

FLORIDA RETIREMENT SYSTEM
Actuarial Valuation
as of
July 1, 2004

A MILLIMAN GLOBAL FIRM



Milliman

Consultants and Actuaries

December 2004

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December 9, 2004

Ms. Sarabeth Snuggs
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, 2004. The results of the valuation are contained in the following report.

Section I contains an Executive Summary of the results of our valuation followed by four sections containing detailed information on FRS Assets (Section II), Liabilities (Section III), Contributions (Section IV), and Accounting Statements (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 2004. 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. Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions used in this valuation. It is certain that actual experience will not conform exactly to the assumptions used in this valuation. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

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

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In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Division of Retirement. This information includes, but is not limited to, plan provisions, employee data, and financial information. Census data provided to us by the Division has been reviewed for reasonableness and for consistency with data used in prior valuations. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

The purpose of this report is to set the contribution rates for FY 2005-06 and review the experience for the previous year. This report may not be used for purposes other than those listed above without Milliman's prior written consent.

I, Robert Dezube, am a consulting actuary for Milliman, Inc. 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, Inc.

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, 2004 actuarial valuation of the Florida Retirement System. In this section, we compare the 2003 and 2004 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, 2003. We conclude this section with summary comment 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 decreased from 11.71% of pay as of July 1, 2003 to 11.37%. The decrease was primarily attributable to the change in assumptions as recommended following completion of the June 30, 2003 experience study. Had the assumptions remained unchanged the composite normal cost rate would have been 11.78% of pay (i.e., a 0.07% increase due to demographic changes) instead of the actual 11.37%. Both rates exclude DROP participants.
- The unfunded actuarial liability (including DROP Class liability) also changed due to an additional year of experience and the assumptions changes; in fact the surplus decreased from \$12.6 billion to \$11.5 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 \$0.604 billion available surplus for the FY 2005-2006 budget year.
- Prior to July 1, 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 transfer from the FRS Defined Benefit Program to the PEORP during the enrollment periods for existing defined benefit plan members. Due to the relatively small percentage making the election, the impact on the Defined Benefit Program was de minimus. Approximately \$363 million was transferred from the Defined Benefit Program to the PEORP in 2003 as a result of these elections creating an estimated actuarial gain of \$293 million. Whether the long-term impact will be more significant 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.

Members of the FRS Defined Benefit Program who elected to join PEORP during the initial election period 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 arising from these transfers to PEORP. The remaining contingent liability as of July 1, 2004 is \$263 million. Thus the available surplus of \$11.5 billion was reduced to \$11.3 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.

The tables immediately following compare July 1, 2003 actuarial valuation results with July 1, 2004 actuarial results. The difference column shows the change between the final July 1, 2004 valuation results and the July 1, 2003 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, 2003	July 1, 2004	Difference
Actuarial Liability	\$ 89.3	\$ 95.2	\$ 5.9
Actuarial Value of Assets	\$ 101.9	\$ 106.7	\$ 4.8
Unfunded Actuarial Liability	\$ (12.6)	\$ (11.5)	\$ 1.1

In Section V of this report we present an additional measure of funded status, the "accumulated benefit obligation" (ABO).

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, 2004 the FRS has a UAL (surplus) of (\$11.5) billion, prior to adjustments for the contingent liability.

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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 12.10% of the actuarial liability prior to recognition of the contingent liability and 11.83% 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 \$3.7 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 \$0.604 billion available for the FY 2005-2006 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 2.01% contribution rate reduction approved by the Legislature last year (reduction was based on use of surplus).

The comparative FRS Regular and Special Risk contribution rates resulting from the 2003 valuation and this valuation (prior to any use of the surplus beyond the 1% contribution rate reduction, 2004 experience study offsets, etc., for contribution rate reduction) are as follows:

	July 1, 2003		July 1, 2004		Difference	
	Valuation Results		Valuation Results			
	FRS Reg	Special Risk	FRS Reg	Special Risk	FRS Reg	Special Risk
Normal Cost	9.98%	22.16%	9.53%	21.91%	-0.45%	-0.26%
Initial Surplus Reduction	<u>-1.77%</u>	<u>-2.81%</u>	<u>-1.31%</u>	<u>-2.56%</u>	<u>0.46%</u>	<u>0.26%</u>
Preliminary FRS Contribution Rate	8.21%	19.35%	8.21%	19.35%	0.00%	0.00%
Additional Surplus Reduction	-2.12%	-2.61%				
Administrative Charge	0.00%	0.00%		Not determined		
One-time 12% Benefit Increase	0.00%	0.60%	0.00%	0.60%	0.00%	0.00%
Cost of liberalized re-employment	<u>0.11%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	-0.11%	0.00%
Enacted FRS Contribution Rate	6.20%	17.34%		Not determined		

The July 1, 2003 valuation provided proposed contribution rates for fiscal year 2004-2005. Hence, there is a two-year lag between when the rates are set and when the contribution dollars are coming into the System. The July 1, 2003 preliminary FRS contribution rates for all classes were reduced by 2.01% through use of the available surplus. The FRS Regular Class reduction included an additional 0.11% to offset the cost of the liberalized re-employment rules for certain district school board members, and the Special Risk reduction included an additional 0.60% to offset the cost

EXECUTIVE SUMMARY

attributable to the 12% increase in benefits for Special Risk Class members, as shown above.

The current valuation proposes rates for fiscal year 2005-2006. Included in Section IV of this report we provided the preliminary contribution rate and prepared two possible scenarios assuming the Legislature uses all \$0.604 billion available surplus to reduce contribution rates. One scenario shows 1.17% is available for rate reduction for all classes except DROP, as compared to the 2.01% reduction last year (Table IV-4). The other scenario assumes the DROP contribution rate is reduced to 8.00% using surplus, and 0.90% remains available for the rate reduction of all classes except DROP (Table IV-5). The additional charge of 0.11% for the Regular Class to fund the liberalized re-employment rules for certain district school board members is now included in the Preliminary FRS Contributions Rate as of July 1, 2004.

Please note these scenarios are meant for illustrative purposes only as possible uses 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 25,098 members from 895,173 as of July 1, 2003, to 920,271 as of July 1, 2004, an increase of 2.8%. The total annualized payroll of active members (exclusive of DROP members) increased by 0.68%, from \$20.75 billion as of July 1, 2003 to \$21.57 billion as of July 1, 2004, a \$0.82 billion increase in payroll. A summary of membership growth by status follows:

	Valuation Results: Counts		
	July 1, 2003	July 1, 2004	% Change
Active Members	595,164	597,376	0.4%
Terminated Vested Members	64,890	69,703	7.4%
Retired Members	208,399	224,538	7.7%
DROP Members	<u>26,720</u>	<u>28,654</u>	7.2%
Total Members	895,173	920,271	2.8%

D. Experience

Several factors contributed to the changes in the FRS's assets, liabilities and contribution rates between July 1, 2003 and July 1, 2004. These factors included:

1. Assets:

The assets of the FRS, measured on an actuarial basis (i.e., smoothed), increased by \$4.800 billion. This change was attributable to the following:

Change Due to:

• Contributions Received	\$1.959
• Payment of Benefits, and Expenses	(4.144)
• Investment Experience	6.985
Total	\$4.800 billion

Of this total change, \$5.880 billion was expected, based on our assumption that the assets of the FRS would earn 8.0% during fiscal year 2004. However, the actual annualized investment return on the actuarial value of assets was 6.93% resulting in an investment loss of \$1.080 billion. On a market value basis, the assets of the FRS earned 15.73%. On a year-by-year basis, the assets earned the following:

Asset Bases	Rates of Return*	
	2002/2003	2003/2004
Market Value	3.76%	15.73%
Actuarial Valuation	5.10%	6.93%

* Assumes net cash-flow occurs mid-year

2. *Liabilities:*

The actuarial liabilities of the FRS increased by \$5.934 billion. This increase is attributable to the following:

Change due to:

- expected increase based on prior assumptions \$5.458

(Gains) / Losses

- inactive retired experience (death) (0.064)
- active experience (withdrawal, death, disability, retirement and DROP) 3.523
- salary increase less than expected (0.526)
- transfers among membership classes 0.000
- new renewed members 0.005
- new actives (includes rehires) 0.489
- PEORP (contingent) (0.050)
- Other plan / assumption changes (2.901)

Total Increase \$5.934 billion

3. *Unfunded Liability:*

The net change in the FRS's unfunded actuarial liability was an increase of \$1.133 billion (i.e., a decrease in the surplus of \$1.133 billion). The increase is attributable to the following:

Change due to:

- expected increase based on prior assumptions (\$0.423)
- unfavorable investment experience 1.080
- unfavorable liability experience 3.377
- assumption changes (2.901)

Total \$1.133 billion

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

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

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior
	<u>Regular</u>	<u>Regular</u>	<u>Administration</u>	<u>Judicial</u>	<u>Leg-Atty-Cab</u>	<u>County</u>	<u>Management</u>
• July 1, 2003 Normal Cost	9.98%	22.16%	12.55%	20.78%	15.82%	17.73%	11.64%
• Liberalized Re-employment for District School Board Employees	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
• Offset for increase resulting from 6/30/1998 Experience Study, six year vesting, etc.	-0.77%	-1.81%	-0.81%	-0.31%	-1.51%	-0.68%	-0.45%
• 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, 2003 Contribution Rate ¹	8.32%	19.35% ³	10.74%	19.47%	13.31%	16.05%	10.19%
• Impact of							
- Transfers between membership classes	0.00%	0.00%	0.01%	0.01%	0.17%	0.00%	-0.02%
- Retirements, Terminations, etc.	-0.03%	-0.02%	-0.09%	0.00%	0.01%	0.08%	0.01%
- Actual Salary Increases	0.01%	0.01%	-0.02%	0.04%	0.00%	0.04%	0.01%
- New Entrants	0.02%	0.01%	0.13%	0.02%	-0.13%	-0.10%	0.00%
- New Assumptions from June 30, 2003 Experience Study	-0.47%	-0.26%	-0.18%	-0.42%	-1.00%	-0.93%	1.62%
- Other Experience	<u>0.48%</u>	<u>0.26%</u>	<u>0.17%</u>	<u>0.43%</u>	<u>0.98%</u>	<u>1.10%</u>	<u>-1.58%</u>
• Change the Amount of Surplus used to offset the 6/30/1998 Experience Study	-0.01%	0.00%	-0.02%	-0.08%	-0.03%	-0.19%	-0.04%
• Total July 1, 2004 Contribution Rate ²	8.32%	19.35%	10.74%	19.47%	13.31%	16.05%	10.19%

¹ 2004 Legislation further used the available surplus to reduce the contribution rates by 2.01% and a DROP reduction of 3.56%.

² Before any additional surplus utilization, and where applicable, reductions are not lower than those shown as of July 1, 2003.

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

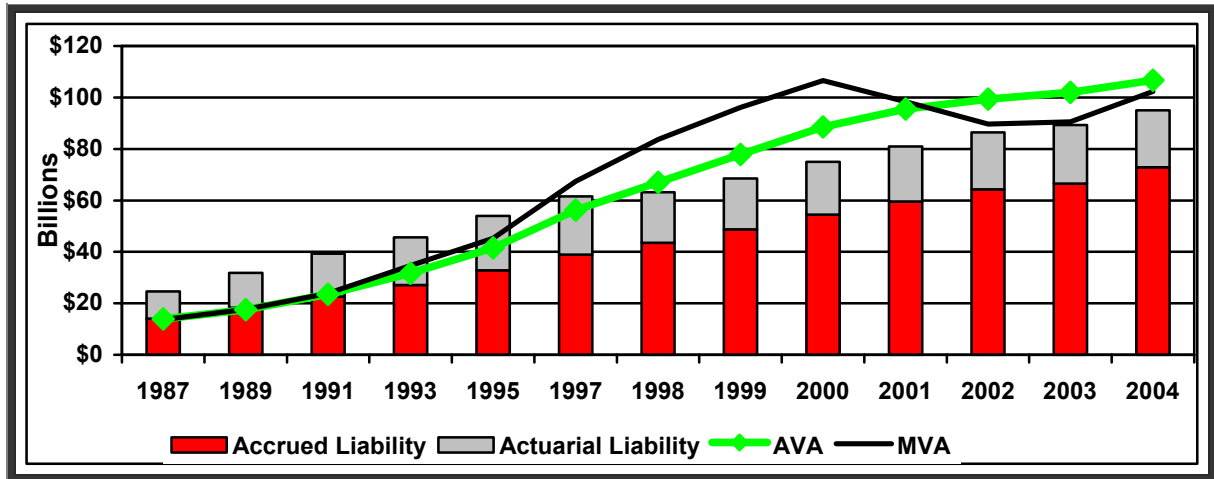


Chart B: CASH FLOWS

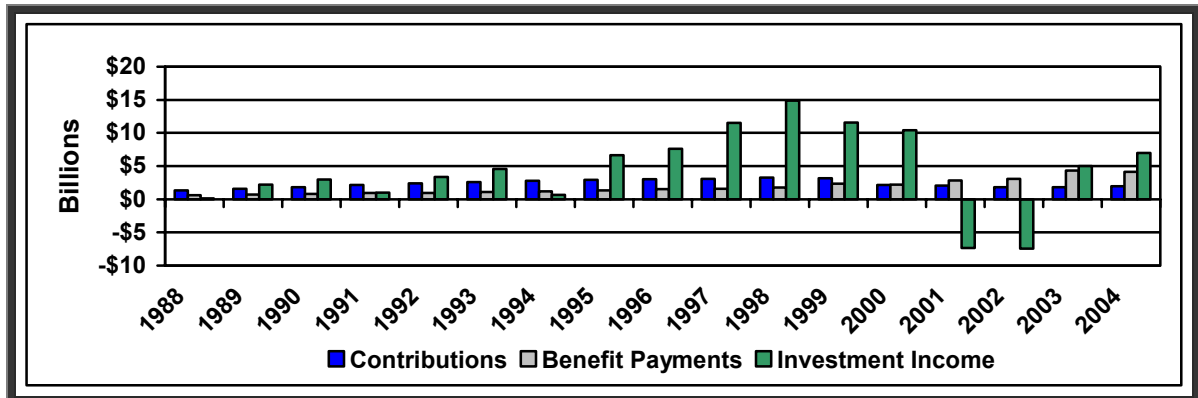
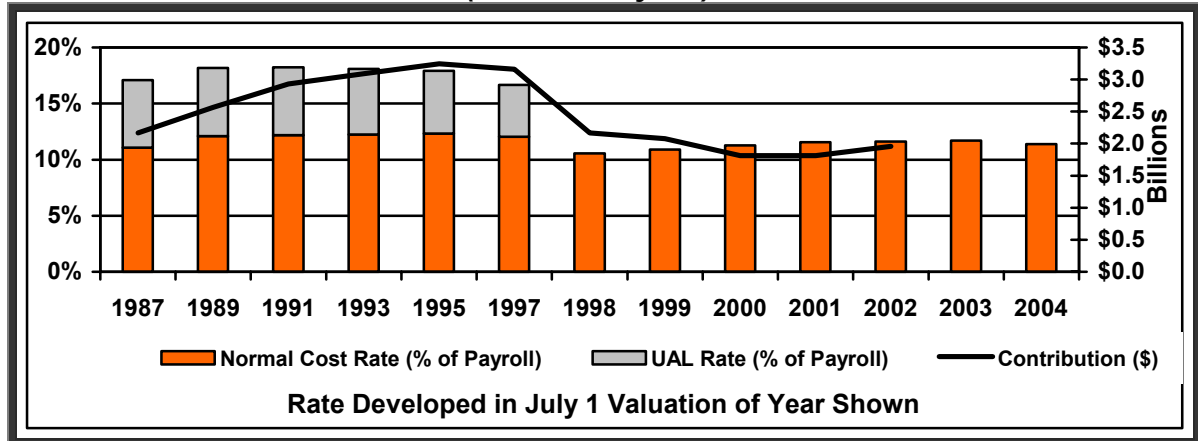


Chart C: CONTRIBUTION RATE (as % of Payroll)



* As discussed earlier, the contribution rate developed in this report is for fiscal year 2005 – 2006. 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 in 2001-2003 and maintain the actuarial surplus. The FRS experienced favorable investment returns in FY 2004; however, investment return on an actuarial basis (6.93%) still lagged the 8.00% investment assumption. Unfavorable investment returns in the future would continue to erode the actuarial surplus. For example, returns as shown in the following table would produce the estimated amounts assuming no liability gains or losses. The investment assumption was changed from 8.00% to 7.75% effective July 1, 2004.

