59	4,603	125,213,337	4,124	139,630,325	4,295	172,792,865
60 to 64	2,600	62,334,850	2,508	79,488,531	2,277	87,921,797
65 & UP	2,419	38,790,838	1,757	38,848,839	1,183	35,900,912
TOTALS	51,557	1,324,196,743	35,605	1,189,126,086	28,439	1,123,756,723

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	40,550				
30 to 34	106	3,768,920				
35 to 39	2,029	81,277,030	110	4,521,349		
40 to 44	5,076	227,065,783	1,875	81,722,637	92	3,838,587
45 to 49	5,065	231,461,908	4,134	201,788,939	2,030	94,858,755
50 to 54	4,454	207,504,115	3,905	198,972,807	4,275	232,808,073
55 to 59	3,698	168,826,297	2,876	147,537,451	2,688	151,665,787
60 to 64	1,773	78,197,880	1,131	56,422,230	896	51,035,186
65 & UP	591	23,456,492	261	12,526,216	152	8,355,777
TOTALS	22,793	1,021,598,975	14,292	703,491,629	10,133	542,562,165

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	162	7,020,060				
50 to 54	1,097	60,926,340	6	295,403		
55 to 59	986	59,492,158	62	3,429,306		
60 to 64	247	16,019,706	64	3,740,285	3	154,311
65 & UP	78	4,838,339	31	2,352,394	10	648,454
TOTALS	2,570	148,296,603	163	9,817,388	13	802,765

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					468	4,077,898
20 to 24					4,317	77,747,099
25 to 29					9,586	256,642,356
30 to 34					14,311	447,524,866
35 to 39					17,214	591,652,035
40 to 44					23,014	852,825,506
45 to 49					26,877	1,058,621,574
50 to 54					28,465	1,204,937,180
55 to 59					23,332	968,587,526
60 to 64					11,499	435,314,776
65 & UP	2	125,538	1	68,244	6,485	165,912,043
TOTALS	2	125,538	1	68,244	165,568	6,063,842,859

MEMBERSHIP DATA

Table C-8
Florida Retirement System
Members and Their Salaries at July 1, 2003
FRS-Regular: Women

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	820	6,125,996				
20 to 24	10,106	185,198,237	180	3,260,710		
25 to 29	20,642	526,481,669	5,437	153,423,072	94	2,690,421
30 to 34	16,369	381,118,431	14,676	448,954,544	4,233	139,881,307
35 to 39	14,986	308,608,396	11,892	328,607,147	10,730	374,659,632
40 to 44	15,149	303,693,774	12,758	326,451,540	10,498	345,020,377
45 to 49	12,649	268,118,980	12,173	317,369,681	11,235	363,284,031
50 to 54	9,428	208,113,222	9,759	266,199,299	10,794	358,929,074
55 to 59	6,799	144,424,527	6,655	176,507,797	7,582	250,023,478
60 to 64	3,350	60,749,118	3,323	79,515,800	3,385	101,263,844
65 & UP	2,177	27,468,026	1,758	29,700,238	1,215	26,533,313
TOTALS	112,475	2,420,100,376	78,611	2,129,989,828	59,766	1,962,285,477

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	162	5,317,191	1	18,692		
35 to 39	4,416	159,817,198	151	5,889,510		
40 to 44	10,602	411,708,172	4,043	159,357,762	168	6,246,388
45 to 49	10,506	393,257,219	9,479	415,892,575	3,956	174,636,465
50 to 54	10,919	414,835,070	8,515	371,358,167	9,200	457,875,172
55 to 59	8,837	335,458,441	6,977	293,268,113	5,400	245,533,385
60 to 64	3,473	124,219,091	2,976	119,027,678	2,279	94,079,073
65 & UP	892	23,872,085	462	13,343,715	331	10,835,968
TOTALS	49,807	1,868,484,467	32,604	1,378,156,212	21,334	989,206,451

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	116	4,662,166				
50 to 54	1,678	87,049,562	11	450,696		
55 to 59	1,422	74,851,776	75	3,891,017	1	30,966
60 to 64	370	15,580,331	69	3,238,557	9	425,949
65 & UP	139	4,405,705	33	1,306,308	11	609,149
TOTALS	3,725	186,549,540	188	8,886,578	21	1,066,064

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					820	6,125,996
20 to 24					10,286	188,458,947
25 to 29					26,173	682,595,162
30 to 34					35,441	975,290,165
35 to 39					42,175	1,177,581,883
40 to 44					53,218	1,552,478,013
45 to 49					60,114	1,937,221,117
50 to 54					60,304	2,164,810,262
55 to 59					43,748	1,523,989,500
60 to 64					19,234	598,099,441
65 & UP	9	492,533	2	155,433	7,029	138,722,473
TOTALS	9	492,533	2	155,433	358,542	10,945,372,959

