

**FLORIDA RETIREMENT SYSTEM**  
**Actuarial Valuation**  
**as of**  
**July 1, 2010**



**December 2010**

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December 1, 2010

Ms. Sarabeth Snuggs  
State Retirement Director  
Division of Retirement  
PO Box 9000  
Tallahassee, FL 32315-9000

Dear Ms. Snuggs:

At your request, we have conducted our annual actuarial valuation of the Florida Retirement System (FRS) as of July 1, 2010, for determining contribution payments for Fiscal Year 2012. The major findings 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.

All costs and liabilities shown in this report have been determined on the basis of actuarial assumptions and methods set forth in Appendix A. 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 for the period July 1, 2003 through June 30, 2008, as modified by the February 16, 2010 study on House Bill 479 which was enacted into law. The assumptions were incorporated into the July 1, 2010 actuarial valuation which develops contribution rates for the Plan Year 2011-2012. We believe these assumptions are reasonable and have used them for purposes of GASB Statements No. 25 and No. 27. For funding purposes, we believe that the assumptions are reasonable except for the retirement assumptions which have been modified to reflect the Assumption Conference decision on funding DROP. The current funding method treats the impact of DROP on a system basis meaning the retirement rates of each class do not explicitly recognize the probability of a member electing DROP participation, and the related impact on each



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class' liabilities and funding. The difference between the liability and normal cost on this basis and that used for GASB reporting is funded through the DROP contribution rate. The results of this report are dependent upon future experience conforming to these assumptions. Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the System. Actuarial computations under GASB Statements No. 25 and No. 27 are for purposes of fulfilling financial accounting requirements. The calculations in the enclosed report have been made on a basis consistent with our understanding of the System's funding requirements and goals, and of GASB Statements No. 25 and No. 27. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

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, statutory provisions, employee census, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit provision or related expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. There were no known events that were not taken into account in the valuation. Other than the aforementioned experience study, we have not assumed any changes in the trend of actuarial experience.

Milliman's work product was prepared exclusively for the internal business use of Florida Department of Management Services, Division of Retirement, for a specific and limited purpose. It is a complex technical analysis that assumes a high level of knowledge concerning the Florida Retirement System's operations, and uses Division data, which Milliman has not audited. To the extent that Milliman's work is not subject to disclosure under applicable public record laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The Division of Retirement may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
- (b) The Division of Retirement may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.


No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

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

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, 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 Actuarial Standards of Practice, the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,

Milliman, Inc.

  
Robert S. Dezube, F.S.A.  
Consulting Actuary, Enrollment #08-3397

# SECTION I

## EXECUTIVE SUMMARY



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

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## EXECUTIVE SUMMARY

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This report presents the results of our July 1, 2010 actuarial valuation of the Florida Retirement System. In this section, we compare the 2009 and 2010 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, 2009. We conclude this section with summary comments regarding the System's overall financial condition.

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

- The composite normal cost rate, excluding DROP, decreased from 11.95% of payroll on July 1, 2009 to 11.81% of payroll on July 1, 2010. The decrease was primarily attributable to the plan change legislated by House Bill 479 (2009) which closed the renewed membership program effective July 1, 2010.
- The unfunded actuarial liability (including DROP liability) also changed due to an additional year of experience and the assumption changes resulting from the enactment of House Bill 479. In the July 1, 2009 actuarial valuation report, the actuarial liability exceeded the actuarial value of assets by \$15.4 billion. After application of the modified retirement assumptions reflecting the plan change legislated by HB 479, the Unfunded Actuarial Liability (UAL) as of July 1, 2009 was \$14.3 billion. On July 1, 2010 the actuarial liability exceeds the actuarial value of assets, yielding a UAL of \$16.7 billion, excluding additional liability funded through the DROP contribution rate. This marks the second consecutive actuarial valuation since July 1, 1997 where the FRS has a UAL.
- 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 before retirement, 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. During the initial election period, 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 initial impact on the Defined Benefit Program was *deminimus*. 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

## EXECUTIVE SUMMARY

elections have also been primarily to the FRS Defined Benefit Program, it is unknown whether this trend will continue. As of July 1, 2010, approximately 15% of the active FRS population is currently participating in PEORP.

Members of the FRS Defined Benefit Program who elected to join PEORP and elected to transfer the present value of their service credits during the initial election period in 2002 and then choose to 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, 2010 is \$233 million.