Market Return		UAL / (Surplus) ¹⁾ measured as of		
FY 2004–2005	FY 2005–2006	July 1, 2004	July 1, 2005	July 1, 2006
7.75%	7.75%	\$ (11,259)	\$ (10,462)	\$ (9,959)
0.00%	7.75%	(11,259)	(8,890)	(6,910)
0.00%	0.00%	(11,259)	(8,890)	(5,371)
2.04% ²⁾	2.04%	(11,259)	(9,304)	(6,555)

¹⁾ Numbers in Millions

²⁾ The estimated market value as of September 30, 2004 was \$102.52 billion as supplied by the State Board of Administration. The 2.04% is the necessary market return required to reflect a \$102.52 billion market value as of July 1, 2005.

- 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 most recent experience study covered the period from July 1, 1998 to June 30, 2003. Typically experience studies are performed every five years and compare actual plan experience to the assumptions set forth in this report. This valuation reflects the assumption changes proposed by the June 30, 2003 experience study and adopted in fiscal year 2004. See subsection G of this Executive Summary for additional detail.

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 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.

G. Experience Study Results

Demographic Assumptions

1. Active Mortality Rates

Actual active mortality experience was lower than expected for all classes. Pre-retirement mortality is not a major assumption, meaning small changes do not have major effects on results. Assumptions were adjusted effective July 1, 2004 to be more in line with experience and recognize general trends in mortality. Because there is little experience, we developed a male and female table to use for all classes.

2. Early Retirement/Withdrawal

The statutes defining the provisions of the Florida Retirement System do not significantly distinguish between vested members terminating and electing immediate early retirement with a reduced benefit versus those who terminate employment and defer retirement and then later commence receiving a reduced benefit prior to normal retirement age. In both cases the reduction is 5/12% for each month (i.e. 5% per full year) that the benefit commencement date precedes normal retirement age. Therefore, in preparing our actuarial valuations, we do not significantly distinguish between rates of withdrawal and early retirement; instead we make the assumption that if a member terminates within 7 years (10 years for Special Risk) of his normal retirement age he will elect an immediate reduced benefit, otherwise he will elect to defer commencement of his benefit until his normal retirement age. For this reason we examined rates of withdrawal for members who have at least 6 years of service in conjunction with the early retirement rates.

Experience was generally greater than expected for all classes after 10 years of service and for most classes for the first 10 years of service. Assumptions were adjusted effective July 1, 2004 to be more in line with experience based on service for the first 10 years and based on age thereafter. The first 6

years of service pertain to withdrawal only, since participants are not eligible for early retirement until they have 6 years of service.

3. Normal Retirement Rates (excluding DROP)

Normal retirements were less than expected for all of the classes, except for the following classes where normal retirements were more than expected:

- Female Judges at first eligibility
- Female Special Risk Administrative Support at first eligibility

Over the last several years, legislation to implement DROP was discussed, introduced, and formally enacted into law. While the legislation forces members to make an election when they become eligible for unreduced retirement, when first enacted the legislation allowed members who were beyond unreduced retirement age to make an election into DROP. We believed that this latter provision at the time temporarily increased the actual rates of retirement beyond normal retirement age, and we did not change the assumptions. Since the DROP program has now been in effect for some time, we studied normal retirement and DROP separately. This is most likely why the actual retirements are less than expected.

Currently DROP is funded as a separate class. We discussed changing this, so that each class' contribution rate would account for their DROP participants. However, the State elected to continue funding DROP in the current manner.

4. DROP

DROP became effective July 1, 1998, so this was the first experience study to include DROP experience. Since the DROP has been in effect for a few years and we now have experience to study, we have created rates specifically for DROP.

DROP experience was greater than expected (based on normal retirement rates) for all of the classes, except for the following classes where DROP experience was less than expected:

- Male and female TRS
- Male and female SCOERS

5. Disability Rates

- ***Non-Duty***

Rates of non-duty disability experienced were less than expected for all classes. Assumptions were refined effective July 1, 2004 to be more in line with experience. The Regular Class has its own male and female rates. The Elected Officers' and Senior Management Service Classes have their own male and female rates. Special Risk and Special Risk Administrative Support Classes have their own male and female rates.

- ***Line-of-Duty***

Experience was less than expected for most classes except the following:

- Female Special Risk Class
- Male Special Risk Administrative Support Class

Assumptions were refined effective July 1, 2004 to be more in line with experience. The Regular Class has its own male and female rates. The Elected Officers' and Senior Management Service Classes have their own male and female rates. Special Risk and Special Risk Administrative Support Classes have their own male and female rates.

6. Inactive Mortality and Disabled Mortality Rates

Prior to this study, the inactive and disabled mortality rates were not studied by class.

After studying healthy inactive mortality by class, the data shows that mortality experience is similar for the Regular and Special Risk Classes. For healthy inactive mortality, we have developed a male and female table for these two classes combined, and a male and female table for the remainder of the classes combined.

Healthy inactive mortality experience was greater than expected for all classes except for the following:

- Female ECO
- Male ESO
- Male Judicial
- Male Senior Management Service
- Male Special Risk Administrative Support
- Female Special Risk Administrative Support

Disabled inactive mortality experience for the larger classes was less than expected for all classes except for the following:

- Female Regular

The other classes did not have enough experience to study. We developed male and female tables to use for all of the classes effective July 1, 2004.

7. Salary Scale

Each class was studied separately. The increases in pay were generally below the assumption in all classes. Merit scales which reflect increases in excess of general wage inflation were created for each class separately based on service for the first 10 years and based on age thereafter. Pay increases tend to be higher in the first 10 years of service, and then gradually decline.

Economic Assumptions

Economic assumptions generally consist of the investment return rate, inflationary salary increases, and rates of price inflation. These assumptions are much more driven by the state of the nation's economy than by FRS's experience. They also are usually chosen for the long term.

The major economic assumptions can be summarized as follows:

Item	Annual Rate
Price Inflation	3.0%
Investment Return	7.75% ¹
Individual Salaries:	
Inflation	4.0% ¹
Merit & Seniority	Varies By Age and Service
Total Payroll Growth:	
Inflation	0%
Membership Growth	0%

¹ Effective July 1, 2004, the investment return assumption was changed from 8% to 7.75% and the general wage inflation assumption was changed from 5% to 4%.

H. DROP Contribution Rate

As discussed in the previous subsection, the June 30, 2003 experience study analyzed DROP and retirement experience separately. Since the FRS funds the DROP through a separate contribution rate, we have developed a contribution rate associated with the actual cost of the DROP. We isolated the cost of the DROP by comparing the results of two scenario valuations:

- One in which the DROP did not exist. In this scenario we estimated that half of those electing to go into DROP would have retired in the absence of the DROP.
- One in which the DROP exists as it does today.

The difference in the dollar amount of the normal cost and amortization cost of the two scenarios is the amount needed to fund the DROP. We divided this dollar amount by current DROP payroll to determine the new DROP contribution rate of 11.74%.

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, 2004. On that date the assets available for the payment of benefits are appraised. These assets are compared with the actuarial liabilities. 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, if any.

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 tends to be the more erratic 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 measure of FRS asset holdings. It is the market value of all assets with a smoothing technique applied to mitigate market fluctuations. It is developed and used 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% through June 30, 2004, 7.75% beginning July 1, 2004) 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, 2004. The assets are analyzed by category in Table II-1. Table II-2 shows the reconciliation of assets from July 1, 2003 to July 1, 2004. Table II-3 provides a detailed development of the July 1, 2004 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 2003 and 2004.

The data for Table II-1 (Market Value as of July 1, 2004) 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>2003</u>	<u>2004</u>
1. Common Stock	\$63,473,010	\$75,068,098
2. Bonds	\$22,036,960	\$23,315,792
3. Real Estate	\$3,353,677	\$3,928,467
4. Temporary Investments	\$10,525,754	\$11,799,621
5. Cash – Including Certificates of Deposit	\$45,252	\$1,091,383
6. Receivables	\$2,233,771	\$1,576,352
7. Miscellaneous	\$1,094	\$849
8. Reverse Purchase Agreements	<u>\$1,018,367</u>	<u>\$498,509</u>
Gross Assets	\$102,687,885	\$117,279,071
9. Current Liabilities and Reserves	<u>(\$12,177,142)</u>	<u>(\$14,890,915)</u>
Total Net Assets	\$90,510,743	\$102,388,156

**Table II-2
Florida Retirement System**

Reconciliation of Market Value of Assets

Total Net Assets as of June 30, 2003	\$90,510,743,496
+ Adjustment to Market Value	0
+ Contributions by Source:	
Pension Contributions – State ¹	436,290,894
Pension Contributions - Non-State ¹	1,464,127,888
Pension Contributions - PEORP	9,387,258
Pension Contributions - Employees	49,270,184
Transfer from ORP	0
Transfer from OAP	0
Other	10,659
+ Interest and Dividends:	
Interest Income	1,085,963,327
Dividend Income	1,212,595,938
Real Estate Income	259,306,243
Other ²	(121,535,210)
+Net Realized and Unrealized Appreciation:	11,625,704,017
- Pension Payments:	3,661,451,134
- Contribution Refunds:	4,440,492
- Disbursements - PEORP	439,693,561
- Expenses ² :	14,594,022
- Transfers to Other Funds and Departments ¹ :	<u>23,529,868</u>
Total Net Assets as of June 30, 2004	\$102,388,155,617

¹ Includes PEORP Administrative fees.

² 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 2004
Actuarial Value of Assets**

1. Market Value of Assets on July 1, 2003	\$90,510,743,496
2. Actuarial Value of Assets on July 1, 2003	\$101,906,723,533
3. 2003/2004 Net Cash Flow (Contributions less Benefits and Expenses)	(\$2,184,632,853)
4. Value of Assets, July 1, 2004, if items 2 and 3 earned an assumed rate of 8%	\$107,787,243,249
5. Market Value of Assets, July 1, 2004	\$102,388,155,617
6. Net Assets Available for Benefits	\$106,707,425,722
7. 120% of Market Value [120% (5)]	\$122,865,786,740
8. 80% of Market Value [80% (5)]	\$81,910,524,494
9. Actuarial Value of Assets on July 1, 2004 Lesser of (6) and (7), but not less than (8)	<u>\$106,707,425,722</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, 2003	\$84,008,984	\$16,214,513	\$85,160	\$854,322	\$87,946	\$395,524	\$1,450,888	(\$1,190,614)	\$101,906,723
2. Total Contribution for the Plan Year	1,212,099	546,113	397	19,466	992	7,404	35,941	136,664	1,959,076
3. Benefit Payments and other Disbursements	2,917,209	435,482	3,932	35,811	3,496	21,961	38,451	687,367	4,143,709
4. Estimated Investment Earnings during the Year	5,761,831	1,127,321	5,778	58,629	6,007	26,901	100,444	(101,575)	6,985,336
5. Net Transfers	(257,665)	0	0	0	0	0	257,665	0	0
6. Allocated Actuarial Value of Assets by Class, July 1, 2004	\$87,811,040	\$17,452,465	\$87,403	\$896,606	\$91,449	\$407,868	\$1,803,487	(\$1,842,892)	\$106,707,426

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 (\$257,346 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	
	2002/2003	2003/2004
Market Value	3.76%	15.73%
Actuarial Value	5.10%	6.93%

¹ Assumes net cash flow occurs mid-year.

B. Allocation of Assets at Market Value

Asset Category	July 1, 2003	July 1, 2004
Stocks	70.13%	73.32%
Bonds	24.35%	22.77%
Real Estate	3.71%	3.84%
Temporary Investments	11.63%	11.52%
Cash	0.05%	1.07%
Other (includes receivables & payables)	-9.87%	-12.52%
	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, 2004. 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 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 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 that could be 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 if future experience actually matches the actuarial assumptions. 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 UAL 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 UAL.

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

Table III-1 contains a breakdown of the actuarial liabilities and unfunded actuarial liabilities/(surplus) in the FRS for both the 2003 and 2004 valuations. In Table III-2, the 2004 liabilities are shown for each employee group.

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 contribution 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
Florida Retirement System
Actuarial Liabilities
(\$ in Thousands)**

	July 1, 2003	July 1, 2004 Pre-Assumption Changes	July 1, 2004 Post-Assumption Changes
1. Actuarial Liabilities for:			
(a) Active Members	\$49,244,304	\$51,193,332	\$49,168,502
(b) Retired, Disabled and Beneficiary Members	29,601,620	34,059,770	32,696,707
(c) Terminated Vested Members	2,257,558	2,455,986	2,999,704
(d) DROP	8,147,849	10,377,444	10,320,520
2. Total Actuarial Liability	\$89,251,331	\$98,086,532	\$95,185,433
3. Actuarial Value of Assets	\$101,906,724	\$106,707,426	\$106,707,426
4. Unfunded Actuarial Liability / (Surplus)	(\$12,655,393)	(\$8,620,894)	(\$11,521,993)
5. PEORP Contingent Liability ¹⁾	312,915	263,399	263,399
6. Surplus Available for Rate Reduction	(\$12,342,478)	(\$8,357,495)	(\$11,258,594)

¹⁾ See Table III-3.

**Table III-2
Florida Retirement System
Actuarial Liabilities
July 1, 2004
(\$ 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	\$37,336,584	\$10,020,869	\$19,202	\$358,233	\$26,486	\$156,053	\$1,251,075	\$0	\$49,168,502
b. Retired, Disabled and Beneficiary Members	26,677,951	4,922,944	48,036	322,946	35,023	222,441	467,366	10,320,520	43,017,227
c. Terminated Vested Members	2,431,674	443,360	2,294	13,530	5,698	18,102	85,046	0	2,999,704
2. Total Actuarial Liability	\$66,446,209	\$15,387,173	\$69,532	\$694,709	\$67,207	\$396,596	\$1,803,487	\$10,320,520	\$95,185,433
3. Actuarial Value of Assets	\$87,811,040	\$17,452,465	\$87,403	\$896,606	\$91,449	\$407,868	\$1,803,487	(\$1,842,892)	\$106,707,426
4. Unfunded Actuarial Liability / (Surplus)	(\$21,364,831)	(\$2,065,292)	(\$17,871)	(\$201,897)	(\$24,242)	(\$11,272)	\$0	\$12,163,412 ¹	(\$11,521,993)

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
Public Employee Optional Retirement Program (PEORP)
Actuarial Liabilities
July 1, 2004
(\$ 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, 2003</u>									
Contingent Liability	\$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
<u>As of July 1, 2004</u>									
Contingent Liability ^{1&2}	\$238,285	\$12,421	(\$26)	(\$648)	\$155	\$207	\$13,005	N/A	\$263,399
Participant Counts	15,477	536	2	9	7	37	455	N/A	16,523

¹ The contingent liability is not included in the actuarial liabilities of FRS and is removed from the surplus.

² The contingent liability as of July 1, 2004 is calculated as the July 1, 2003 contingent liability increased by one year of interest, adjusted for the proportion of original transfers remaining in PEORP.

SECTION IV

CONTRIBUTIONS

If there were a difference between the actuarial liabilities and the assets it would have 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. Since FRS has an actuarial surplus, contributions are allowed to fall below the Normal Cost. In this section we develop and present the possible FRS contribution rates based on the July 1, 2004 membership data to be effective for the Fiscal Year beginning July 1, 2005.

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 actuarial cost 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 are based on two elements:

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

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 fully fund a member's benefit at retirement, if paid from the year of entry (i.e., "entry age") to the year of retirement if future experience exactly matches the actuarial assumptions.

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 seventh year that the UAL does not exist, or the FRS is "fully funded" and has an actuarial surplus.

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

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 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, Table IV-4 and Table IV-5 present a range of possible employer contribution rates. Table IV-3 assumes the rate reduction is limited to the 1% across the board rate reduction in HB 2393 and other pre-committed reductions.

Table IV-4 assumes all the remaining available surplus is used for rate reduction evenly for all classes except DROP.

Table IV-5 assumes all the remaining available surplus is first used to reduce the DROP class contribution rate to 8.00% (the legislated rate for fiscal 2004-2005) and then any remaining surplus is applied to reduce the contribution rates evenly over all the other classes.