MEMBERSHIP DATA

Table C-9
Florida Retirement System
Members and Their Salaries at July 1, 2003
FRS-Special Risk: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	31	684,980				
20 to 24	2,040	57,034,264	20	636,424		
25 to 29	3,628	114,689,323	1,487	53,926,533	23	967,943
30 to 34	3,211	107,111,496	3,879	154,208,121	1,794	79,616,170
35 to 39	1,727	57,921,840	2,303	92,710,040	3,139	147,888,969
40 to 44	1,040	34,316,459	1,175	44,562,620	1,915	88,070,272
45 to 49	699	23,437,421	859	32,292,775	1,040	45,475,865
50 to 54	459	16,360,197	628	23,786,720	737	31,165,918
55 to 59	307	10,631,597	411	16,034,453	449	18,927,521
60 to 64	89	3,104,381	166	6,190,397	198	8,579,721
65 & UP	11	400,807	42	1,608,964	35	1,455,748
TOTALS	13,242	425,692,765	10,970	425,957,047	9,330	422,148,127

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1	50,942				
20 to 24						
25 to 29						
30 to 34	59	2,977,744				
35 to 39	2,058	107,553,990	63	3,444,570		
40 to 44	2,961	160,575,743	1,521	92,440,166	38	2,507,394
45 to 49	1,557	81,557,264	2,121	134,248,425	662	43,288,956
50 to 54	909	46,118,640	1,176	72,341,536	614	39,189,065
55 to 59	349	16,753,338	289	16,637,154	146	8,484,935
60 to 64	178	8,882,587	98	5,408,940	39	2,273,329
65 & UP	28	1,321,559	17	991,671	6	310,411
TOTALS	8,100	425,791,807	5,285	325,512,462	1,505	96,054,090

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	15	786,698				
50 to 54	75	5,146,487				
55 to 59	55	3,749,784	4	328,969		
60 to 64	14	873,970	3	234,923	1	72,088
65 & UP			1	62,002	1	83,195
TOTALS	159	10,556,939	8	625,894	2	155,283

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					32	735,922
20 to 24					2,060	57,670,688
25 to 29					5,138	169,583,799
30 to 34					8,943	343,913,531
35 to 39					9,290	409,519,409
40 to 44					8,650	422,472,654
45 to 49					6,953	361,087,404
50 to 54					4,598	234,108,563
55 to 59					2,010	91,547,751
60 to 64					786	35,620,336
65 & UP					141	6,234,357
TOTALS					48,601	2,132,494,414

MEMBERSHIP DATA

Table C-10
Florida Retirement System
Members and Their Salaries at July 1, 2003
FRS-Special Risk: Women

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	16	378,488				
20 to 24	794	21,364,992	5	137,144		
25 to 29	1,386	40,755,736	514	16,866,507	3	95,423
30 to 34	1,063	31,424,072	1,279	46,220,097	432	17,999,236
35 to 39	546	16,728,849	788	28,335,466	907	39,430,430
40 to 44	363	10,683,948	482	17,318,488	624	26,148,457
45 to 49	217	6,707,582	303	10,381,107	406	16,125,483
50 to 54	130	3,702,759	190	6,818,858	280	11,091,571
55 to 59	60	1,888,057	99	3,435,427	95	3,621,959
60 to 64	17	489,782	38	1,445,413	39	1,666,048
65 & UP	3	92,384	7	317,036	3	135,087
TOTALS	4,595	134,216,649	3,705	131,275,543	2,789	116,313,694

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	14	567,022				
35 to 39	500	24,465,057	13	605,102		
40 to 44	855	41,371,206	277	15,843,057	6	422,656
45 to 49	485	22,665,049	464	25,427,100	104	6,110,197
50 to 54	289	12,724,189	253	13,291,687	129	7,069,444
55 to 59	80	3,593,340	75	3,992,933	29	1,562,127
60 to 64	28	1,215,381	19	899,253	7	396,931
65 & UP	5	235,031	2	88,365		
TOTALS	2,256	106,836,275	1,103	60,147,497	275	15,561,355