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, 2009 actuarial valuation results with July 1, 2010 actuarial results. The difference column shows the change between the July 1, 2010 valuation results and the July 1, 2009 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). Under current methodology, the actuarial value of assets cannot be less than 80% or greater than 120% of the market value of assets. This corridor restriction does not come into play unless there are dramatic asset gains or losses in the prior plan year. The purpose of the corridor is to ensure that the “smoothed” value of assets does not vary from the market value by more than 20%.

	Valuation Results (numbers in \$ billions)		
	July 1, 2009	July 1, 2010	Difference
1. Actuarial Liability	\$ 134.2	\$137.6	\$ 3.4
2. Actuarial Value of Assets	\$ 118.8	\$120.9	\$ 2.1
3. Unfunded Actuarial Liability (1 – 2)	\$ 15.4	\$ 16.7	\$ 1.3
4. Funded Percentage (2 / 1)	88.5%	87.9%	(0.60%)





## EXECUTIVE SUMMARY

In Section V of this report we present an additional measure of funded status, the "accumulated benefit obligation" (ABO), based on both the actuarial value of assets and the market value of assets.

### 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, 2010 the FRS has an unfunded actuarial liability of \$16.7 billion.

The comparative FRS Regular and Special Risk contribution rates resulting from the 2009 valuation and this valuation are as follows:

	July 1, 2009		July 1, 2010		Difference	
	Valuation Results		Valuation Results			
	FRS Reg	Special Risk	FRS Reg	Special Risk	FRS Reg	Special Risk
Normal Cost	9.99%	22.54%	9.84%	22.34%	-0.15%	-0.20%
UAL Cost	<u>2.02%</u>	<u>7.13%</u>	<u>2.23%</u>	<u>6.72%</u>	<u>0.21%</u>	<u>-0.41%</u>
Preliminary FRS Contribution Rate	12.01%	29.67%	12.07%	29.06%	0.06%	-0.61%
Additional Surplus Reduction/(UAL Contribution)	-2.38%	-7.56%				
Administrative Charge	0.00%	0.00%	<b>Not determined</b>			
Enacted DB FRS Contribution Rate (Prior to blending for the uniform rate structure)	9.63%	22.11%	<b>Not determined</b>			

The July 1, 2009 valuation provided proposed contribution rates for plan year 2010-2011. Hence, there is a two-year lag between when the rates are set and when the contribution dollars are coming into the System. The contribution rates legislated for plan year 2010-2011 are slightly less than the Normal Cost only rates determined by the July 1, 2009 valuation. Thus, no contribution is being made to fund the UAL in plan year 2010-2011. Therefore, the contribution lag will result in an increase in the unfunded actuarial liability as of July 1, 2011 assuming no further gains or losses as UAL contributions would not begin until plan year 2011-2012.

The current valuation calculates contribution rates for plan year 2011-2012. See Section IV.

The prior 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 decreased by 208 members from 981,667 as of July 1, 2009, to 981,459 as of July 1, 2010, a decrease that rounds to 0.0%. The total annualized payroll of active members (exclusive of DROP members) decreased by 3.38%, from \$24.59 billion as of July 1, 2009 to \$23.76 billion as of July 1, 2010, a \$0.83 billion decrease in payroll.

A summary of membership change by status follows:

Valuation Results: Counts			
	July 1, 2009	July 1, 2010	% Change
Active Members	572,591	556,296	-2.8%
Terminated Vested Members	89,481	90,459	1.1%
Retired Members	286,674	301,129	5.0%
DROP Members	<u>32,921</u>	<u>33,575</u>	2.0%
Total Members	981,667	981,459	0.0%

## D. Experience

Several factors contributed to the changes in the FRS's assets, liabilities and contribution rates between July 1, 2009 and July 1, 2010. These factors included:

### 1. Assets:

The assets of the FRS, measured on an actuarial basis (i.e., smoothed), increased by \$2.165 billion. This change was attributable to the following:

Change Due to:

• Contributions Received	\$2.754
• Payment of Benefits, and Expenses	(6.783)
• Investment Experience	6.194
 Total	 \$2.165 billion

Of this total change, an increase of \$5.020 billion was expected, based on our assumption that the assets of the FRS would earn 7.75% during plan year 2009-2010. However, the actual annualized investment return on the actuarial value of assets was 5.30% resulting in an investment loss of \$2.855 billion. On a market value basis, the assets of the FRS earned 15.03%.