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 therefore extinguished. The contribution rate is therefore equal to:

The normal cost *less* the sum of:

- The 1% across the board decrease,
- Other predetermined reductions, and
- Any additional reductions possible due to surplus available under the rate stabilization mechanism.

The FRS has been enjoying the surplus position for several years and legislation was enacted pertaining to how that surplus is used. HB 2393 passed during the 2000 Legislative Session, modified employer contribution rate provisions using

CONTRIBUTIONS

surplus actuarial assets. First, the bill provided an across-the-board contribution rate reduction of 1.0%. Second, part of the surplus was used to offset the contribution rate increase attributable to the 1999 experience study, 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, fiscal 2003-2004, and fiscal 2004-2005 (based on the July 1, 1999, 2000, 2001, 2002, and 2003 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 12.10% of the actuarial liability prior to recognition of the contingent liability and 11.83% 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 for use under the rate stabilization mechanism. After the rate stabilization mechanism is applied, approximately \$3.7 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 \$0.604 billion available for the FY 2005-2006 budget year. This amount is prior to the 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 and cost offsets previously adopted for fiscal year 2000-2001, fiscal 2001-2002, fiscal 2002-2003, fiscal 2003-2004 and fiscal 2004-2005 (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 2005-2006 and reduce the total available surplus of \$0.604 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.

	2005 – 2006 Fiscal Year (in millions)
1.0% Rate Reduction	(\$224.4)
Experience Study hold harmless (hold normal cost rate at 10.55%)	(\$23.8)
6 yr DB vesting – hold harmless from rate increase	(\$93.3)
Cost to DB program of adding new DC program	\$17.5
1.17% Rate Reduction	(\$262.5)
12% Increase in Special Risk benefits (in pay status before 07/01/2000)	(\$17.4)
Total	(\$603.9)
Estimate Surplus Available RSM 11	\$603.6
Additional Surplus Available	(\$0.3)

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

C. CHANGES SINCE PRIOR VALUATION

As a result of our comprehensive June 30, 2003 experience study, several demographic and economic assumptions have been changed (i.e. are first used in the July 1, 2004 actuarial valuation). For complete details see the Executive Summary of this valuation report.

**Table IV-1
Florida Retirement System
Normal Cost Rates by Decrement
July 1, 2004**

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior	DROP	Composite Rate
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management		
1. Vested Benefits and Early Retirement	2.90%	3.78%	3.05%	3.22%	7.82%	5.55%	3.23%	NA	3.03%
2. Regular Retirement	5.84%	16.09%	8.02%	15.19%	6.05%	10.18%	9.16%	NA	7.37%
3. Non-Duty Death	0.17%	0.35%	0.20%	0.91%	0.38%	0.54%	0.29%	NA	0.20%
4. Line of Duty Death	0.13%	0.31%	0.30%	0.30%	0.24%	0.26%	0.18%	NA	0.16%
5. Non-Duty Disability	0.39%	0.80%	0.40%	0.65%	0.27%	0.36%	0.33%	NA	0.45%
6. Line of Duty Disability	0.10%	0.58%	0.42%	0.16%	0.10%	0.11%	0.08%	NA	0.16%
7. Total Normal Cost	<u>9.53%</u>	<u>21.91%</u>	<u>12.39%</u>	<u>20.43%</u>	<u>14.86%</u>	<u>17.00%</u>	<u>13.27%</u>	<u>NA</u>	<u>11.37%</u>

**Table IV-2
Florida Retirement System
Unfunded Actuarial Liability (UAL) Bases
July 1, 2004
(\$ in Thousands)**

	FRS	---- Special Risk ----		-- Elected Officers' Class --			Senior		Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	
1. Expected UAL / (Surplus)	(\$20,603,765)	(\$2,100,834)	(\$34,171)	(\$225,291)	(\$26,948)	(\$42,325)	\$11,563	\$9,943,514	(\$13,078,257)
2. New UAL Base Attributable to Plan/Assumption Change ¹	(\$2,562,971)	(\$523,592)	\$8,741	\$23,097	\$1,739	\$29,235	\$179,576	(\$56,924)	(\$2,901,099)
3. Actuarial Accrued Liability (Table III-2)	\$66,446,209	\$15,387,173	\$69,532	\$694,709	\$67,207	\$396,596	\$1,803,487	\$10,320,520	\$95,185,433
4. Actuarial Value of Assets (Table II-4)	<u>\$87,811,040</u>	<u>\$17,452,465</u>	<u>\$87,403</u>	<u>\$896,606</u>	<u>\$91,449</u>	<u>\$407,868</u>	<u>\$1,803,487</u>	<u>(\$1,842,892)</u>	<u>\$106,707,426</u>
5. Total UAL / (Surplus) (3 - 4)	(\$21,364,831)	(\$2,065,292)	(\$17,871)	(\$201,897)	(\$24,242)	(\$11,272)	\$0	\$12,163,412	(\$11,521,993)
6. New UAL Base Attributable to 2003-2004 (Gain)/Loss (1 + 2 - 5)	(\$1,801,905)	(\$559,134)	(\$7,559)	(\$297)	(\$967)	(\$1,818)	\$191,139	(\$2,276,822)	(\$4,457,363)

¹ Since the System is in surplus position, this amount is not amortized to create a new base.

**Table IV-3
Florida Retirement System
Possible Employer Contribution Rates
July 1, 2004 Valuation for Fiscal Year Beginning July 1, 2005**

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	9.53% ⁴	21.91%	12.39%	20.43%	14.86%	17.00%	13.27%	11.37%	11.74%	NA
2. UAL Cost ²	-0.32%	-1.56%	-0.65%	0.00%	-0.55%	0.00%	-2.08%	-0.52%	0.00%	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.43%	14.31%	17.00%	11.19%	10.85% ³	11.74%	10.90%
4. 1% Rate Reduction	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.93%
5. Additional Rate Reduction #1	NA	NA	NA	NA	NA	NA	NA	NA	0.00%	NA
6. Additional Rate Reduction #2	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
7. Total Adjusted Contribution [(3) + (4) + (5) + (6)]	8.21%	19.35% ⁵	10.74%	19.43%	13.31%	16.00%	10.19%	9.85%	11.74%	9.97%

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 0.04% more than last year's rate of 10.81%.

⁴ Includes 0.11% costs resulting from liberalized re-employment rules. Beginning July 1, 2003, FRS pension plan retirees may work for a district school board in certain positions after they meet the definition of termination after they retire or end DROP without violating reemployment restrictions.

⁵ Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2005-2006. 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, 2004 Valuation for Fiscal Year Beginning July 1, 2005**

**Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:
The contribution rate is reduced by 1.17% 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	9.53% ⁴	21.91%	12.39%	20.43%	14.86%	17.00%	13.27%	11.37%	11.74%	NA
2. UAL Cost ²	-0.32%	-1.56%	-0.65%	0.00%	-0.55%	0.00%	-2.08%	-0.52%	0.00%	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.43%	14.31%	17.00%	11.19%	10.85% ³	11.74%	10.90%
4. 1% Rate Reduction ²	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.93%
5. Additional Rate Reduction #1	-1.17%	-1.17%	-1.17%	-1.17%	-1.17%	-1.17%	-1.17%	-1.17%	0.00%	-1.09%
6. Additional Rate Reduction #2	NA	NA	NA	NA	NA	NA	NA	0.00%	NA	0.00%
7. Total Adjusted Contribution [(3) + (4) + (5) + (6)]	7.04%	18.18% ⁵	9.57%	18.26%	12.14%	14.83%	9.02%	8.68%	11.74%	8.89%

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 0.04% more than last year's rate of 10.81%.

⁴ Includes 0.11% costs resulting from liberalized re-employment rules. Beginning July 1, 2003, FRS pension plan retirees may work for a district school board in certain positions after they meet the definition of termination after they retire or end DROP without violating reemployment restrictions.

⁵ Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2005-2006. 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 Employer Contribution Rates
July 1, 2004 Valuation for Fiscal Year Beginning July 1, 2005**

**Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:
The DROP contribution rate is reduced to 8.00% and the contribution rates for all other classes are reduced by 0.90%.**

	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	9.53% ⁴	21.91%	12.39%	20.43%	14.86%	17.00%	13.27%	11.37%	11.74%	NA
2. UAL Cost ²	-0.32%	-1.56%	-0.65%	0.00%	-0.55%	0.00%	-2.08%	-0.52%	0.00%	NA
3. Total Cost [(1) + (2)]	9.21%	20.35%	11.74%	20.43%	14.31%	17.00%	11.19%	10.85% ³	11.74%	10.90%
4. 1% Rate Reduction ²	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%	NA	-0.93%
5. Additional Rate Reduction #1	-0.90%	-0.90%	-0.90%	-0.90%	-0.90%	-0.90%	-0.90%	-0.90%	-3.74%	-1.09%
6. Additional Rate Reduction #2	NA	NA	NA	NA	NA	NA	NA	0.00%	NA	0.00%
7. Total Adjusted Contribution [(3) + (4) + (5) + (6)]	7.31%	18.45% ⁵	9.84%	18.53%	12.41%	15.10%	9.29%	8.95%	8.00%	8.89%

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 0.04% more than last year's rate of 10.81%.

⁴ Includes 0.11% costs resulting from liberalized re-employment rules. Beginning July 1, 2003, FRS pension plan retirees may work for a district school board in certain positions after they meet the definition of termination after they retire or end DROP without violating reemployment restrictions.

⁵ Florida law provides for items 2 and 4 above to be paid from the surplus for the fiscal year 2005-2006. 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-6
Florida Retirement System
Possible UAL / (Surplus)
July 1, 2004**

	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%	0.00%	0.00%	0.00%	0-.00%	0.00%	0.00%	0.00%
2. 2003-2004 (Gains) / Losses *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3. 2003-2004 Assumption Changes *	NA	NA	NA	NA	NA	NA	NA	NA	NA
4. 2003-2004 Plan Changes *	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Use of Surplus									
- UAL Cost	-0.32%	-1.56%	-0.65%	0.00%	-0.55%	0.00%	-2.08%	NA	-0.49%
- 1% rate reduction	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>-1.00%</u>	<u>NA</u>	<u>-0.93%</u>
- Total surplus Utilization	-1.32%	-2.56%	-1.65%	-1.00%	-1.55%	-1.00%	-3.08%	NA	-1.42%
6. Total	-1.32%	-2.56%	-1.65%	-1.00%	-1.55%	-1.00%	-3.08%	NA	-1.42%

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

SECTION V

ACCOUNTING STATEMENTS

ACCOUNTING STATEMENT

Statement No. 35 of the Financial Accounting Standards Board (FASB) previously required the Florida Retirement System to disclose 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 7.75% per annum.

Table V-1 presents the ABO for the Florida Retirement System determined as of July 1, 2004. 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, 2003, to the ABO as of July 1, 2004. 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, 2003 results. Table V-6 shows the Solvency Test for the FRS for the 2002, 2003, and 2004 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, 2002 and July 1, 2003) for the FRS are shown in Table V-2 (ABO) and Table V-5 (AAL). Past and future

ACCOUNTING STATEMENT

results are affected by changes in actuarial assumptions, benefit provisions, accounting policies, etc.

For fiscal 1999-00 because the System was in a surplus position and the FRS employers contributed the normal cost (which was more than the actuarially determined contribution level), an accounting disclosure under GASB Statement Number 27 first became necessary. For fiscal 2000-01, the System continued in a surplus position and FRS employers again contributed more than the GASB actuarially determined contribution. Since fiscal 2001-02, because of the rate stabilization mechanism, the FRS employers have contributed less than the actuarially determined contribution. To date, the accumulation impact remains a negative number (i.e., cumulative contributions exceed actuarially determined contributions, both adjusted with interest). The Annual Required Contribution (ARC) developed in the 2002 annual valuation which applies to FY 2003-2004, \$2,044,540,000, included the sum of the composite contribution rate (excluding DROP) of 11.62% 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 \$2,035,366,000 and the total employer contribution was actually \$1,886,979,000. Therefore, if GASB 27 applies, the State's CAFR must reflect a Net Pension Obligation (NPO) of (\$151,221,000).

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, 2004
(All Amounts in Thousands)

	-- Special Risk --		-- Elected Officers' Class --				Senior	DROP	Total
	FRS Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management		
A. Accumulated Benefit Obligation									
1. Active Members									
a. Accumulated Member Contribution									
Employer - Financed	\$64,037	\$7,011	\$17	\$798	\$76	\$394	\$2,221	\$0	\$74,554
b. Vested Benefits	20,072,918	4,945,807	10,855	207,949	16,307	91,939	655,808	0	26,001,583
c. Non-Vested Benefits	<u>684,823</u>	<u>200,201</u>	<u>0</u>	<u>7,374</u>	<u>735</u>	<u>4,056</u>	<u>11,630</u>	<u>0</u>	<u>908,819</u>
d. Total	\$20,821,778	\$5,153,019	\$10,872	\$216,121	\$17,118	\$96,389	\$669,659	\$0	\$26,984,956
2. Annuitants	\$26,677,951	\$4,922,944	\$48,036	\$322,946	\$35,023	\$222,441	\$467,366	\$10,320,520	\$43,017,227
3. Other Inactive Members	<u>\$2,431,674</u>	<u>\$443,360</u>	<u>\$2,294</u>	<u>\$13,530</u>	<u>\$5,698</u>	<u>\$18,102</u>	<u>\$85,046</u>	<u>\$0</u>	<u>\$2,999,704</u>
4. Total Accumulated Benefit Obligation	\$49,931,403	\$10,519,323	\$61,202	\$552,597	\$57,839	\$336,932	\$1,222,071	\$10,320,520	\$73,001,887
B. Assets Available for Benefits									
1. Market	\$84,256,652	\$16,746,030	\$83,865	\$860,313	\$87,747	\$391,358	\$1,730,486	(\$1,768,296)	\$102,388,155
2. Actuarial Basis	\$87,811,040	\$17,452,465	\$87,403	\$896,606	\$91,449	\$407,868	\$1,803,487	(\$1,842,892)	\$106,707,426
C. Unfunded Total Accumulated Benefit Obligation									
Assets at:									
1. Market	(\$34,325,249)	(\$6,226,707)	(\$22,663)	(\$307,716)	(\$29,908)	(\$54,426)	(\$508,415)	\$12,088,816	(\$29,386,268)
2. Actuarial Basis	(\$37,879,637)	(\$6,933,142)	(\$26,201)	(\$344,009)	(\$33,610)	(\$70,936)	(\$581,416)	\$12,163,412	(\$33,705,539)
D. Percent of Accumulated Obligation Funded,									
Assets at:									
1. Market	168.74%	159.19%	137.03%	155.69%	151.71%	116.15%	141.60%	-17.13%	140.25%
2. Actuarial Basis	175.86%	165.91%	142.81%	162.25%	158.11%	121.05%	147.58%	-17.86%	146.17%

ACCOUNTING STATEMENT

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

	July 1, 2002 Valuation Basis	July 1, 2003 Valuation Basis	July 1, 2004 Pre-Assumption Changes	July 1, 2004 Post-Assumption Changes
A. Accumulated Benefit Obligation				
1. Active Members				
a. Accumulated Member Contributions Employer - Financed	\$87,734	\$75,423	\$74,554	\$74,554
b. Vested Benefits	24,299,874	25,569,196	26,774,451	26,001,583
c. Non - Vested Benefits	937,356	932,927	1,003,843	908,819
d. Total	\$25,324,964	\$26,577,546	\$27,852,848	\$26,984,956
2. Annuitants	\$27,223,515	\$29,601,620	\$34,059,770	\$32,696,707
3. Other Inactive Members	\$1,936,450	\$2,257,558	\$2,455,986	\$2,999,704
3. DROP	\$9,855,313	\$8,147,849	\$10,377,444	\$10,320,520
4. Total Accumulated Benefit Obligation	\$64,340,242	\$66,584,573	\$74,746,048	\$73,001,887
B. Assets Available for Benefits				
1. Market	\$89,688,087	\$90,510,743	\$102,388,156	\$102,388,156
2. Actuarial Basis	\$99,405,677	\$101,906,724	\$106,707,426	\$106,707,426
C. Unfunded Total Accumulated Benefit Obligation, Assets at:				
1. Market	(\$25,347,845)	(\$23,926,170)	(\$27,642,108)	(\$29,386,269)
2. Actuarial Basis	(\$35,065,435)	(\$35,322,151)	(\$31,961,378)	(\$33,705,539)
D. Percent of Accumulated Benefit Obligation Funded, Assets at:				
1. Market	139.40%	135.93%	136.98%	140.25%
2. Actuarial Basis	154.50%	153.05%	142.76%	146.17%
E. Annual Salaries¹	\$22,195,184	\$22,270,807	\$23,115,581	\$23,115,581
F. Unfunded Accumulated Benefit Obligation as a Percent of Salary, Assets at:				
1. Market	-114.20%	-107.43%	-119.58%	-127.13%
2. Actuarial Basis	-157.99%	-158.60%	-138.27%	-145.81%