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	128,030				
50 to 54	10	630,031				
55 to 59	6	348,553				
60 to 64	1	41,173				
65 & UP	1	66,632				
TOTALS	20	1,214,419				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					16	378,488
20 to 24					799	21,502,136
25 to 29					1,903	57,717,666
30 to 34					2,788	96,210,427
35 to 39					2,754	109,564,904
40 to 44					2,607	111,787,812
45 to 49					1,981	87,544,548
50 to 54					1,281	55,328,539
55 to 59					444	18,442,396
60 to 64					149	6,153,981
65 & UP					21	934,535
TOTALS					14,743	565,565,432

MEMBERSHIP DATA

**Table C-11
Florida Retirement System
Members and Their Salaries at July 1, 2003
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			2	72,734	4	184,202
35 to 39			1	35,980	4	148,965
40 to 44					5	210,881
45 to 49			2	72,110	2	60,353
50 to 54					2	108,163
55 to 59					1	32,782
60 to 64						
65 & UP						
TOTALS			5	180,824	18	745,346

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	8	306,509	1	48,735		
40 to 44	6	226,830	2	82,865		
45 to 49	7	274,429	8	350,960	4	240,060
50 to 54	5	184,814	3	122,799	5	261,567
55 to 59					4	201,936
60 to 64	1	33,090				
65 & UP						
TOTALS	27	1,025,672	14	605,359	13	703,563

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	246,978				
55 to 59						
60 to 64						
65 & UP						
TOTALS	4	246,978				

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					6	256,936
35 to 39					14	540,189
40 to 44					13	520,576
45 to 49					23	997,912
50 to 54					19	924,321
55 to 59					5	234,718
60 to 64					1	33,090
65 & UP						
TOTALS					81	3,507,742

MEMBERSHIP DATA

Table C-12
Florida Retirement System
Members and Their Salaries at July 1, 2003
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						
30 to 34			1	35,974		
35 to 39			1	29,300	2	73,485
40 to 44			1	31,436	2	63,769
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS			3	96,710	4	137,254

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	32,164				
40 to 44	2	77,658	3	144,520		
45 to 49	4	156,507	4	172,490		
50 to 54	1	38,261	1	46,623	1	39,589
55 to 59						
60 to 64					1	59,086
65 & UP						
TOTALS	8	304,590	8	363,633	2	98,675

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					1	35,974
35 to 39					4	134,949
40 to 44					8	317,383
45 to 49					8	328,997
50 to 54					3	124,473
55 to 59						
60 to 64					1	59,086
65 & UP						
TOTALS					25	1,000,862

MEMBERSHIP DATA

**Table C-13
Florida Retirement System
Members and Their Salaries at July 1, 2003
EOC-Judicial: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	1	130,359	2	217,899		
35 to 39	4	490,892	1	64,694	1	120,829
40 to 44	9	1,113,867	11	1,378,164	10	1,245,948
45 to 49	13	1,713,167	18	2,284,862	21	2,557,834
50 to 54	18	2,035,279	18	2,129,633	30	3,898,538
55 to 59	26	3,066,915	26	3,305,531	33	4,161,922
60 to 64	7	920,009	17	2,200,752	16	2,123,125
65 & UP	2	260,291	4	551,957	3	384,068
TOTALS	80	9,730,779	97	12,133,492	114	14,492,264

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	4	437,061				
45 to 49	14	1,765,932	19	2,385,615		
50 to 54	33	4,238,904	42	5,457,072	12	1,470,795
55 to 59	39	5,013,585	35	4,587,660	33	4,253,212
60 to 64	16	2,075,475	9	1,189,794	11	1,381,384
65 & UP	3	414,631	2	260,313	2	264,874
TOTALS	109	13,945,588	107	13,880,454	58	7,370,265

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	132,437				
55 to 59	3	374,664				
60 to 64	1	121,276				
65 & UP	2	260,291				
TOTALS	7	888,668				

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					3	348,258
35 to 39					6	676,415
40 to 44					34	4,175,040
45 to 49					85	10,707,410
50 to 54					154	19,362,658
55 to 59					195	24,763,489
60 to 64					77	10,011,815
65 & UP					18	2,396,425
TOTALS					572	72,441,510

MEMBERSHIP DATA

**Table C-14
Florida Retirement System
Members and Their Salaries at July 1, 2003
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	552,709	2	228,201	1	119,194
40 to 44	6	646,914	9	1,032,063	6	619,136
45 to 49	7	897,490	9	1,175,190	13	1,646,260
50 to 54	6	537,220	5	581,301	15	1,861,850
55 to 59	2	246,351	5	682,561	6	752,891
60 to 64	1	132,437	3	397,311	6	768,136
65 & UP			2	264,874	1	132,437
TOTALS	27	3,013,121	35	4,361,501	48	5,899,904