On a year-by-year basis, the assets earned the following:

Asset Bases	Rates of Return*		
	2007/2008	2008/2009	2009/2010
Market Value	-4.65%	-19.71%	15.03%
Actuarial Value	6.98%	-6.74%	5.30%

\* Assumes net cash-flow occurs mid-year

## 2. *Liabilities:*

The actuarial liabilities of the FRS increased by \$3.431 billion. This increase is attributable to the following:

Change due to:

- Expected increase based on prior assumptions \$5.281

### **Actual (Gains) / Losses**

• Plan Change (House Bill 479)	(1.111)	
• Healthy Retiree, Beneficiary & Terminated Vested Death	0.838	<sup>1</sup>
• Disabled Retiree Death	(0.012)	
• Inactive Data Clean-Up	1.632	
• Active Withdrawal	0.118	<sup>2 &amp; 3</sup>
• Active Retirement	(0.218)	
• Active Death	0.000	
• Active Disability	(0.005)	
• Salary Increases less than expected	(2.639)	
• New Actives	0.470	<sup>3</sup>
• New Renewed Members (includes rehires)	(0.002)	
• Actives Entering DROP	1.046	
• Demographics/Other	(1.967)	
<b>Total Increase</b>	<b>\$3.431</b>	<b>Billion</b>

<sup>1</sup> The retiree mortality experience was an \$228 million gain.

<sup>2</sup> Includes PEORP and transfers between membership classes.

<sup>3</sup> Transfers between membership classes are valued as withdrawals from the prior membership class and new entrants into the new membership class.

The current financing method (see page I-12) for the DROP class makes it inconsistent with traditional gain/loss analysis. First, it makes any new DROP participant a source of actuarial loss since the retirement decrement reflects only expected retirements. Second, individual DROP liabilities are moved back to their original classes when the DROP membership ends. For purposes of this analysis, we have reallocated the DROP class gain/loss (see Table IV-3) to the seven traditional classes and subclasses of membership.

### 3. **Unfunded Liability:**

The net change in the FRS's unfunded actuarial liability was an increase of \$1.266 billion. The increase is attributable to the following:

Change due to:

• Expected Increase based on Prior Assumptions and Funding Policy	\$0.261
• Unfavorable Investment Experience	2.855
• Favorable Liability Experience	(0.739)
• Plan Change (House Bill 479)	(1.111)
Total	\$1.266 Billion

See table on the following page for total gains/losses by class.