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)

	<u>Accumulated Benefit Obligation</u>
Actuarial Present Value of Accrued Benefits at July 1, 2003	\$66,584,573
Increase (Decrease) During Year Attributable to:	
Increase for Interest Due to Decrease in Discount Period	\$5,164,206
Benefits Paid – FY 2004	(\$4,143,709)
Benefits Accrued & Other Gains / Losses	\$7,140,978
Plan Provision / Assumption Changes	(\$1,744,161)
Net Increase (Decrease)	\$6,417,314
Actuarial Present Value of Accrued Benefits at July 1, 2004	\$73,001,887

ACCOUNTING STATEMENT

Table V-4
Florida Retirement System
Accounting Statement Information - GASB Statement #25
July 1, 2004
(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	\$64,037	\$7,011	\$17	\$798	\$76	\$394	\$2,221	\$0	\$74,554
b. Annuitants	26,677,951	4,922,944	48,036	322,946	35,023	222,441	467,366	10,320,520	43,017,227
c. Other Inactive Members	2,431,674	443,360	2,294	13,530	5,698	18,102	85,046	0	2,999,704
d. Active Members	<u>37,272,547</u>	<u>10,013,858</u>	<u>19,185</u>	<u>357,435</u>	<u>26,410</u>	<u>155,659</u>	<u>1,248,854</u>	<u>0</u>	<u>49,093,948</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d)]	\$66,446,209	\$15,387,173	\$69,532	\$694,709	\$67,207	\$396,596	\$1,803,487	\$10,320,520	\$95,185,433
3. Actuarial Value of Assets	\$87,811,040	\$17,452,465	\$87,403	\$896,606	\$91,449	\$407,868	\$1,803,487	(\$1,842,892)	\$106,707,426
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$21,364,831)	(\$2,065,292)	(\$17,871)	(\$201,897)	(\$24,242)	(\$11,272)	\$0	\$12,163,412	(\$11,521,993)
5. Funded Ratio	132.15%	113.42%	125.70%	129.06%	136.07%	102.84%	100.00%	-17.86%	112.10%
6. Covered Payroll	\$18,044,095	\$2,971,210	\$3,980	\$102,021	\$8,016	\$48,352	\$409,813	\$1,528,094	\$23,115,581
7. UAAL / (Surplus) as a % of Payroll	-118.40%	-69.51%	-449.02%	-197.90%	-302.42%	-23.31%	0.00%	795.99%	-49.85%

ACCOUNTING STATEMENT

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

	July 1, 2002 Valuation Basis	July 1, 2003 Valuation Basis	July 1, 2004 Pre-Assumption Changes	July 1, 2004 Post-Assumption Changes
1. Actuarial Accrued Liability:				
a. Active Member Contributions	\$87,734	\$75,423	\$74,554	\$74,554
b. Annuitants	27,223,515	29,601,620	34,059,770	32,696,707
c. DROP	9,855,313	8,147,849	10,377,444	10,320,520
d. Other Inactive Members	1,936,450	2,257,558	2,455,986	2,999,704
e. Active Members	47,366,762	49,168,881	51,118,778	49,093,948
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d) + 1(e)]	\$86,469,774	\$89,251,331	\$98,086,532	\$95,185,433
3. Actuarial Value of Assets	\$99,405,677	\$101,906,724	\$106,707,426	\$106,707,426
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$12,935,903)	(\$12,655,393)	(\$8,620,894)	(\$11,521,993)
5. Funded Ratio	114.96%	114.18%	108.79%	112.10%
6. Covered Payroll ¹	\$22,195,184	\$22,270,807	\$23,115,581	\$23,115,581
7. UAAL / (Surplus) as a % of Payroll	-58.28%	-56.83%	-37.29%	-49.85%

¹ Includes Drop Salaries

ACCOUNTING STATEMENT

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

	July 1, 2002 Valuation Basis	July 1, 2003 Valuation Basis	July 1, 2004 Post-Assumption Changes
1. Actuarial Accrued Liability for:			
a. Retired and Disabled Members, and Survivors	\$27,223,515	\$29,601,620	\$32,696,707
b. DROP	9,855,313	8,147,849	10,320,520
c. Vested Deferred and Inactive Status Members	1,936,450	2,257,558	2,999,704
d. Active Members			
i) Accumulated employee contributions with interest	87,734	75,423	74,554
ii) Employer-financed liabilities	<u>47,366,762</u>	<u>49,168,881</u>	<u>49,093,948</u>
e. Total	\$86,469,774	\$89,251,331	\$95,185,433
2. Net Assets Available for Benefits at Market Value	\$89,688,087	\$90,510,743	\$102,388,156
3. Ratio of Assets to Actuarial Accrued Liabilities: [2 / 1]	103.72%	101.41%	107.57%

ACCOUNTING STATEMENT

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

	ACTUAL		PROJECTED
	<u>7/1/2002 - 6/30/2003</u>	<u>7/1/2003 - 6/30/2004</u>	<u>7/1/2004 - 6/30/2005</u>
1. Annual Required Contribution:	\$1,844,203	\$2,044,540	\$2,158,658
2. Interest on Net Pension Obligation:	(25,825)	(23,969)	(12,098)
3. Adjustment to Annual Required Contribution:	<u>15,941</u>	<u>14,795</u>	<u>7,467</u>
4. Annual Pension Cost: [1 + 2 + 3]	\$1,834,319	\$2,035,366	\$2,154,027
5. Contributions Made:	<u>\$1,811,116</u>	<u>\$1,886,979</u>	<u>NA</u>
6. Increase in Net Pension Obligation: [4 - 5]	23,203	148,387	NA
7. Net Pension Obligation at Beginning of Year:	<u>(322,811)</u>	<u>(299,608)</u>	<u>(151,221)</u>
8. Net Pension Obligation at End of Year:	(299,608)	(151,221)	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-I summarizes the assumptions. The pre and post-retirement mortality rates are taken from the sources listed. The other rates were developed from the experience of the FRS and are illustrated in Tables A-2 through A-9, as noted.

The actuarial assumptions are intended to estimate the future experience of the members of the FRS and of the FRS in other areas 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' benefits. These assumptions are based on the most recent experience study of the period from July 1, 1998 through June 30, 2003.

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, changes in the UAL were to be amortized as level dollar. Had the FRS not maintained a surplus position, each plan, method or assumption change would have set up a new base (layer) to be amortized over a period of 30 years. All other changes, (i.e., experience gains and losses), would have been maintained in a single base. Since the UAL remained negative (i.e., surplus position), it was not amortized. In the future, 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 will be recognized each year.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

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 8.00%, 7.75% 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.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

- Step 2.** Calculate the excess of the yield determined in Step 1 over the expected yield for the same year according to the actuarial assumptions.
- Step 3.** Calculate an adjusted yield equal to the expected yield plus one-fifth of the yield determined in Step 2.
- Step 4.** The actuarial value of assets used in this valuation equals the amount that would have existed if the actual yield on the assets had been at the yield determined in Step 3.

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 7.75%, compounded annually, net of investment expenses.

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

Salaries are assumed to increase between 4.00% and 10.00% per year depending on the member's age and service. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 4.00% 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, by class.

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.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

All members who have attained age 80 (age 60 for TRS and SCOERS) in active service are assumed to retire immediately.

DISABLEMENT

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

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. This study looked at the line-of-duty disability incidence experience for the five fiscal years ending June 30, 2003, and adjusted the current tables slightly.

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 be more in line with FRS experience during the five fiscal years ending June 30, 2003.

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 RPA – 2000 Employee Mortality tables for males and females. 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.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

POST-RETIREMENT MORTALITY

Mortality rates for all members once in retirement status were changed from the 1994 UP Mortality tables for males and females, as projected to the year 2009 using projection Scale AA to the RPA-2000 Healthy White Collar tables for males and females, as projected from the year 2001 using Projection Scale AA, adjusted by the following percentages:

	Males	Females
Regular and Special Risk Classes	133.6%	115.0%
Elected Officers', Senior Management Service, and Special Risk Administrative Support Classes	91.5%	56.7%

DISABILITY MORTALITY RATES

Disability mortality rates are based on 92.4% of the RPS –2000 Disabled Retiree Table for males, and 103.6% of the PBGC Disabled with Social Security Table for females. Representative rates of disability mortality 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.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

ELIGIBLE SURVIVORS

It is assumed that 80% of deceased active 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		FRS-All Other Groups	
	Men	Women	Men	Women
Military Service Credit ¹⁾	0.2818	0	0.1853	0
Out-of-State Service Credit	0	0	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.

¹⁾ Pre-1987 hires only.

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

TABLE A-1
Summary of Valuation Assumptions
July 1, 2004

I. Economic Assumptions

A. General Wage Increases	4.00%*
B. Investment Earnings	7.75%*
C. Growth in Membership	0.00%
D. Post-Retirement Benefit Increases	3.00%

* Including a 3.0% 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	RPA – 2000 Mortality Tables for males and females. Table A-6
E. Post-Retirement Mortality	RPA – 2000 Healthy White Collar Tables for males and females, projected from 2001 using Projection Scale AA. Table A-7
F. Disabled Termination (Mortality and Recovery)	Table A-8
G. Other Terminations of Employment	Table A-9

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Table A-2 Salary										
REGULAR – Male										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
1	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
2	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
3	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
4	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
5	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
6	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
7	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
8	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
9	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
10 or more	3.00%	3.00%	3.00%	3.00%	2.50%	2.00%	1.50%	0.50%	0.50%	0.50%
REGULAR - Female										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
1	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
2	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
3	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
4	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
5	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
6	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
7	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
8	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
9	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
10 or more	3.00%	3.00%	3.00%	3.00%	2.50%	2.00%	1.00%	0.00%	0.00%	0.00%
ECO, ESO – Male and Female										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
1	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
2	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
3	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
4	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
5	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
6	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
7	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
8	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
9	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
10 or more	1.50%	1.50%	1.50%	1.50%	1.50%	1.25%	1.00%	0.00%	0.00%	0.00%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Table A2 (cont.) Salary												
JUDICIAL – Male and Female												
Combined Years of Service	Attained Age											
	20	25	30	35	40	45	50	55	60	65		
0	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
1	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
2	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
3	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
4	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
5	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
6	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
7	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
8	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
9	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
10 or more	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	0.50%	0.50%	0.50%	0.50%	0.50%
SENIOR MANAGEMENT SERVICE – Male												
Combined Years of Service	Attained Age											
	20	25	30	35	40	45	50	55	60	65		
0	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
1	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
2	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
4	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
5	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
6	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
7	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
8	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
9	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
10 or more	3.00%	3.00%	3.00%	3.00%	2.50%	2.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
SENIOR MANAGEMENT SERVICE - Female												
Combined Years of Service	Attained Age											
	20	25	30	35	40	45	50	55	60	65		
0	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
1	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
2	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
3	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
4	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
5	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
7	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
8	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
9	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
10 or more	3.50%	3.50%	3.50%	3.50%	2.50%	2.25%	1.50%	0.50%	0.50%	0.50%	0.50%	0.50%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-2 (cont.)
Salary**

SPECIAL RISK – Male

Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
1	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
3	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
4	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
5	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
6	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
7	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
8	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
9	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
10 or more	2.50%	2.50%	2.50%	2.50%	2.50%	2.00%	1.00%	0.50%	0.50%	0.50%	0.50%

SPECIAL RISK – Female

Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
1	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
2	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
3	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
4	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
5	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
6	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
7	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
8	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
9	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
10 or more	2.50%	2.50%	2.50%	2.50%	2.00%	1.50%	1.25%	0.75%	0.75%	0.75%	0.75%

SPECIAL RISK ADMINISTRATIVE SUPPORT – Male and Female

Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
1	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
2	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
3	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
4	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
5	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
6	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
7	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
8	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
9	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
10 or more	3.00%	3.00%	3.00%	3.00%	2.50%	2.00%	1.75%	1.75%	1.75%	1.75%	1.75%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-3
Unreduced Retirement Annual Rates**

REGULAR					
Male			Female		
Age	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	
20	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
45	6.9%	2.5%	6.3%	0.5%	
50	19.9%	13.5%	14.3%	8.0%	
55	19.5%	12.5%	16.3%	9.0%	
60	26.4%	18.1%	26.3%	17.4%	
65	31.6%	32.8%	25.3%	27.6%	
ELECTED OFFICERS' GROUPS: ECO, ESO, JUDICIAL					
Male			Female		
Age	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	
20	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	3.5%	1.5%	
50	2.0%	1.0%	3.5%	1.5%	
55	3.5%	2.1%	4.5%	5.0%	
60	5.1%	6.9%	6.5%	9.0%	
65	14.9%	13.3%	12.4%	13.4%	
SENIOR MANAGEMENT SERVICE					
Male			Female		
Age	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	
20	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
45	5.0%	2.5%	3.5%	0.5%	
50	16.0%	13.5%	10.5%	8.0%	
55	14.5%	12.5%	11.5%	9.0%	
60	20.1%	18.1%	20.4%	17.4%	
65	26.3%	32.8%	20.1%	27.6%	

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-3 (cont.)
Unreduced Retirement Annual Rates**

TRS and SCOERS					
Age	Male		Female		
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	
20	0.0%	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
45	3.8%	2.5%	3.8%	1.5%	
50	14.7%	2.5%	11.3%	1.5%	
55	14.7%	13.5%	11.3%	9.0%	
60	60.0%	56.5%	60.0%	55.5%	
65	10.0%	56.5%	60.0%	57.5%	
SPECIAL RISK					
Age	Male		Female		
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	
20	0.0%	0.0%	0.0%	0.0%	
25	0.0%	0.0%	0.0%	0.0%	
30	0.0%	0.0%	0.0%	0.0%	
35	0.0%	0.0%	0.0%	0.0%	
40	2.5%	1.0%	2.5%	1.0%	
45	2.5%	1.0%	2.5%	1.0%	
50	7.5%	6.0%	7.0%	5.5%	
55	7.8%	8.3%	7.8%	7.8%	
60	6.6%	7.9%	6.1%	8.6%	
65	33.5%	46.0%	33.0%	53.5%	
SPECIAL RISK ADMINISTRATIVE SUPPORT					
Age	Male		Female		
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility	
20	0.0%	0.0%	0.0%	0.0%	
25	0.0%	0.0%	0.0%	0.0%	
30	0.0%	0.0%	0.0%	0.0%	
35	0.0%	0.0%	0.0%	0.0%	
40	0.0%	0.0%	0.0%	0.0%	
45	0.0%	0.0%	0.0%	0.0%	
50	4.5%	4.5%	4.5%	4.5%	
55	5.8%	5.8%	29.3%	5.8%	
60	11.6%	11.6%	29.1%	11.6%	
65	56.0%	56.0%	56.0%	56.0%	

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Table A-4 Line-of-Duty Disability Annual Rates		
REGULAR		
Age	Male	Female
20	0.004%	0.001%
25	0.004%	0.001%
30	0.006%	0.002%
35	0.010%	0.007%
40	0.018%	0.010%
45	0.029%	0.016%
50	0.044%	0.022%
55	0.069%	0.035%
60	0.095%	0.049%
65	0.099%	0.044%
ELECTED OFFICERS, SENIOR MANAGEMENT SERVICE		
Age	Male	Female
20	0.004%	0.001%
25	0.004%	0.001%
30	0.005%	0.002%
35	0.007%	0.004%
40	0.011%	0.006%
45	0.017%	0.009%
50	0.029%	0.014%
55	0.049%	0.022%
60	0.072%	0.027%
65	0.080%	0.027%
SPECIAL RISK, SPECIAL RISK ADMINISTRATIVE SUPPORT		
Age	Male	Female
20	0.012%	0.008%
25	0.012%	0.008%
30	0.017%	0.016%
35	0.029%	0.037%
40	0.051%	0.068%
45	0.087%	0.106%
50	0.138%	0.153%
55	0.215%	0.230%
60	0.301%	0.285%
65	0.231%	0.143%
TRS and SCOERS		
Same as Non-Duty Disability		