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	9	1,102,435	1	119,194		
45 to 49	14	1,678,579	6	758,245		
50 to 54	21	2,688,678	12	1,538,681	3	397,311
55 to 59	4	504,864	9	1,181,640	6	790,644
60 to 64	1	132,437	3	397,311	1	132,437
65 & UP	1	119,405	1	141,097		
TOTALS	50	6,226,398	32	4,136,168	10	1,320,392

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	1	141,097				
65 & UP						
TOTALS	1	141,097				

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	900,104
40 to 44					31	3,519,742
45 to 49					49	6,155,764
50 to 54					62	7,605,041
55 to 59					32	4,158,951
60 to 64					16	2,101,166
65 & UP					5	657,813
TOTALS					203	25,098,581

MEMBERSHIP DATA

Table C-15
Florida Retirement System
Members and Their Salaries at July 1, 2003
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	2	58,046				
30 to 34	2	58,046	6	166,460		
35 to 39	10	280,657	2	58,656		
40 to 44	7	205,296	6	171,033	2	70,292
45 to 49	7	204,686	9	320,403	3	87,984
50 to 54	3	84,121	8	436,756	4	332,922
55 to 59	6	267,218	7	190,113	1	27,900
60 to 64	3	87,374	1	29,328	2	276,281
65 & UP	2	58,656	2	58,656	1	22,799
TOTALS	42	1,304,100	41	1,431,405	13	818,178

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	29,328				
40 to 44	2	58,656				
45 to 49	2	165,678	1	136,349		
50 to 54			2	160,221	3	296,570
55 to 59	1	29,328	4	224,333	5	606,546
60 to 64			3	289,970		
65 & UP						
TOTALS	6	282,990	10	810,873	8	903,116

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	3	401,718				
60 to 64			1	139,932		
65 & UP						
TOTALS	3	401,718	1	139,932		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					2	58,046
30 to 34					8	224,506
35 to 39					13	368,641
40 to 44					17	505,277
45 to 49					22	915,100
50 to 54					20	1,310,590
55 to 59					27	1,747,156
60 to 64					10	822,885
65 & UP					5	140,111
TOTALS					124	6,092,312

MEMBERSHIP DATA

Table C-16
Florida Retirement System
Members and Their Salaries at July 1, 2003
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	1	29,328				
35 to 39					2	58,656
40 to 44	2	52,508	2	58,656		
45 to 49	3	67,618	2	163,662	1	134,334
50 to 54	4	199,193	1	29,328		
55 to 59	3	87,984	2	58,656		
60 to 64	2	48,473				
65 & UP			1	20,991		
TOTALS	15	485,104	8	331,293	3	192,990

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	5	254,705				
50 to 54	1	34,477	1	39,330	2	265,490
55 to 59	3	179,366				
60 to 64	1	29,328				
65 & UP						
TOTALS	10	497,876	1	39,330	2	265,490

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					1	29,328
35 to 39					2	58,656
40 to 44					4	111,164
45 to 49					11	620,319
50 to 54					9	567,818
55 to 59					8	326,006
60 to 64					3	77,801
65 & UP					1	20,991
TOTALS					39	1,812,083

MEMBERSHIP DATA

Table C-17
Florida Retirement System
Members and Their Salaries at July 1, 2003
EOC-County Officials: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	3,091				
25 to 29			1	35,490		
30 to 34	3	46,136	3	43,724		
35 to 39	8	195,843	11	405,476	6	353,721
40 to 44	26	632,721	17	601,969	13	853,473
45 to 49	26	832,253	27	1,160,167	18	654,999
50 to 54	20	758,649	30	1,016,904	34	1,626,931
55 to 59	33	1,073,228	33	1,143,806	24	1,131,021
60 to 64	34	1,111,974	25	914,483	20	942,524
65 & UP	23	595,118	28	638,739	19	594,880
TOTALS	174	5,249,013	175	5,960,758	134	6,157,549

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	2	177,185				
40 to 44	5	301,814				
45 to 49	12	407,481	10	834,079	7	693,263
50 to 54	10	416,104	11	824,820	21	1,773,132
55 to 59	19	1,077,817	16	1,003,140	12	1,073,161
60 to 64	11	369,318	10	360,160	5	451,084
65 & UP	12	245,468	5	128,364	3	171,848
TOTALS	71	2,995,187	52	3,150,563	48	4,162,488