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Table A-5 Non-Duty Disability Annual Rates		
REGULAR		
Age	Male	Female
20	0.000%	0.000%
25	0.030%	0.010%
30	0.058%	0.026%
35	0.073%	0.049%
40	0.102%	0.075%
45	0.188%	0.165%
50	0.313%	0.285%
55	0.523%	0.478%
60	0.687%	0.599%
65	0.239%	0.150%
ELECTED OFFICERS, SENIOR MANAGEMENT SERVICE		
Age	Male	Female
20	0.001%	0.002%
25	0.001%	0.002%
30	0.024%	0.017%
35	0.034%	0.030%
40	0.051%	0.047%
45	0.110%	0.096%
50	0.186%	0.176%
55	0.323%	0.309%
60	0.482%	0.381%
65	0.156%	0.106%
SPECIAL RISK, SPECIAL RISK ADMINISTRATIVE SUPPORT		
Age	Male	Female
20	0.037%	0.036%
25	0.037%	0.036%
30	0.043%	0.046%
35	0.055%	0.075%
40	0.087%	0.118%
45	0.140%	0.259%
50	0.292%	0.318%
55	0.446%	0.492%
60	0.628%	0.597%
65	0.698%	0.380%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-5 (cont.)
Non-Duty Disability Annual Rates**

TRS and SCOERS		
Age	Male	Female
20	0.149%	0.089%
25	0.149%	0.089%
30	0.190%	0.154%
35	0.264%	0.262%
40	0.396%	0.382%
45	0.616%	0.580%
50	1.044%	0.914%
55	1.918%	1.532%
60	2.724%	1.876%
65	3.436%	1.924%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Table A-6 Pre-Retirement Mortality Annual Rates					
REGULAR, ELECTED OFFICERS, SENIOR MANAGEMENT SERVICE					
Age	Male		Female		
	Duty Death	Non-Duty Death	Duty Death	Non-Duty Death	
20	0.01%	0.03%	0.00%	0.02%	
25	0.01%	0.03%	0.00%	0.02%	
30	0.01%	0.03%	0.00%	0.02%	
35	0.02%	0.06%	0.01%	0.04%	
40	0.03%	0.08%	0.01%	0.06%	
45	0.02%	0.13%	0.01%	0.10%	
50	0.03%	0.18%	0.02%	0.15%	
55	0.05%	0.26%	0.03%	0.23%	
60	0.07%	0.42%	0.04%	0.35%	
65	0.11%	0.65%	0.06%	0.52%	
70	0.15%	0.85%	0.08%	0.69%	
75	0.23%	1.30%	0.11%	1.02%	
80	0.39%	2.21%	0.18%	1.66%	
85	0.00%	0.00%	0.00%	0.00%	
90	0.00%	0.00%	0.00%	0.00%	
95	0.00%	0.00%	0.00%	0.00%	
100	0.00%	0.00%	0.00%	0.00%	
105	0.00%	0.00%	0.00%	0.00%	
110	0.00%	0.00%	0.00%	0.00%	
115	0.00%	0.00%	0.00%	0.00%	
120	0.00%	0.00%	0.00%	0.00%	
SPECIAL RISK, SPECIAL RISK ADMINISTRATIVE SUPPORT					
Age	Male		Female		
	Duty Death	Non-Duty Death	Duty Death	Non-Duty Death	
20	0.02%	0.01%	0.01%	0.01%	
25	0.02%	0.02%	0.01%	0.01%	
30	0.03%	0.02%	0.02%	0.01%	
35	0.05%	0.03%	0.03%	0.02%	
40	0.04%	0.06%	0.03%	0.04%	
45	0.05%	0.11%	0.03%	0.08%	
50	0.05%	0.16%	0.04%	0.13%	
55	0.08%	0.23%	0.06%	0.19%	
60	0.12%	0.37%	0.10%	0.30%	
65	0.19%	0.57%	0.15%	0.44%	
70	0.25%	0.75%	0.19%	0.57%	
75	0.38%	1.15%	0.28%	0.85%	
80	0.65%	1.96%	0.46%	1.39%	
85	0.00%	0.00%	0.00%	0.00%	
90	0.00%	0.00%	0.00%	0.00%	
95	0.00%	0.00%	0.00%	0.00%	
100	0.00%	0.00%	0.00%	0.00%	
105	0.00%	0.00%	0.00%	0.00%	
110	0.00%	0.00%	0.00%	0.00%	
115	0.00%	0.00%	0.00%	0.00%	
120	0.00%	0.00%	0.00%	0.00%	

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-7
Post-Retirement Mortality Annual Rates**

REGULAR AND SPECIAL RISK		
Age	Male	Female
20	0.22%	0.02%
25	0.27%	0.02%
30	0.34%	0.04%
35	0.42%	0.07%
40	0.52%	0.11%
45	0.65%	0.17%
50	0.80%	0.28%
55	0.73%	0.40%
60	0.88%	0.65%
65	1.55%	1.05%
70	2.58%	1.75%
75	4.49%	2.96%
80	7.94%	4.95%
85	13.98%	8.53%
90	23.82%	14.51%
95	35.74%	22.37%
100	46.03%	27.31%
105	53.16%	33.71%
110	53.44%	41.93%
115	53.44%	46.00%
120	100.00%	100.00%

ELECTED OFFICERS, SENIOR MANAGEMENT SERVICE SPECIAL RISK ADMINISTRATIVE SUPPORT		
Age	Male	Female
20	0.15%	0.01%
25	0.19%	0.01%
30	0.23%	0.02%
35	0.29%	0.03%
40	0.36%	0.05%
45	0.44%	0.09%
50	0.55%	0.14%
55	0.50%	0.20%
60	0.60%	0.32%
65	1.06%	0.52%
70	1.76%	0.86%
75	3.08%	1.46%
80	5.44%	2.44%
85	9.58%	4.21%
90	16.31%	7.15%
95	24.48%	11.03%
100	31.53%	13.46%
105	36.41%	16.62%
110	36.60%	20.67%
115	36.60%	22.68%
120	91.50%	56.70%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Table A-8 Disabled Termination (Mortality and Recovery)		
All Groups		
Age	Male	Female
20	2.09%	2.72%
25	2.09%	2.72%
30	2.09%	2.46%
35	2.09%	2.22%
40	2.09%	2.17%
45	2.09%	2.32%
50	2.68%	2.66%
55	3.27%	3.06%
60	3.88%	3.43%
65	4.64%	3.83%
70	5.78%	4.26%
75	7.58%	5.10%
80	10.11%	7.73%
85	13.08%	11.69%
90	16.95%	17.43%
95	24.72%	26.16%
100	31.84%	39.25%
105	36.76%	58.89%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-9
Other Terminations of Employment Annual Rates**

REGULAR – Male										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	32.8%	27.2%	25.8%	25.8%	24.4%	24.4%	23.4%	27.4%	27.4%	27.4%
1	31.8%	23.2%	19.2%	17.9%	15.8%	15.7%	15.2%	18.4%	18.4%	18.4%
2	25.2%	19.1%	15.5%	14.2%	12.0%	11.6%	10.7%	14.1%	14.1%	14.1%
3	18.4%	14.6%	13.2%	12.6%	10.7%	10.3%	9.4%	12.4%	12.3%	12.3%
4	15.8%	12.7%	11.8%	10.9%	9.0%	8.8%	7.9%	9.9%	9.7%	9.7%
5	13.3%	11.0%	10.0%	9.7%	8.4%	7.7%	6.9%	8.9%	8.8%	8.8%
6	12.4%	9.4%	8.6%	8.3%	7.5%	7.2%	6.1%	6.4%	6.3%	6.3%
7	11.7%	8.8%	7.5%	7.2%	6.6%	6.3%	5.6%	5.5%	5.4%	5.4%
8	11.0%	7.7%	6.4%	6.2%	5.8%	5.7%	5.1%	4.9%	4.8%	4.8%
9	10.5%	6.6%	5.8%	5.6%	5.5%	5.4%	4.8%	5.0%	4.9%	4.9%
10 or more	10.9%	6.9%	5.2%	4.7%	3.3%	3.0%	3.3%	5.0%	5.9%	4.1%
REGULAR – Female										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	31.9%	28.0%	26.7%	26.7%	25.7%	25.7%	24.4%	27.8%	27.8%	27.8%
1	28.6%	22.0%	18.8%	17.7%	15.5%	15.4%	14.8%	17.6%	17.6%	17.6%
2	23.3%	18.0%	15.3%	14.2%	12.1%	11.9%	11.5%	13.7%	13.7%	13.7%
3	18.3%	14.7%	13.2%	12.6%	10.6%	10.3%	9.2%	11.3%	11.2%	11.2%
4	15.4%	12.9%	11.3%	10.9%	9.1%	8.8%	8.4%	9.7%	9.6%	9.6%
5	15.3%	12.2%	10.7%	10.2%	8.0%	7.7%	7.0%	8.3%	8.2%	8.2%
6	12.4%	10.5%	9.5%	9.2%	7.2%	7.0%	6.5%	7.0%	6.9%	6.9%
7	11.9%	9.7%	8.5%	8.2%	6.6%	6.4%	5.8%	6.3%	6.2%	6.2%
8	11.6%	8.6%	7.9%	7.5%	6.0%	5.8%	5.5%	6.0%	5.9%	5.9%
9	11.3%	7.9%	7.2%	6.9%	5.5%	5.3%	5.1%	5.6%	5.4%	5.4%
10 or more	11.6%	5.3%	5.4%	4.6%	3.3%	3.0%	3.2%	5.4%	7.2%	4.1%
ELECTED COUNTY OFFICERS - Male										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
1	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
2	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
3	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
4	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%
5	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
6	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
7	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
8	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.6%	13.4%	13.3%	11.5%
9	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.6%	4.4%	4.3%	2.5%
10 or more	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.6%	5.3%	5.2%	3.5%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-9 (cont.)
Other Terminations of Employment Annual Rates**

ELECTED COUNTY OFFICERS – Female										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
2	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
3	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
4	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%	18.1%
5	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
6	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
7	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
8	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	14.9%	14.6%	14.5%	12.8%
9	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.1%	2.8%	2.7%	1.0%
10 or more	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.1%	4.9%	4.8%	3.0%
ELECTED STATE OFFICERS – Male										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
1	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4/3%	4.3%
2	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%	11.7%
3	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
4	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%
5	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
6	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%
7	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
8	20.2%	20.2%	20.2%	20.2%	20.2%	20.8%	20.0%	18.7%	18.4%	16.7%
9	6.6%	6.6%	6.6%	6.6%	6.6%	7.2%	6.4%	5.2%	4.9%	3.1%
10 or more	9.6%	9.6%	9.6%	9.6%	9.6%	10.2%	9.4%	8.1%	7.8%	6.1%
ELECTED STATE OFFICERS – Female										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
2	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%
3	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
4	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%
5	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	17.8%	17.8%	17.8%	17.8%	17.8%	18.4%	17.6%	16.3%	16.0%	14.3%
9	3.5%	3.5%	3.5%	3.5%	3.5%	4.1%	3.3%	2.1%	1.8%	0.0%
10 or more	10.8%	10.8%	10.8%	10.8%	10.8%	11.4%	10.6%	9.4%	9.1%	7.3%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-9 (cont.)
Other Terminations of Employment Annual Rates**

JUDICIAL - Male											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
1	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
2	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
3	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
4	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
5	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
6	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
7	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
8	2.6%	2.6%	2.6%	2.4%	2.4%	2.4%	2.4%	2.1%	1.6%	1.4%	0.9%
9	2.6%	2.6%	2.6%	2.4%	2.4%	2.4%	2.4%	2.1%	1.6%	1.4%	0.9%
10 or more	2.6%	2.6%	2.6%	2.4%	2.4%	2.4%	2.4%	2.1%	1.6%	1.4%	0.9%
JUDICIAL – Female											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
1	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
2	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
3	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
4	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
5	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
6	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
7	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
8	3.2%	3.2%	3.2%	3.0%	3.0%	3.0%	2.7%	2.2%	2.0%	1.5%	1.5%
9	3.2%	3.2%	3.2%	3.0%	3.0%	3.0%	2.7%	2.2%	2.0%	1.5%	1.5%
10 or more	3.2%	3.2%	3.2%	3.0%	3.0%	3.0%	2.7%	2.2%	2.0%	1.5%	1.5%
SENIOR MANAGEMENT SERVICE – Male											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%
1	27.9%	23.3%	20.7%	19.4%	18.9%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%
2	24.9%	21.4%	19.3%	18.0%	17.2%	16.9%	16.8%	16.8%	16.8%	16.8%	16.8%
3	19.5%	18.5%	17.7%	17.1%	16.7%	16.4%	16.2%	16.0%	16.0%	16.0%	16.0%
4	15.5%	14.9%	14.5%	13.6%	12.9%	12.6%	12.4%	12.3%	12.2%	12.2%	12.2%
5	9.1%	8.8%	8.4%	8.0%	7.8%	7.1%	6.9%	6.7%	6.7%	6.7%	6.6%
6	8.2%	7.9%	7.5%	7.2%	6.9%	6.7%	6.5%	6.3%	6.3%	6.3%	6.2%
7	7.5%	7.3%	6.9%	6.6%	6.3%	6.1%	5.9%	5.8%	5.7%	5.7%	5.7%
8	6.8%	6.8%	6.5%	6.3%	6.1%	5.9%	5.8%	5.7%	5.6%	5.6%	5.6%
9	5.5%	5.5%	5.3%	5.1%	4.9%	4.8%	4.6%	4.5%	4.4%	4.4%	4.4%
10 or more	4.8%	4.8%	4.1%	3.6%	3.2%	2.9%	3.0%	3.6%	4.4%	2.6%	2.6%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-9 (cont.)
Other Terminations of Employment Annual Rates**

SENIOR MANAGEMENT SERVICE – Female										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%
1	25.8%	21.7%	19.6%	18.5%	18.1%	18.0%	18.0%	18.0%	18.0%	18.0%
2	22.8%	20.0%	18.3%	17.3%	16.7%	16.5%	16.4%	16.4%	16.4%	16.4%
3	17.3%	16.4%	15.7%	15.2%	14.7%	14.5%	14.3%	14.2%	14.1%	14.1%
4	12.2%	11.7%	11.2%	10.8%	10.5%	10.3%	10.1%	10.0%	9.9%	9.8%
5	10.1%	9.4%	8.8%	8.2%	7.8%	7.5%	7.3%	7.2%	7.1%	7.1%
6	8.8%	8.5%	8.1%	7.8%	7.5%	7.3%	7.1%	6.9%	6.8%	6.8%
7	8.2%	8.1%	7.7%	7.3%	7.1%	6.9%	6.7%	6.6%	6.5%	6.5%
8	7.5%	7.4%	7.0%	6.6%	6.4%	6.1%	5.9%	5.8%	5.7%	5.6%
9	6.3%	6.3%	5.8%	5.5%	5.2%	4.9%	4.7%	4.5%	4.3%	4.3%
10 or more	4.8%	4.9%	3.9%	3.2%	2.7%	2.4%	2.5%	3.3%	5.1%	1.9%
SPECIAL RISK – Male										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	19.4%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
1	12.9%	12.3%	11.8%	11.5%	11.2%	11.1%	11.0%	11.0%	11.0%	11.0%
2	10.7%	10.1%	9.7%	9.3%	9.1%	8.9%	8.8%	8.8%	8.8%	8.8%
3	9.2%	8.6%	8.2%	7.9%	7.4%	7.3%	7.2%	7.2%	7.2%	7.2%
4	7.9%	7.4%	7.1%	6.8%	6.7%	6.5%	6.5%	6.5%	6.5%	6.5%
5	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
6	5.5%	5.5%	5.5%	5.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
7	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
8	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
9	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
10 or more	2.9%	2.9%	2.7%	2.4%	2.3%	2.4%	2.7%	6.2%	6.2%	6.2%
SPECIAL RISK – Female										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%	21.3%
1	15.5%	14.2%	13.2%	12.6%	12.2%	12.0%	11.9%	11.9%	11.9%	11.9%
2	12.3%	11.7%	11.2%	10.9%	10.7%	10.5%	10.4%	10.4%	10.4%	10.4%
3	10.3%	9.8%	9.3%	9.0%	8.7%	8.5%	8.4%	8.4%	8.4%	8.4%
4	9.7%	9.2%	8.7%	8.4%	8.0%	7.8%	7.7%	7.7%	7.7%	7.7%
5	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
6	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
7	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
8	4.7%	4.7%	4.7%	4.6%	4.6%	4.6%	4.5%	4.5%	4.5%	4.5%
9	4.8%	4.8%	4.7%	4.7%	4.7%	4.6%	4.6%	4.5%	4.5%	4.5%
10 or more	2.4%	2.4%	2.1%	1.8%	3.1%	3.1%	2.0%	5.0%	5.0%	5.0%

ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**Table A-9 (cont.)
Other Terminations of Employment Annual Rates**

SPECIAL RISK ADMINISTRATIVE SUPPORT – Male										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	16.2%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%
1	11.3%	10.8%	10.3%	9.9%	9.7%	9.5%	9.4%	9.4%	9.4%	9.4%
2	10.4%	9.7%	9.3%	8.9%	8.7%	8.5%	8.4%	8.4%	8.4%	8.4%
3	9.7%	9.1%	8.7%	8.3%	7.9%	7.8%	7.7%	7.6%	7.6%	7.6%
4	8.8%	8.3%	8.0%	7.8%	7.6%	7.4%	7.4%	7.4%	7.4%	7.4%
5	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
6	4.4%	4.4%	4.4%	4.2%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
7	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
8	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
9	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
10 or more	3.5%	3.5%	3.3%	3.0%	2.9%	3.0%	3.3%	6.8%	6.8%	6.8%

SPECIAL RISK ADMINISTRATIVE SUPPORT – Female										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%
1	19.4%	18.0%	17.1%	16.5%	16.1%	15.9%	15.7%	15.7%	15.7%	15.7%
2	17.5%	16.9%	16.5%	16.2%	15.9%	15.8%	15.7%	15.7%	15.7%	15.7%
3	20.3%	19.8%	19.3%	19.0%	18.7%	18.6%	18.4%	18.4%	18.4%	18.4%
4	20.8%	20.2%	19.8%	19.4%	19.0%	18.8%	18.7%	18.7%	18.7%	18.7%
5	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%	18.8%
6	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
7	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%
8	17.8%	17.8%	17.7%	17.7%	17.7%	17.6%	17.6%	17.6%	17.6%	17.6%
9	17.8%	17.8%	17.8%	17.8%	17.7%	17.7%	17.6%	17.6%	17.6%	17.6%
10 or more	18.4%	18.4%	18.1%	17.8%	17.6%	17.7%	18.0%	21.0%	21.0%	21.0%

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 required for 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 in state government, county government, a state university, or a community college. 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

SUMMARY OF PLAN PROVISIONS

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, 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.

(Sections 121.051, 121.4501)

CLASSIFICATION

There are five separate classes of members: Regular Class, Special Risk Class, Special Risk Administrative Support Class, Elected Officers' Class, and Senior Management Service Class. 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 Class 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 Class members are members employed as law enforcement officers, emergency medical technicians, paramedics, firefighters, firefighter trainers, fire prevention inspectors, correctional officers, 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 Class members are former Special Risk members who have been moved or been re-assigned to non-Special Risk administrative support positions within a Florida Retirement System Special Risk employing agency.

Elected Officers' Class 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 Management Service Optional Annuity Program for state officers.

SUMMARY OF PLAN PROVISIONS

Senior Management Service Class 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 to withdraw from the FRS if employed by non-state employers. 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 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 121.071 (2))

SUMMARY OF PLAN PROVISIONS

The employer contribution rates are as follows:

Classification	2004-2005 Fiscal Year Rates
Regular	6.20%
Special Risk	17.34
Special Risk Administrative Support Elected Officers'	8.73
- Judicial	17.46
- State	11.30
- County	14.04
Senior Management Service	8.16
DROP	8.00

The above rates exclude the 0.08% 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 2004 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.

(Section 121.71)

FRS DEFINED BENEFIT PROGRAM

NORMAL RETIREMENT BENEFIT

Eligibility

- Regular Class
 1. 30 years of creditable service at any age.
 2. Age 62 and 6 or more years of creditable service.

(Section 121.021(29)(a))

SUMMARY OF PLAN PROVISIONS

- Special Risk Class
 1. 25 years of special risk service at any age; or
 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, or age 62 and 6 or more years of creditable service (same requirement as the Regular Class).

(Section 121.021(29)(b))

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

(Section 121.021(29)(b))

- Elected Officers' Class
(same requirements as apply to Regular Class)

(Section 121.021(29)(d))

- Senior Management Service Class
(same requirements as apply to Regular Class)

(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))

SUMMARY OF PLAN PROVISIONS

Dual Retirement

In the event a member accumulates retirement benefits to commence at different normal retirement ages by virtue of having performed duties for an employer which would entitle him or her to benefits as both a Special Risk Class 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 does not apply to a Special Risk Administrative Support Class member with at least 6 years of Special Risk Class Membership when the Special Risk and Special Risk Administrative Support Classes are the only memberships held because such a member is treated as a Special Risk Class 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), 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

(Section 121.091(1))

SUMMARY OF PLAN PROVISIONS

- For Service as a Special Risk Class member:

Retirement on or After July 1, 2001 with Service Performed During:	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 Class 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

(Section 121.091(1))

SUMMARY OF PLAN PROVISIONS

- For Service as an Elected Officers' Class member:
3% for each year of creditable service in such class, except 3-1/3% for service in the judicial class. Military service credit is at the rate for Regular Class members.

(Sections 121.052(5)(a) and (d), 121.091(1))

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

(Section 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, 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 survivor's portion of a member's benefit, 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

An eligible benefit recipient will receive a benefit adjustment to bring the benefit to the calculated minimum benefit. Effective July 1, 2004, the minimum monthly benefit is \$21.34 multiplied by 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)

HEALTH INSURANCE 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 and surviving beneficiaries 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.

(Section 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 based upon age. The normal retirement date is age 62, except for Special Risk Class members, for whom it is age 55.

(Sections 121.021(30), 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 Class and Special Risk Administrative Support Class members) or 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), 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 K-12 Instructional Personnel is allowed if the eligible participant has completed 30 years of service (or 25 years for Special Risk Class members) and has not reached age 57 (or age 52 for Special Risk Class members). In this case the participant can defer participation in DROP until he reaches age 57 (or age 52 for Special Risk Class members). Instructional Personnel in grades K-12 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

SUMMARY OF PLAN PROVISIONS

maximum five-year period, DROP participation ends and participants must terminate employment with all FRS employers. At that time, the participant will receive payment of the accumulated DROP benefits, and begin receiving his FRS monthly retirement benefit (in the same amount as determined at retirement, plus annual cost-of-living increases).

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, 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 0.08% 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, 121.72)

SUMMARY OF PLAN PROVISIONS

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

Classification	2004-2005 Fiscal Year Rates
Regular	9.00%
Special Risk	20.00
Special Risk Administrative Support	11.35
Elected Officers	
- Judicial	18.90
- State	13.40
- County	16.20
Senior Management Service	10.95

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

Classification	2004-2005 Fiscal Year Rates
Regular	0.25%
Special Risk	1.33
Special Risk Administrative Support	0.45
Elected Officers	
- Judicial	0.73
- State	0.41
- County	0.41
Senior Management Service	0.26

HEALTH INSURANCE SUBSIDY

In addition to retirement or death benefits, eligible PEORP retirees or surviving spouses 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

SUMMARY OF PLAN PROVISIONS

insurance premiums. This benefit is established by law and is not indexed (adjusted for changes in the 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 surrender the account balance and 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.

(Sections 121.091(4), 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 surrender the account balance and receive lifetime monthly disability benefits, the amount of each monthly payment is calculated in the same manner as provided for line-of-duty disability retirement under the Defined Benefit Program, and is subject to the same threshold benefit amounts.

(Sections 121.091(4), 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) and (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 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 and surviving beneficiaries 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.

(Section 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 K-12 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 in grades K-12 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, 2004, the minimum monthly benefit is \$21.34 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 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 and surviving beneficiaries 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 K-12 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 in grades K-12 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, 2004.

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, 2004
Regular and Early Retirement by Age**

Age	Men	Women	Total
Number of Persons			
Under 50	857	549	1,406
50 to 54	2,776	2,852	5,628
55 to 59	8,812	10,633	19,445
60 to 64	13,989	19,225	33,214
65 to 69	17,816	25,471	43,287
70 to 74	17,038	22,778	39,816
75 to 79	13,743	18,049	31,792
80 & Up	17,034	21,648	38,682
Total	92,065	121,205	213,270
Annual Benefits (in Thousands)			
Under 50	\$10,323	\$2,701	\$13,024
50 to 54	50,958	26,337	77,295
55 to 59	182,742	136,902	319,644
60 to 64	279,141	259,284	538,425
65 to 69	312,752	323,976	636,728
70 to 74	296,052	292,628	588,680
75 to 79	218,785	220,928	439,713
80 & Up	212,779	224,063	436,842
Total	\$1,563,532	\$1,486,819	\$3,050,351

**Table C-2
Florida Retirement System
Annuitants at July 1, 2004
Disability Retirement by Age**

Age	Men	Women	Total
Number of Persons			
Under 50	613	784	1,397
50 to 54	681	990	1,671
55 to 59	942	1,455	2,397
60 to 64	908	1,420	2,328
65 to 69	541	856	1,397
70 to 74	320	466	786
75 to 79	205	365	570
80 & Up	251	471	722
Total	4,461	6,807	11,268
Annual Benefits (in Thousands)			
Under 50	\$7,753	\$7,237	\$14,990
50 to 54	8,293	10,027	18,320
55 to 59	11,568	14,766	26,334
60 to 64	10,266	13,743	24,009
65 to 69	5,612	7,766	13,378
70 to 74	3,317	3,773	7,090
75 to 79	2,020	2,678	4,698
80 & Up	1,869	3,435	5,304
Total	\$50,698	\$63,425	\$114,123

Table C-3
Florida Retirement System
Potential Annuitants at July 1, 2004
Vested Terminated Members by Age for the Regular,
Senior Management, and Elected Officers' Classes

Age	Men	Women	Total
Number of Persons			
Under 30	83	209	292
30 to 34	655	2,152	2,807
35 to 39	1,674	4,267	5,941
40 to 44	3,476	7,305	10,781
45 to 49	4,679	9,580	14,259
50 to 54	5,137	9,820	14,957
55 to 59	3,488	6,313	9,801
60 & Up	1,905	4,215	6,120
Total	21,097	43,861	64,958

Annual Benefits (in Thousands) *			
Under 30	\$198	\$478	\$676
30 to 34	2,409	7,451	9,860
35 to 39	8,576	19,382	27,958
40 to 44	21,613	38,850	60,463
45 to 49	32,776	54,750	87,526
50 to 54	39,870	60,302	100,172
55 to 59	28,155	37,663	65,818
60 & Up	11,604	16,467	28,071
Total	\$145,201	\$235,343	\$380,544

* Deferred to Age 62

**Table C-4
Florida Retirement System
Potential Annuitants at July 1, 2004
Vested Terminated Members by Age for the
Special Risk Regular & Administrative Support Classes**

Age	Men	Women	Total
Number of Persons			
Under 30	44	22	66
30 to 34	343	153	496
35 to 39	812	283	1,095
40 to 44	963	353	1,316
45 to 49	668	238	906
50 to 54	490	127	617
55 to 59	124	46	170
60 & Up	64	15	79
Total	3,508	1,237	4,745

	Annual Benefits (in Thousands) *		
Under 30	\$276	\$134	\$410
30 to 34	2,724	1,155	3,879
35 to 39	9,025	2,895	11,920
40 to 44	12,676	4,355	17,031
45 to 49	9,321	3,212	12,533
50 to 54	6,498	1,665	8,163
55 to 59	1,581	544	2,125
60 & Up	656	159	815
Total	\$42,757	\$14,119	\$56,876

* Deferred to Age 55

Table C-5
Florida Retirement System
Annuitants and Potential Annuitants at July 1, 2004
All Types of Retirement by System

System	Annuitants	Potential Annuitants	Total
Number of Persons			
Regular	205,367	64,066	269,433
Senior Management	937	582	1,519
Special Risk	16,502	4,716	21,218
Special Risk Administrative	134	29	163
Judges	583	33	616
Legislative/Attorneys/Cabinet	146	69	215
County Officials	869	208	1,077
Total	224,538	69,703	294,241
Annual Benefits (in Thousands)			
Regular	\$2,671,632	\$365,366	\$3,036,998
Senior Management	35,210	10,984	46,194
Special Risk	397,548	56,663	454,211
Special Risk Administrative	3,608	213	3,821
Judges	33,066	1,582	34,648
Legislative/Attorneys/Cabinet	3,277	699	3,976
County Officials	20,133	1,913	22,046
Total	\$3,164,474	\$437,420	\$3,601,894

Table C-6
Florida Retirement System
Annuitants at July 1, 2004
DROP Members *

Age		Men	Women	Total
Number of Persons				
Under	50	275	85	360
	50 to 54	1,830	2,136	3,966
	55 to 59	4,657	5,436	10,093
	60 to 64	3,799	5,810	9,609
	65 to 69	1,590	2,420	4,010
	70 to 74	240	222	462
	75 to 79	70	59	129
	80 & Up	14	11	25
Total		12,475	16,179	28,654

		Annual Benefits (in Thousands)		
Under	50	\$11,362	\$2,118	\$13,480
	50 to 54	67,164	49,170	116,334
	55 to 59	142,288	138,807	281,095
	60 to 64	84,201	97,837	182,038
	65 to 69	23,568	29,468	53,036
	70 to 74	2,754	2,103	4,857
	75 to 79	778	535	1,313
	80 & Up	345	72	417
Total		\$332,460	\$320,110	\$652,570

* 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, 2004
FRS-Regular: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	419	3,832,593	1	18,132		
20 to 24	4,424	80,957,346	130	2,811,936	2	63,437
25 to 29	7,774	206,474,128	1,946	57,889,878	61	1,923,798
30 to 34	6,807	193,487,408	5,485	191,922,762	1,641	60,265,109
35 to 39	5,575	159,126,478	4,829	171,865,496	4,323	177,529,914
40 to 44	6,004	171,351,921	4,680	166,948,678	4,802	197,458,183
45 to 49	5,813	165,197,134	4,762	168,207,985	4,576	189,266,528
50 to 54	5,069	145,656,357	4,620	162,620,991	4,559	188,369,405
55 to 59	4,662	130,170,318	4,258	148,261,799	4,251	172,606,725
60 to 64	2,689	68,052,914	2,559	83,434,373	2,297	92,709,524
65 & UP	2,324	39,034,477	1,909	43,861,588	1,196	36,764,641
TOTALS	51,560	1,363,341,074	35,179	1,197,843,618	27,708	1,116,957,264

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	1	43,377				
30 to 34	106	4,101,740				
35 to 39	1,965	81,480,511	97	3,963,393		
40 to 44	5,137	235,068,558	1,931	88,374,614	96	4,053,388
45 to 49	5,108	238,487,673	4,050	202,596,806	1,921	91,306,567
50 to 54	4,721	223,794,756	3,852	199,211,465	3,996	220,689,351
55 to 59	4,045	188,013,807	3,023	158,694,936	2,782	157,370,103
60 to 64	1,996	91,576,091	1,219	61,686,803	880	50,932,002
65 & UP	693	28,271,245	270	13,474,822	148	8,913,370
TOTALS	23,772	1,090,837,758	14,442	728,002,839	9,823	533,264,781

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	179	8,191,795				
50 to 54	1,262	70,695,794	8	457,017		
55 to 59	1,096	65,702,119	73	4,217,932	1	35,741
60 to 64	264	18,123,053	75	4,430,625	3	114,540
65 & UP	87	5,694,385	40	2,900,689	14	1,046,411
TOTALS	2,888	168,407,146	196	12,006,263	18	1,196,692