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	9	898,196				
55 to 59	5	508,155				
60 to 64	2	243,216				
65 & UP	1	151,552				
TOTALS	17	1,801,119				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	3,091
25 to 29					1	35,490
30 to 34					6	89,860
35 to 39					27	1,132,225
40 to 44					61	2,389,977
45 to 49					100	4,582,242
50 to 54					135	7,314,736
55 to 59					142	7,010,328
60 to 64					107	4,392,759
65 & UP					91	2,525,969
TOTALS					671	29,476,677

MEMBERSHIP DATA

Table C-18
Florida Retirement System
Members and Their Salaries at July 1, 2003
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						
25 to 29	1	4,650				
30 to 34	2	8,700	2	46,359	1	70,609
35 to 39	6	203,276	6	230,869	3	148,124
40 to 44	10	402,342	4	198,225	5	159,268
45 to 49	23	790,974	10	319,818	10	523,715
50 to 54	14	483,533	14	642,973	23	1,050,989
55 to 59	20	607,445	15	662,539	20	873,486
60 to 64	7	173,956	13	416,411	5	174,152
65 & UP	10	313,457	13	242,506	11	294,358
TOTALS	93	2,988,333	77	2,759,700	78	3,294,701

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	89,529				
40 to 44	3	141,735	1	89,854		
45 to 49	11	637,400	5	413,932	13	1,219,256
50 to 54	7	343,422	5	250,938	9	629,355
55 to 59	7	335,199	10	743,760	7	680,054
60 to 64	4	239,219	4	220,199	4	229,695
65 & UP	2	41,664	2	34,202	3	153,046
TOTALS	35	1,828,168	27	1,752,885	36	2,911,406

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	6	596,350				
55 to 59	2	165,815				
60 to 64	2	198,177				
65 & UP	1	68,653				
TOTALS	11	1,028,995				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	4,650
30 to 34					5	125,668
35 to 39					16	671,798
40 to 44					23	991,424
45 to 49					72	3,905,095
50 to 54					78	3,997,560
55 to 59					81	4,068,298
60 to 64					39	1,651,809
65 & UP					42	1,147,886
TOTALS					357	16,564,188

MEMBERSHIP DATA

Table C-19
Florida Retirement System
Members and Their Salaries at July 1, 2003
FRS-Senior Management Service: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	35,015				
25 to 29	214	8,030,148	3	137,529		
30 to 34	201	8,159,529	83	4,479,751	8	479,880
35 to 39	69	3,223,073	93	5,458,995	95	6,788,116
40 to 44	69	3,456,291	66	4,333,531	88	6,515,676
45 to 49	56	3,365,715	65	4,399,381	97	7,236,219
50 to 54	53	3,198,437	82	6,297,825	91	7,636,194
55 to 59	38	2,520,330	65	5,601,045	88	7,035,215
60 to 64	13	949,752	32	2,597,602	52	4,283,219
65 & UP	5	303,926	7	454,142	16	1,432,411
TOTALS	719	33,242,216	496	33,759,801	535	41,406,930

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	6	357,958	2	98,322		
40 to 44	119	9,357,118	16	1,169,106		
45 to 49	160	12,842,857	123	11,692,901	38	3,544,600
50 to 54	120	10,471,531	147	13,144,270	167	16,120,026
55 to 59	93	7,846,389	76	6,989,489	86	8,973,806
60 to 64	24	2,418,705	21	1,767,905	24	2,331,986
65 & UP	7	961,078	5	432,231	4	452,724
TOTALS	529	44,255,636	390	35,294,224	319	31,423,142

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	1	76,545				
50 to 54	32	3,211,155				
55 to 59	41	4,293,801	2	164,864		
60 to 64	9	1,135,677	2	316,457		
65 & UP	5	556,433	1	176,200	1	89,789
TOTALS	88	9,273,611	5	657,521	1	89,789

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	35,015
25 to 29					217	8,167,677
30 to 34					292	13,119,160
35 to 39					265	15,926,464
40 to 44					358	24,831,722
45 to 49					540	43,158,218
50 to 54					692	60,079,438
55 to 59					489	43,424,939
60 to 64					177	15,801,303
65 & UP					51	4,858,934
TOTALS					3,082	229,402,870

MEMBERSHIP DATA

Table C-20
Florida Retirement System
Members and Their Salaries at July 1, 2003
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						
25 to 29	209	7,915,628	2	92,961		
30 to 34	169	6,891,717	103	5,162,762	14	703,753
35 to 39	75	3,369,267	109	5,595,023	103	6,538,211
40 to 44	55	2,563,875	67	4,085,613	107	6,976,877
45 to 49	33	1,801,097	52	3,375,218	72	5,176,628
50 to 54	32	1,889,053	37	2,174,952	59	4,337,606
55 to 59	23	1,274,267	27	1,591,138	34	2,562,440
60 to 64	4	169,971	5	204,116	11	670,169
65 & UP	1	15,008	2	81,204	2	138,715
TOTALS	601	25,889,883	404	22,362,987	402	27,104,399