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					420	3,850,725
20 to 24					4,556	83,832,719
25 to 29					9,782	266,331,181
30 to 34					14,039	449,777,019
35 to 39					16,789	593,965,792
40 to 44					22,650	863,255,342
45 to 49					26,409	1,063,254,488
50 to 54					28,087	1,211,495,136
55 to 59					24,191	1,025,073,480
60 to 64	1	55,336			11,983	471,115,261
65 & UP	3	184,765	1	60,661	6,685	180,207,054
TOTALS	4	240,101	1	60,661	165,591	6,212,158,197

MEMBERSHIP DATA

**Table C-8
Florida Retirement System
Members and Their Salaries at July 1, 2004
FRS-Regular: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	801	6,077,423	1	27,580		
20 to 24	10,221	191,511,132	204	3,905,460		
25 to 29	20,848	547,751,370	5,553	160,644,489	103	3,007,807
30 to 34	15,677	380,200,071	14,457	451,733,724	4,317	147,094,662
35 to 39	14,118	305,714,350	11,894	338,526,198	10,603	380,101,428
40 to 44	14,302	296,355,703	12,739	333,405,860	10,207	343,925,517
45 to 49	12,369	269,264,874	12,376	326,794,199	10,503	343,562,050
50 to 54	9,542	217,627,583	9,782	271,274,347	10,480	351,513,681
55 to 59	6,841	152,943,585	6,981	189,269,181	7,586	254,815,684
60 to 64	3,391	65,683,420	3,553	88,258,755	3,342	102,631,173
65 & UP	2,251	30,335,432	1,841	31,689,107	1,233	28,045,799
TOTALS	110,361	2,463,464,943	79,381	2,195,528,900	58,374	1,954,697,801

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	2	72,435				
30 to 34	172	6,097,781	1	18,806		
35 to 39	4,300	160,464,265	133	5,100,675		
40 to 44	10,863	434,757,677	3,909	159,948,739	169	6,724,713
45 to 49	10,897	415,656,170	9,146	408,918,831	4,047	183,721,359
50 to 54	11,427	441,493,665	8,379	372,937,105	8,916	444,695,601
55 to 59	9,644	376,184,220	7,466	323,138,262	5,644	262,376,131
60 to 64	3,865	142,000,097	3,083	127,019,481	2,477	105,895,928
65 & UP	964	27,103,969	470	14,307,714	304	10,017,653
TOTALS	52,134	2,003,830,279	32,587	1,411,389,613	21,557	1,013,431,385

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	165	7,044,483				
50 to 54	2,018	107,120,202	11	469,368		
55 to 59	1,659	89,606,580	122	6,395,615	1	87,859
60 to 64	417	17,987,682	88	3,978,665	11	472,495
65 & UP	194	6,498,017	50	2,002,114	9	465,764
TOTALS	4,453	228,256,964	271	12,845,762	21	1,026,118

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					802	6,105,003
20 to 24					10,425	195,416,592
25 to 29					26,506	711,476,101
30 to 34					34,624	985,145,044
35 to 39					41,048	1,189,906,916
40 to 44					52,189	1,575,118,209
45 to 49					59,503	1,954,961,966
50 to 54					60,555	2,207,131,552
55 to 59					45,944	1,654,817,117
60 to 64	2	88,588			20,229	654,016,284
65 & UP	8	460,306	1	81,234	7,325	151,007,109
TOTALS	10	548,894	1	81,234	359,150	11,285,101,893

MEMBERSHIP DATA

Table C-9
Florida Retirement System
Members and Their Salaries at July 1, 2004
FRS-Special Risk: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	14	268,855				
20 to 24	2,399	69,900,373	34	1,181,003		
25 to 29	3,798	125,444,426	1,517	58,358,025	30	1,286,952
30 to 34	3,312	115,544,326	3,711	156,412,174	1,706	78,812,486
35 to 39	1,861	65,652,484	2,461	104,044,283	3,025	148,458,364
40 to 44	1,174	40,828,551	1,201	48,957,273	1,829	87,055,702
45 to 49	763	27,200,859	827	32,163,936	960	43,450,071
50 to 54	518	18,647,003	633	24,228,547	691	29,527,994
55 to 59	291	10,240,875	417	17,404,115	438	18,722,995
60 to 64	95	3,177,525	165	6,506,681	193	8,370,373
65 & UP	13	505,726	35	1,385,117	42	1,934,956
TOTALS	14,238	477,411,003	11,001	450,641,154	8,914	417,619,893

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	69	3,488,748				
35 to 39	2,075	112,104,844	54	3,159,431		
40 to 44	3,235	181,366,501	1,499	94,066,782	56	3,352,793
45 to 49	1,650	89,782,331	2,222	145,784,127	658	45,094,867
50 to 54	966	50,339,147	1,180	76,146,664	652	43,132,367
55 to 59	400	19,999,078	281	16,670,593	133	8,211,391
60 to 64	204	10,175,785	115	6,269,085	38	2,256,310
65 & UP	33	1,725,349	14	854,841	5	267,417
TOTALS	8,632	468,981,783	5,365	342,951,523	1,542	102,315,145

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	28	1,916,157				
50 to 54	116	7,918,856				
55 to 59	53	3,618,132	4	297,988		
60 to 64	17	1,303,038	6	426,788		
65 & UP	1	101,877			2	158,330
TOTALS	215	14,858,060	10	724,776	2	158,330

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					14	268,855
20 to 24					2,433	71,081,376
25 to 29					5,345	185,089,403
30 to 34					8,798	354,257,734
35 to 39					9,476	433,419,406
40 to 44					8,994	455,627,602
45 to 49					7,108	385,392,348
50 to 54					4,756	249,940,578
55 to 59					2,017	95,165,167
60 to 64					833	38,485,585
65 & UP					145	6,933,613
TOTALS					49,919	2,275,661,667

MEMBERSHIP DATA

**Table C-10
Florida Retirement System
Members and Their Salaries at July 1, 2004
FRS-Special Risk: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	837	23,549,578	9	324,095		
25 to 29	1,380	42,536,770	505	17,368,363	3	106,117
30 to 34	1,045	32,856,738	1,239	46,160,888	442	19,241,987
35 to 39	599	19,021,185	775	29,649,064	849	37,649,154
40 to 44	376	11,869,595	515	19,588,306	603	26,009,002
45 to 49	242	7,493,381	317	11,556,570	397	16,257,685
50 to 54	126	4,089,197	211	7,508,084	251	10,435,512
55 to 59	66	2,051,331	93	3,282,951	94	3,718,400
60 to 64	19	522,899	39	1,435,151	42	1,815,605
65 & UP	1	23,926	10	381,333	6	265,314
TOTALS	4,691	144,014,600	3,713	137,254,805	2,687	115,498,776

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	7	313,565				
35 to 39	482	24,754,283	10	610,079		
40 to 44	918	46,789,856	304	17,138,053	2	129,755
45 to 49	522	25,344,048	507	28,595,185	132	7,844,029
50 to 54	327	14,700,596	269	14,418,611	143	8,220,734
55 to 59	90	4,085,705	73	3,862,161	33	1,736,572
60 to 64	32	1,507,281	23	1,163,540	9	567,738
65 & UP	4	170,226	3	145,374		
TOTALS	2,382	117,665,560	1,189	65,933,003	319	18,498,828

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	111,737				
50 to 54	14	934,416				
55 to 59	2	97,988				
60 to 64	1	46,398				
65 & UP	1	72,527				
TOTALS	20	1,263,066				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					846	23,873,673
25 to 29					1,888	60,011,250
30 to 34					2,733	98,573,178
35 to 39					2,715	111,683,765
40 to 44					2,718	121,524,567
45 to 49					2,119	97,202,635
50 to 54					1,341	60,307,150
55 to 59					451	18,835,108
60 to 64					165	7,058,612
65 & UP					25	1,058,700
TOTALS					15,001	600,128,638

MEMBERSHIP DATA

**Table C-11
Florida Retirement System
Members and Their Salaries at July 1, 2004
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			1	37,020		
35 to 39			1	36,626	5	225,798
40 to 44					5	200,700
45 to 49					1	43,877
50 to 54						
55 to 59					1	36,259
60 to 64						
65 & UP						
TOTALS			2	73,646	12	506,634

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	44,772				
35 to 39	6	213,128				
40 to 44	5	205,837	2	89,105		
45 to 49	9	360,814	5	193,576	6	282,486
50 to 54	5	221,836	6	298,748	1	51,495
55 to 59	1	45,294			4	250,232
60 to 64						
65 & UP	1	33,684				
TOTALS	28	1,125,365	13	581,429	11	584,213

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	76,172				
55 to 59	1	59,338				
60 to 64						
65 & UP						
TOTALS	2	135,510				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					2	81,792
35 to 39					12	475,552
40 to 44					12	495,642
45 to 49					21	880,753
50 to 54					13	648,251
55 to 59					7	391,123
60 to 64						
65 & UP					1	33,684
TOTALS					68	3,006,797

MEMBERSHIP DATA

**Table C-12
Florida Retirement System
Members and Their Salaries at July 1, 2004
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	37,185		
35 to 39			1	30,216	1	37,020
40 to 44			1	37,303	1	32,000
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS			3	104,704	2	69,020

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	39,127				
40 to 44	3	101,097				
45 to 49	2	75,445	5	206,344	1	57,107
50 to 54	2	98,125	1	30,269		
55 to 59	1	34,861			1	39,396
60 to 64						
65 & UP						
TOTALS	9	348,655	6	236,613	2	96,503

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	37,185
35 to 39					3	106,363
40 to 44					5	170,400
45 to 49					8	338,896
50 to 54					3	128,394
55 to 59					2	74,257
60 to 64						
65 & UP						
TOTALS					22	855,495

**Table C-13
Florida Retirement System
Members and Their Salaries at July 1, 2004
EOC-Judicial: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34			2	242,276		
35 to 39	4	388,812	1	134,067		
40 to 44	6	814,511	8	989,598	7	890,596
45 to 49	13	1,720,060	22	2,808,615	17	2,148,338
50 to 54	13	1,724,985	18	2,403,982	21	2,759,074
55 to 59	23	3,052,668	20	2,641,877	33	4,351,192
60 to 64	6	793,346	23	3,024,991	17	2,223,878
65 & UP	4	531,656	2	268,134	6	820,290
TOTALS	69	9,026,038	96	12,513,540	101	13,193,368

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44	5	617,145				
45 to 49	15	1,916,250	17	2,138,332	1	134,067
50 to 54	38	4,961,673	31	4,039,828	14	1,832,368
55 to 59	40	5,213,945	36	4,745,276	34	4,491,257
60 to 64	19	2,481,435	13	1,746,972	15	1,919,955
65 & UP	5	683,653	1	142,780	4	522,943
TOTALS	122	15,874,101	98	12,813,188	68	8,900,590

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	8	1,033,505				
60 to 64	1	122,575				
65 & UP	1	142,780				
TOTALS	10	1,298,860				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					2	242,276
35 to 39					5	522,879
40 to 44					26	3,311,850
45 to 49					85	10,865,662
50 to 54					135	17,721,910
55 to 59					194	25,529,720
60 to 64					94	12,313,152
65 & UP					23	3,112,236
TOTALS					564	73,619,685

MEMBERSHIP DATA

**Table C-14
Florida Retirement System
Members and Their Salaries at July 1, 2004
EOC-Judicial: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	6	763,333	1	124,353	2	235,907
40 to 44	4	505,132	7	902,025	6	737,527
45 to 49	6	789,547	11	1,423,330	13	1,655,187
50 to 54	4	536,268	4	524,028	15	1,954,038
55 to 59	1	134,067	6	799,790	8	1,051,865
60 to 64			3	402,201	4	536,268
65 & UP			2	268,134	2	290,575
TOTALS	21	2,728,347	34	4,443,861	50	6,461,367

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44	10	1,254,849				
45 to 49	13	1,664,469	5	620,139	1	134,067
50 to 54	20	2,600,879	16	2,020,404	4	536,268
55 to 59	6	752,945	10	1,329,908	3	388,972
60 to 64	1	120,742	2	268,134	2	268,134
65 & UP	2	241,484	1	142,780		
TOTALS	52	6,635,368	34	4,381,365	10	1,327,441

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

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39					9	1,123,593
40 to 44					27	3,399,533
45 to 49					49	6,286,739
50 to 54					63	8,171,885
55 to 59					34	4,457,547
60 to 64					12	1,595,479
65 & UP					7	942,973
TOTALS					201	25,977,749

MEMBERSHIP DATA

Table C-15
Florida Retirement System
Members and Their Salaries at July 1, 2004
EOC-Legislators/Attorneys/Cabinet: Men

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29	1	29,916				
30 to 34	1	29,916	4	116,045	1	29,916
35 to 39	7	209,412	4	119,129		
40 to 44	7	209,412	5	149,580	2	59,832
45 to 49	6	179,496	9	362,034	4	119,664
50 to 54	3	89,748	7	326,125	4	339,713
55 to 59	3	89,748	5	149,580	4	210,966
60 to 64	5	242,412	2	58,739	2	172,696
65 & UP	2	59,832	2	59,832	3	197,831
TOTALS	35	1,139,892	38	1,341,064	20	1,130,618

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	119,664				
45 to 49	2	167,919	1	138,003		
50 to 54					2	162,429
55 to 59	1	29,916	3	197,835	8	876,870
60 to 64			3	305,209		
65 & UP						
TOTALS	7	317,499	7	641,047	10	1,039,299

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	2	275,293				
60 to 64			1	142,780		
65 & UP						
TOTALS	2	275,293	1	142,780		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	29,916
30 to 34					6	175,877
35 to 39					11	328,541
40 to 44					18	538,488
45 to 49					22	967,116
50 to 54					16	918,015
55 to 59					26	1,830,208
60 to 64					13	921,836
65 & UP					7	317,495
TOTALS					120	6,027,492

MEMBERSHIP DATA

**Table C-16
Florida Retirement System
Members and Their Salaries at July 1, 2004
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	29,916				
35 to 39					1	29,916
40 to 44			3	89,748	1	29,916
45 to 49	2	60,605	2	167,017		
50 to 54	1	29,916	3	89,748	1	137,101
55 to 59	1	29,916	3	89,748		
60 to 64	1	29,916	2	59,832		
65 & UP	1	29,916	1	29,916		
TOTALS	7	210,185	14	526,009	3	196,933

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	4	222,261	1	29,916		
50 to 54					2	271,908
55 to 59	3	192,345	1	118,807		
60 to 64	1	29,916				
65 & UP						
TOTALS	8	444,522	2	148,723	2	271,908

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	29,916
35 to 39					1	29,916
40 to 44					4	119,664
45 to 49					9	479,799
50 to 54					7	528,673
55 to 59					8	430,816
60 to 64					4	119,664
65 & UP					2	59,832
TOTALS					36	1,798,280

MEMBERSHIP DATA

**Table C-17
Florida Retirement System
Members and Their Salaries at July 1, 2004
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	4,575				
25 to 29	1	39,154	1	50,375		
30 to 34	2	62,982	3	75,711	1	78,574
35 to 39	11	212,561	9	253,076	6	235,146
40 to 44	28	762,543	10	391,776	15	875,084
45 to 49	27	989,188	16	689,162	17	459,552
50 to 54	19	856,987	25	1,136,901	43	1,767,465
55 to 59	27	1,111,303	29	926,400	25	1,210,888
60 to 64	38	1,345,849	26	1,038,406	21	748,522
65 & UP	30	711,828	36	765,224	25	956,043
TOTALS	184	6,096,970	155	5,327,031	153	6,331,274

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	181,551				
40 to 44	6	442,940	1	58,455		
45 to 49	12	574,859	10	700,679	2	197,838
50 to 54	13	678,714	13	1,036,282	18	1,459,807
55 to 59	19	1,142,302	7	424,390	16	1,638,482
60 to 64	14	577,547	13	514,037	8	515,049
65 & UP	18	404,423	3	93,833	3	176,174
TOTALS	84	4,002,336	47	2,827,676	47	3,987,350

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	7	676,210				
55 to 59	6	520,801				
60 to 64	3	356,812				
65 & UP	2	159,062				
TOTALS	18	1,712,885				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	4,575
25 to 29					2	89,529
30 to 34					6	217,267
35 to 39					28	882,334
40 to 44					60	2,530,798
45 to 49					84	3,611,278
50 to 54					138	7,612,366
55 to 59					129	6,974,566
60 to 64					123	5,096,222
65 & UP					117	3,266,587
TOTALS					688	30,285,522