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	60,601				
35 to 39	28	1,575,308	2	128,778		
40 to 44	98	7,433,493	24	1,934,009	1	49,140
45 to 49	117	8,787,115	96	7,837,256	59	4,617,326
50 to 54	71	5,781,832	93	7,712,284	98	8,354,229
55 to 59	46	3,453,443	57	4,918,126	62	5,039,751
60 to 64	13	947,498	13	970,908	18	1,181,696
65 & UP	2	201,444	2	134,246	1	67,600
TOTALS	376	28,240,734	287	23,635,607	239	19,309,742

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	20	1,803,790				
55 to 59	13	1,068,769	1	36,994		
60 to 64	1	87,003	1	93,263		
65 & UP	1	90,395			1	84,551
TOTALS	35	3,049,957	2	130,257	1	84,551

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					211	8,008,589
30 to 34					287	12,818,833
35 to 39					317	17,206,587
40 to 44					352	23,043,007
45 to 49					429	31,594,640
50 to 54					410	32,053,746
55 to 59					263	19,944,928
60 to 64					66	4,324,624
65 & UP					12	813,163
TOTALS					2,347	149,808,117

MEMBERSHIP DATA

**Table C-21
Florida Retirement System
Members and Their Salaries at July 1, 2003
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						
60 to 64			1	66,374		
65 & UP						
TOTALS			1	66,374		

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	17	1,288,677	4	233,076		
60 to 64	7	636,859	11	710,056	1	65,383
65 & UP	5	327,593	4	268,811	1	57,114
TOTALS	29	2,253,129	19	1,211,943	2	122,497

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59					21	1,521,753
60 to 64					20	1,478,672
65 & UP					10	653,518
TOTALS					51	3,653,943

MEMBERSHIP DATA

Table C-22
Florida Retirement System
Members and Their Salaries at July 1, 2003
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	44,781
60 to 64						
65 & UP						
TOTALS					1	44,781

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	64,425		
55 to 59	1	60,209	1	49,077	8	446,057
60 to 64	1	41,037	3	208,636	4	229,554
65 & UP						
TOTALS	2	101,246	5	322,138	12	675,611

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	197,472				
55 to 59	66	3,992,021	11	681,040		
60 to 64	4	234,377	17	1,014,717	3	197,104
65 & UP	2	115,498	6	368,985	7	403,613
TOTALS	76	4,539,368	34	2,064,742	10	600,717

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					5	261,897
55 to 59					88	5,273,185
60 to 64					32	1,925,425
65 & UP	1	53,888	1	50,865	17	992,849
TOTALS	1	53,888	1	50,865	142	8,453,356

MEMBERSHIP DATA

Table C-23
Florida Retirement System
Members and Their Salaries at July 1, 2003
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	8,319				
TOTALS	1	8,319				

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	35,907				
55 to 59	1	43,159	1	30,324		
60 to 64						
65 & UP			1	41,830		
TOTALS	2	79,066	2	72,154		

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	35,907
55 to 59					2	73,483
60 to 64						
65 & UP	1	31,030			3	81,179
TOTALS	1	31,030			6	190,569

MEMBERSHIP DATA

Table C-24
Florida Retirement System
Members and Their Salaries at July 1, 2003
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						
60 to 64			1	14,767		
65 & UP						
TOTALS			1	14,767		

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64			2	52,755		
65 & UP						
TOTALS			2	52,755		

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	23,531	1	27,426		
60 to 64	1	16,340	2	31,877		
65 & UP	1	16,326				
TOTALS	3	56,197	3	59,303		

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						
55 to 59					2	50,957
60 to 64					6	115,739
65 & UP	1	33,813			2	50,139
TOTALS	1	33,813			10	216,835

MEMBERSHIP DATA

**Table C-25
Florida Retirement System
Distribution of Active Participants
Grand Totals
July 1, 2003**

SERVICE						
AGE	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1,335	11,267,362				
20 to 24	17,139	338,926,470	324	6,468,152	1	22,354
25 to 29	33,695	896,550,857	9,338	280,035,633	198	6,186,395
30 to 34	27,966	725,870,797	25,648	853,476,766	8,135	297,929,779
35 to 39	23,083	546,612,856	20,185	634,187,578	19,445	754,716,203
40 to 44	22,796	524,911,250	19,501	570,797,620	18,283	678,435,388
45 to 49	19,564	469,400,637	18,433	542,814,219	17,669	635,492,118
50 to 54	15,342	382,697,009	15,580	476,915,326	16,814	614,334,075
55 to 59	11,920	291,301,256	11,469	348,843,391	12,629	461,988,261
60 to 64	6,127	130,272,077	6,132	173,414,911	6,011	208,669,016
65 & UP	4,654	68,306,830	3,623	72,788,146	2,489	67,024,728
TOTALS	183,621	4,386,117,401	130,233	3,959,741,742	101,674	3,724,798,317