MEMBERSHIP DATA

**Table C-18
Florida Retirement System
Members and Their Salaries at July 1, 2004
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	4,800				
30 to 34	2	9,542	3	70,428		
35 to 39	4	206,154	5	125,834	5	275,083
40 to 44	6	183,381	4	102,485	4	89,538
45 to 49	13	422,834	15	721,241	8	369,946
50 to 54	21	758,116	20	776,153	16	552,031
55 to 59	13	442,627	23	1,046,488	19	657,250
60 to 64	10	303,926	12	402,437	8	282,409
65 & UP	12	230,240	13	352,200	8	257,278
TOTALS	82	2,561,620	95	3,597,266	68	2,483,535

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	91,695				
40 to 44	4	197,367	1	91,836		
45 to 49	12	658,003	5	442,545	7	685,498
50 to 54	8	473,998	6	247,359	11	827,460
55 to 59	15	955,316	5	391,066	7	578,332
60 to 64	7	441,927	5	425,688	4	279,117
65 & UP	4	155,939	2	54,766	4	166,569
TOTALS	51	2,974,245	24	1,653,260	33	2,536,976

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	88,250				
50 to 54	6	607,565				
55 to 59	3	253,744				
60 to 64						
65 & UP	2	164,457				
TOTALS	12	1,114,016				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	4,800
30 to 34					5	79,970
35 to 39					15	698,766
40 to 44					19	664,607
45 to 49					61	3,388,317
50 to 54					88	4,242,682
55 to 59					85	4,324,823
60 to 64					46	2,135,504
65 & UP					45	1,381,449
TOTALS					365	16,920,918

MEMBERSHIP DATA

**Table C-19
Florida Retirement System
Members and Their Salaries at July 1, 2004
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	37,640				
25 to 29	197	7,583,150	6	298,354		
30 to 34	181	7,534,076	89	4,598,134	7	472,227
35 to 39	69	3,270,836	80	4,733,790	82	5,945,517
40 to 44	46	2,538,055	71	5,076,761	90	6,874,408
45 to 49	46	2,996,984	70	5,023,092	98	7,332,212
50 to 54	52	3,650,763	86	6,409,891	84	7,243,161
55 to 59	43	3,055,352	65	5,327,913	88	7,433,755
60 to 64	21	1,325,284	41	3,724,398	50	4,245,736
65 & UP	5	362,310	10	733,080	16	1,509,950
TOTALS	661	32,354,450	518	35,925,413	515	41,056,966

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	13	854,261	1	36,728		
40 to 44	111	8,848,427	16	1,123,130	3	193,905
45 to 49	148	12,737,840	129	11,983,249	31	2,848,850
50 to 54	118	10,495,611	151	14,496,152	161	16,318,088
55 to 59	96	8,239,454	85	7,785,314	106	10,548,888
60 to 64	37	3,247,982	26	2,541,639	24	2,531,058
65 & UP	12	1,523,995	5	485,567	2	280,401
TOTALS	535	45,947,570	413	38,451,779	327	32,721,190

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	176,112				
50 to 54	30	3,131,329				
55 to 59	41	4,333,245	4	296,284		
60 to 64	10	1,371,549	5	586,160		
65 & UP	4	486,829			1	186,000
TOTALS	87	9,499,064	9	882,444	1	186,000

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	37,640
25 to 29					203	7,881,504
30 to 34					277	12,604,437
35 to 39					245	14,841,132
40 to 44					337	24,654,686
45 to 49					524	43,098,339
50 to 54					682	61,744,995
55 to 59					528	47,020,205
60 to 64					214	19,573,806
65 & UP					55	5,568,132
TOTALS					3,066	237,024,876

MEMBERSHIP DATA

**Table C-20
Florida Retirement System
Members and Their Salaries at July 1, 2004
FRS-Senior Management Service: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	29,886				
25 to 29	207	8,041,970	2	74,669		
30 to 34	172	6,953,438	116	5,962,745	8	395,250
35 to 39	86	3,744,765	101	5,550,893	103	6,651,019
40 to 44	43	1,819,254	65	3,900,712	101	6,596,162
45 to 49	30	1,716,583	49	3,184,045	77	5,650,197
50 to 54	31	2,047,236	48	2,970,252	57	4,573,748
55 to 59	20	1,211,828	30	1,787,658	38	2,885,129
60 to 64	6	354,644	7	349,318	11	642,389
65 & UP	1	104,599	3	130,939	3	215,597
TOTALS	597	26,024,203	421	23,911,231	398	27,609,491

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	2	53,771				
35 to 39	25	1,572,415	2	134,091		
40 to 44	108	7,771,011	28	2,398,873	2	99,443
45 to 49	109	8,481,042	103	8,584,455	53	4,094,484
50 to 54	86	6,709,886	96	8,400,349	115	10,333,938
55 to 59	43	3,318,161	64	5,496,869	75	6,731,583
60 to 64	22	1,462,239	19	1,506,277	15	991,701
65 & UP	2	213,374	1	76,101		
TOTALS	397	29,581,899	313	26,597,015	260	22,251,149

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	6	428,622				
50 to 54	17	1,542,593				
55 to 59	16	1,524,064	2	108,661		
60 to 64	2	134,082				
65 & UP	1	94,872	1	116,133	1	84,591
TOTALS	42	3,724,233	3	224,794	1	84,591

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	29,886
25 to 29					209	8,116,639
30 to 34					298	13,365,204
35 to 39					317	17,653,183
40 to 44					347	22,585,455
45 to 49					427	32,139,428
50 to 54					450	36,578,002
55 to 59					288	23,063,953
60 to 64					82	5,440,650
65 & UP					13	1,036,206
TOTALS					2,432	160,008,606

MEMBERSHIP DATA

**Table C-21
Florida Retirement System
Members and Their Salaries at July 1, 2004
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	66,869
65 & UP						
TOTALS					1	66,869

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	5	357,125	5	360,743		
60 to 64	7	652,941	11	709,055	2	148,131
65 & UP	1	70,267	8	553,344	2	133,637
TOTALS	13	1,080,333	24	1,623,142	4	281,768

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					10	717,868
60 to 64					21	1,576,996
65 & UP					11	757,248
TOTALS					42	3,052,112

MEMBERSHIP DATA

**Table C-22
Florida Retirement System
Members and Their Salaries at July 1, 2004
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	47,262
60 to 64					1	13,467
65 & UP						
TOTALS					2	60,729

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59	1	62,183	1	61,360	4	220,341
60 to 64					7	387,980
65 & UP						
TOTALS	1	62,183	1	61,360	11	608,321

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	34	2,067,357	14	912,330		
60 to 64	7	396,657	18	1,051,127	2	134,890
65 & UP	1	52,762	4	291,683	1	69,173
TOTALS	42	2,516,776	36	2,255,140	3	204,063

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					55	3,370,833
60 to 64					35	1,984,121
65 & UP	1	53,046	2	106,333	9	572,997
TOTALS	1	53,046	2	106,333	99	5,927,951

MEMBERSHIP DATA

**Table C-23
Florida Retirement System
Members and Their Salaries at July 1, 2004
SCOERS-State & County Officers' Employees' R.S.: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64						
65 & UP			1	7,388		
TOTALS			1	7,388		

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						
55 to 59		1	43,933	2	68,309	
60 to 64						
65 & UP						
TOTALS		1	43,933	2	68,309	

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					3	112,242
60 to 64						
65 & UP		1	31,521		2	38,909
TOTALS		1	31,521		5	151,151

MEMBERSHIP DATA

**Table C-24
Florida Retirement System
Members and Their Salaries at July 1, 2004
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	15,385		
65 & UP						
TOTALS			1	15,385		

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	31,726
65 & UP						
TOTALS					1	31,726

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	24,361				
60 to 64	1	14,865	2	48,039		
65 & UP	1	16,676				
TOTALS	3	55,902	2	48,039		

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					1	24,361
60 to 64					5	110,015
65 & UP					1	16,676
TOTALS					7	151,052

Table C-25
Florida Retirement System
Distribution of Active Participants
Grand Totals
July 1, 2004

AGE	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1,234	10,178,871	2	45,712		
20 to 24	17,884	365,990,530	377	8,222,494	2	63,437
25 to 29	34,207	937,905,684	9,530	294,684,153	197	6,324,674
30 to 34	27,200	736,708,413	25,111	857,369,092	8,123	306,390,211
35 to 39	22,340	558,310,370	20,162	655,193,025	19,005	757,374,266
40 to 44	21,996	527,238,058	19,309	580,540,105	17,673	670,834,167
45 to 49	19,330	478,031,545	18,476	553,101,226	16,671	610,315,307
50 to 54	15,399	395,714,159	15,457	480,269,049	16,222	599,172,923
55 to 59	11,991	304,533,618	11,930	370,987,500	12,586	467,748,370
60 to 64	6,281	141,832,135	6,433	188,710,667	5,988	214,392,040
65 & UP	4,644	71,929,942	3,865	79,931,992	2,540	71,258,274
TOTALS	182,506	4,528,373,325	130,652	4,069,055,015	99,007	3,703,873,669

AGE	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29	3	115,812				
30 to 34	357	14,100,377	1	18,806		
35 to 39	8,870	381,756,080	297	13,004,397		
40 to 44	20,409	917,540,929	7,691	363,289,587	328	14,553,997
45 to 49	18,503	796,129,124	16,206	810,932,187	6,860	336,401,219
50 to 54	17,731	756,568,886	14,000	693,283,236	14,035	748,531,814
55 to 59	14,405	608,269,532	11,055	522,916,777	8,850	455,458,550
60 to 64	6,198	253,621,042	4,521	203,446,865	3,481	166,643,567
65 & UP	1,738	60,527,341	770	29,778,578	470	20,344,527
TOTALS	88,214	3,788,629,123	54,541	2,636,670,433	34,024	1,741,933,674

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	383	17,957,156				
50 to 54	3,471	192,703,137	19	926,385		
55 to 59	2,928	169,517,585	226	12,657,862	2	123,600
60 to 64	730	40,509,652	206	11,373,239	18	870,056
65 & UP	296	13,554,511	103	5,863,963	30	2,143,906
TOTALS	7,808	434,242,041	554	30,821,449	50	3,137,562

AGE	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					1,236	10,224,583
20 to 24					18,263	374,276,461
25 to 29					43,937	1,239,030,323
30 to 34					60,792	1,914,586,899
35 to 39					70,674	2,365,638,138
40 to 44					87,406	3,073,996,843
45 to 49					96,429	3,602,867,764
50 to 54					96,334	3,867,169,589
55 to 59					73,973	2,912,213,394
60 to 64	3	143,924			33,859	1,221,543,187
65 & UP	13	729,638	4	248,228	14,473	356,310,900
TOTALS	16	873,562	4	248,228	597,376	20,937,858,081

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	524,741	\$18,034,623	\$54,048
Senior Management	5,498	409,813	2,221
Florida Retirement System - Special Risk			
Non-Administrative	64,920	2,971,210	7,011
Administrative	90	3,980	17
Florida Retirement System - Elected Officers' Class			
Judicial	765	102,021	798
Leg. / Atty. / Cabinet	156	8,016	76
County Elected Off.	1,053	48,352	394
Teachers Retirement System	141	9,164	9,588
State and County Retirement System	12	309	205
Total	597,376	\$21,587,488	\$74,358
	Average Annual Salary =	\$36,137	

APPENDIX D

PROJECTIONS

PROJECTIONS

Table D-1 presents a projection of total costs of the employers covered by the Florida Retirement System (exclusive of PEORP) during the five-year period following the actuarial valuation date, July 1, 2004. The contributions shown beginning with fiscal year 2005-2006 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 2004-2005 are based on the rates on page B-4 of this report.

Table D-2 projects each existing amortization base as of July 1, 2004. 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, it provided 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, 2004 valuation results, and assume experience occurs as stated in our July 1, 2004 valuation, except that the market value of assets is assumed to earn 7.75% 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 1.17% rate reduction for all classes except DROP.) 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, 2004**

(All Amounts in Millions)

	<u>2004 -2005</u>	<u>2005 -2006</u>	<u>2006 -2007</u>	<u>2007 -2008</u>	<u>2008 - 2009</u>
A. Normal Cost *	\$2,713	\$2,718	\$2,794	\$2,857	\$2,915
B. Surplus Utilization	(\$897)	(\$342)	(\$355)	(\$370)	(\$384)
C. Cost for Additional Administrative Charge (for PEORP)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
D. Total	\$1,816	\$2,376	\$2,439	\$2,487	\$2,531
E. Social Security	<u>\$1,755</u>	<u>\$1,810</u>	<u>\$1,861</u>	<u>\$1,904</u>	<u>\$1,943</u>
F. Grand Total	\$3,571	\$4,186	\$4,300	\$4,391	\$4,474

* Includes DROP contributions on behalf of DROP members.

Table D-2
Florida Retirement System – July 1, 2004 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)	(\$21,364,831)	(\$2,065,292)	(\$17,871)	(\$201,897)	(\$24,242)	(\$11,272)	\$0	\$12,163,412
UAL Cost / (Savings) (see Table IV-5)	-1.32%	-2.56%	-1.65%	-1.00%	-1.55%	-1.00%	-3.08%	-0.00%
Normal Cost Payroll ¹	\$18,028,890	\$2,971,163	\$3,980	\$102,021	\$8,016	\$48,254	\$409,813	\$0
Annual Payment / (Savings) for FY 2004-2005	(\$247,501)	(\$79,104)	(\$68)	(\$1,061)	(\$129)	(\$502)	(\$13,127)	\$0
Amortization Period Calculated Assuming								
Level Dollar	NA ²	NA ²	NA ²	NA ²	NA ²	NA ²	1	NA ³
Level Percent of Payroll	NA ²	NA ²	NA ²	NA ²	NA ²	NA ²	1	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 7.75%.

³ No annual payment, therefore no amortization period.

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

**Updated FY 2005-2006 Forward Based on 07/01/2004 Valuation Results and 07/01/2004 Assets
(000,000 omitted)**

	<u>2005 - 06</u>	<u>2006 - 07</u>	<u>2007 - 08</u>
1 1.0% Rate Reduction ⁴	(\$224.4)	(\$233.3)	(\$242.7)
2 Experience Study hold harmless (hold normal cost rate at 10.55%) ⁴	(\$23.8)	(\$24.7)	(\$25.7)
3 6 yr DB vesting - hold harmless from rate increase ⁴	(\$93.3)	(\$97.0)	(\$100.9)
4 Cost to DB program of adding a new DC program ^{3 & 5}	\$17.5	\$18.2	\$19.0
5 1.17% Rate Reduction ⁸	(\$262.5)	(\$273.0)	(\$283.9)
6 12% Increase in Special Risk benefits (in pay status before 07/01/2000) ⁶	(\$17.4)	(\$18.3)	(\$19.2)
Total	(\$603.9)	(\$628.1)	(\$653.4)
7 Estimated Surplus Available RSM 11 ^{2 & 7}	\$603.6	\$455.0	\$376.6
8 Increase in Surplus from year to year	(\$191.2)	(\$148.6)	(\$78.4)
9 Surplus Available After Previously Legislated Rate Reduction and using remaining available surplus for Rate Reduction for all classes but DROP [Total + (7)] =	(\$0.3)	(\$173.1)	(\$276.8)

¹ Numbers exclude contributions to DC Plan

² Projected surplus based on 07/01/2004 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

⁸ For all classes except DROP; DROP remains at 11.74%. This scenario corresponds with Table IV-4.

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 2003 actuarial valuation to the 2004 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	5.10%	8.0%	
June 30, 2004	6.93%	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%	
June 30, 2004	3.94%	0.00%	
3. Individual Rates of Salary Increases for Regular Members and Special Risk Members			
Year Ended June 30	Rate of Increase During Year		
	Regular Members	Special Risk	Assumed ³⁾
2002	5.3%	7.6%	6.25%
2003	6.3%	7.2%	6.25%
2004	5.7%	8.1%	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, 2003	595,164	10,720	197,679	26,720	830,283
New Entrants	66,912	0	0	0	66,912
Retirements	(19,347)	1,036	24,790	(6,479)	0
DROP	(8,413)	0	0	8,413	0
Terminations and deaths with and without benefit	(36,940)	0	0	0	(36,940)
Cessation of benefit payments	NA	(488)	(9,199)	0	(9,687)
Number reported as of July 1, 2004	597,376	11,268	213,270	28,654	850,568

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.