SERVICE						
AGE	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1	50,942				
20 to 24						
25 to 29	1	40,550				
30 to 34	342	12,691,478	1	18,692		
35 to 39	9,050	375,681,256	342	14,736,366		
40 to 44	19,742	859,857,704	7,763	352,903,170	305	13,064,165
45 to 49	17,959	755,912,123	16,470	801,938,866	6,873	329,208,878
50 to 54	16,840	705,380,037	14,167	685,325,660	14,539	766,549,818
55 to 59	13,177	543,131,616	10,425	481,132,876	8,486	429,311,401
60 to 64	5,524	218,801,046	4,293	187,282,113	3,289	153,781,441
65 & UP	1,543	50,868,857	759	28,080,420	502	20,612,248
TOTALS	84,179	3,522,415,609	54,220	2,551,418,163	33,994	1,712,527,951

SERVICE						
AGE	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	296	12,673,499				
50 to 54	2,937	160,874,705	17	746,099		
55 to 59	2,621	150,602,581	161	8,823,016	1	30,966
60 to 64	660	35,329,202	170	9,520,067	17	914,835
65 & UP	236	10,897,417	77	4,576,530	32	1,975,865
TOTALS	6,750	370,377,404	425	23,665,712	50	2,921,666

SERVICE						
AGE	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					1,336	11,318,304
20 to 24					17,464	345,416,976
25 to 29					43,232	1,182,813,435
30 to 34					62,092	1,889,987,512
35 to 39					72,105	2,325,934,259
40 to 44					88,390	2,999,969,297
45 to 49					97,264	3,547,440,340
50 to 54					96,236	3,792,822,729
55 to 59					70,889	2,715,165,364
60 to 64					32,223	1,117,984,708
65 & UP	14	736,802	4	274,542	13,933	326,142,385
TOTALS	14	736,802	4	274,542	595,164	20,254,995,309

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	524,110	\$17,520,027	\$53,459
Senior Management	5,429	390,355	2,264
Florida Retirement System - Special Risk			
Non-Administrative	63,344	2,784,233	5,701
Administrative	106	4,644	22
Florida Retirement System - Elected Officers' Class			
Judicial	775	100,238	902
Leg. / Atty. / Cabinet	163	8,127	78
County Elected Off.	1,028	47,315	392
Teachers Retirement System	193	12,423	12,511
State and County Retirement System	16	418	293
Total	595,164	\$20,867,780	\$75,622
	Average Annual Salary =	\$35,062	

APPENDIX D PROJECTIONS

PROJECTIONS

Table D-1 presents a projection of total costs of the employers covered by the Florida Retirement System during the five-year period following the actuarial valuation date, July 1, 2003. The contributions shown beginning with fiscal year 2004-2005 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 2003-2004 are based on the rates on page B-4 of this report.

Table D-2 projects each existing amortization base as of July 1, 2003. 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, 2003 valuation results, and assume experience occurs as stated in our July 1, 2003 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 all of the available surplus is used for rate reduction (i.e. applying the 1.75% rate reduction in order to minimize the increase in the legislated from the fiscal year 2003-2004, since the current surplus is not sufficient to provide the additional rate reductions enacted for fiscal year 2003-2004. 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, 2003**

(All Amounts in Millions)

	<u>2003 -2004</u>	<u>2004 -2004</u>	<u>2004 -2005</u>	<u>2005 -2006</u>	<u>2006 - 2007</u>
A. Normal Cost *	\$2,589	\$2,657	\$2,769	\$2,880	\$2,988
B. Surplus Utilization	(\$861)	(\$414)	(\$434)	(\$458)	(\$480)
C. Cost for Additional Administrative Charge (for PEORP)	<u>\$0</u>	<u>\$20</u>	<u>\$21</u>	<u>\$22</u>	<u>\$23</u>
D. Total	\$1,728	\$2,263	\$2,356	\$2,422	\$2,531
E. Social Security	<u>\$1,694</u>	<u>\$1,763</u>	<u>\$1,832</u>	<u>\$1,898</u>	<u>\$1,956</u>
F. Grand Total	\$3,422	\$4,026	\$4,188	\$4,320	\$4,487

* Includes DROP contributions on behalf of DROP members.

Table D-2
Florida Retirement System – July 1, 2003 Valuation
Funding of UAL / (Surplus) by Duration of Amortization

Years to Amortize Surplus

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior	DROP
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	
Outstanding Balance / (Surplus)	(\$16,649,561)	(\$2,036,333)	(\$31,841)	(\$210,673)	(\$25,274)	(\$40,173)	\$0	\$9,338,463
UAL Cost / (Savings) (see Table IV-5)	-1.66%	-2.81%	-1.81%	-1.31%	-2.51%	-1.68%	-1.45%	0.00%
Normal Cost Payroll ¹	\$17,424,158	\$2,782,763	\$4,644	\$100,116	\$8,074	\$45,723	\$389,162	\$0
Annual Payment / (Savings) for FY 2004-2005	(\$303,703)	(\$82,105)	(\$88)	(\$1,377)	(\$213)	(\$807)	(\$5,925)	\$0
Amortization Period Calculated Assuming								
Level Dollar	NA ²	NA ²	NA ²	NA ²	NA ²	NA ²	2	NA ³
Level Percent of Payroll	NA ²	NA ²	NA ²	NA ²	NA ²	NA ²	2	NA ³

¹ A separate UAL payroll that includes OAP and ORP members would apply if a UAL existed.

² Current annual payment / (savings) will never accumulate to the Surplus if the earned interest rate is 8%.

³ No annual payment, therefore no amortization period.

PROJECTIONS

Table D-3
Proposed Retirement Plan with FRS Reserve Mechanism #11
Impact of Florida Law on FRS Trust Fund ¹

Updated FY 2004-2005 Forward Based on 07/01/2003 Valuation Results and 07/01/2003 Assets
(000,000 omitted)

	<u>2004 - 05</u>	<u>2005 - 06</u>	<u>2006 - 07</u>
1 1.0% Rate Reduction ⁴	(\$217.9)	(\$228.8)	(\$240.3)
2 Experience Study hold harmless (hold normal cost rate at 10.55%) ⁴	(\$106.0)	(\$111.3)	(\$116.8)
3 6 yr DB vesting - hold harmless from rate increase ⁴	(\$90.5)	(\$95.0)	(\$99.7)
4 Cost to DB program of adding a new DC program ^{3 & 5}	\$17.7	\$18.6	\$19.5
5 1.75% Rate Reduction ⁴	(\$381.4)	(\$400.4)	(\$420.5)
6 12% Increase in Special Risk benefits (in pay status before 07/01/2000) ⁶	(\$16.6)	(\$17.4)	(\$18.3)
Total	(\$794.7)	(\$834.3)	(\$876.1)
7 Estimated Surplus Available RSM ^{11 2 & 7}	\$794.8	\$460.0	\$237.6
8 Increase in Surplus from year to year	(\$99.7)	(\$334.8)	(\$222.4)
9 Surplus Available with DC Bill & Rate Reduction	\$0.1	(\$374.3)	(\$638.5)

¹ Numbers exclude contributions to DC Plan

² Projected surplus based on 07/01/2003 valuation results

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

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

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

⁶ Assumes increase will be paid from surplus

⁷ Using amortization method that reflects interest

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 2002 actuarial valuation to the 2003 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, 2002	5.44%	8.0%	
June 30, 2003	4.85%	8.0%	
2. Annual Rate of Payroll Growth			
Period Ending	Actual ^{1) & 2)}	Assumed ²⁾	
June 30, 2002	2.77%	0.00%	
June 30, 2003	0.68%	0.00%	
3. Individual Rates of Salary Increases for Regular Members and Special Risk Members			
Year Ended	<u>Rate of Increase During Year</u>		
June 30	Regular Members	Special Risk	Assumed ³⁾
2001	4.4%	7.1%	6.25%
2002	5.3%	7.6%	6.25%
2003	6.3%	7.2%	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, 2002	611,178	10,265	187,789	28,389	837,621
New Entrants	68,442	0	0	0	68,442
Retirements	(9,302)	971	18,643	(10,312)	0
DROP	(8,643)	0	0	8,643	0
PEORP elections	(21,302)	0	0	0	(21,302)
Terminations and deaths with and without benefit	(45,209)	0	0	0	(45,209)
Cessation of benefit payments	NA	(516)	(8,753)	0	(9,269)
Number reported as of July 1, 2003	595,164	10,720	197,679	26,720	830,283

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.