## UAL (Gain)/Loss by Source (All Amounts in Thousands)

	FRS Regular	---- Special Risk ----			--Elected Officers' Class --		Senior Management	Grand Total
		Regular	Administration	Judges	Leg-Atty-Cab	County		
Investment (Gain)/Loss (excluding DROP)	\$2,032,689	\$444,501	\$1,802	\$17,240	\$1,508	\$8,271	\$47,476	\$2,553,487
Allocation of DROP Investment (Gain)/Loss	<u>239,721</u>	<u>52,421</u>	<u>213</u>	<u>2,033</u>	<u>178</u>	<u>975</u>	<u>5,599</u>	<u>301,140</u>
<b>Total Investment (Gain)/Loss</b>	<b>\$2,272,410</b>	<b>\$496,922</b>	<b>\$2,015</b>	<b>\$19,273</b>	<b>\$1,686</b>	<b>\$9,247</b>	<b>\$53,075</b>	<b>\$2,854,628</b>
<b>Liability (Gain)/Loss due to Plan Changes</b>	<b>(\$873,299)</b>	<b>(\$163,110)</b>	<b>\$0</b>	<b>(\$21,725)</b>	<b>(\$686)</b>	<b>(\$6,223)</b>	<b>(\$45,793)</b>	<b>(\$1,110,836)</b>
Liability (Gain)/Loss (excluding DROP) <sup>1</sup>	(\$1,305,569)	(\$908,747)	(\$885)	(\$45,371)	\$171	(\$9,411)	(\$35,012)	(\$2,304,824)
Additional (Gain)/Loss due to DROP <sup>1</sup>	<u>319,445</u>	<u>110,368</u>	<u>139</u>	<u>8,512</u>	<u>200</u>	<u>1,742</u>	<u>14,562</u>	<u>454,968</u>
<b>Total Liability (Gain)/Loss<sup>1</sup></b>	<b>(\$986,124)</b>	<b>(\$798,378)</b>	<b>(\$746)</b>	<b>(\$36,859)</b>	<b>\$372</b>	<b>(\$7,669)</b>	<b>(\$20,450)</b>	<b>(\$1,849,856)</b>
<u>Liability (Gain)/Loss by Source<sup>1</sup></u>								
Healthy Inactive Experience	\$677,960	\$140,773	(\$34)	(\$5,812)	\$2,840	\$369	\$22,088	\$838,184
Disabled Inactive Experience	(11,813)	3	8	2	0	(108)	160	(11,748)
Inactive New Entrants	1,427,465	159,109	716	4,106	171	871	39,264	1,631,702
Active Withdrawal <sup>2</sup>	(188,188)	304,797	1,536	3,428	751	6,412	(10,339)	118,397
Active Retirement	(180,629)	(25,103)	(71)	(3,479)	(163)	(1,835)	(7,140)	(218,420)
Active Death	8,976	(9,599)	3	98	3	39	87	(393)
Active Disability	(2,067)	(2,897)	(4)	377	(6)	(44)	(81)	(4,722)
Salary Increases less than Expected	(1,950,199)	(618,224)	(831)	(19,349)	358	(2,445)	(48,067)	(2,638,757)
New Actives <sup>2</sup>	330,097	126,703	214	638	82	657	11,209	469,600
New Renewed Members (includes Rehires)	13,990	(11,316)	0	256	(296)	(1,019)	(3,458)	(1,843)
Actives Entering DROP	645,303	358,400	551	27,239	503	4,711	9,433	1,046,140
Demographics/ Other	<u>(883,720)</u>	<u>(1,057,914)</u>	<u>(2,834)</u>	<u>(22,638)</u>	<u>(3,185)</u>	<u>(9,054)</u>	<u>12,187</u>	<u>(1,967,160)</u>
<b>Total Liability (Gain)/Loss Including Plan Change</b>	<b>(\$986,124)</b>	<b>(\$798,378)</b>	<b>(\$746)</b>	<b>(\$36,859)</b>	<b>\$372</b>	<b>(\$7,669)</b>	<b>(\$20,450)</b>	<b>(\$1,849,856)</b>
<b>Total UAL (Gain)/Loss</b>	<b>\$1,286,286</b>	<b>(\$301,456)</b>	<b>\$1,269</b>	<b>(\$17,586)</b>	<b>\$2,058</b>	<b>\$1,578</b>	<b>\$32,624</b>	<b>\$1,004,772</b>

<sup>1</sup> Based on prior assumptions

<sup>2</sup> Transfers between membership classes are valued as withdrawals from the prior membership class and new entrants into the new membership class.



**4. Contributions:**

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>
A • July 1, 2009 Normal Cost (Post-HB 479)	9.84%	22.28%	11.05%	19.38%	14.58%	16.62%	11.83%
• UAL Cost (Certain Post-1998 Benefit Changes, 1998 and 2003 and 2008 Experience Studies, and certain Gains/Losses)	1.80%	6.87%	20.24%	11.62%	23.16%	25.64%	11.47%
• Rate Reduction less than Actuarially Recommended	<u>-1.95%</u>	<u>-6.92%</u>	<u>-19.07%</u>	<u>-10.29%</u>	<u>-22.05%</u>	<u>-24.50%</u>	<u>-9.31%</u>
• Total July 1, 2009 Contribution Rate <sup>1</sup>	9.69%	22.23%	12.22%	20.71%	15.69%	17.76%	13.99%
B • July 1, 2009 Normal Cost (Post-HB 479)	9.84%	22.28%	11.05%	19.38%	14.58%	16.62%	11.83%
• Impact of ....							
- Retirements, Disabilities, Terminations, and Transfers within membership classes	-0.03%	0.01%	0.09%	-0.01%	0.13%	0.10%	-0.03%
- Actual Salary Increases	0.01%	0.02%	0.01%	0.04%	0.03%	0.02%	0.02%
- New Entrants (excludes transfers)	0.01%	0.03%	0.11%	-0.06%	-0.10%	-0.24%	-0.01%
- New Assumptions / Plan Changes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
- Other Experience	0.01%	0.00%	0.00%	0.07%	0.10%	0.29%	0.03%
• July 1, 2010 Normal Cost (July 1, 2009 Normal Cost plus "Impact of . . .")	9.84%	22.34%	11.26%	19.42%	14.74%	16.79%	11.84%
• UAL Cost (See Table IV-2)	<u>2.23%</u>	<u>6.72%</u>	<u>25.84%</u>	<u>11.90%</u>	<u>26.72%</u>	<u>26.90%</u>	<u>12.54%</u>
• Total July 1, 2010 Contribution Rate	12.07%	29.06%	37.10%	31.32%	41.46%	43.69%	24.38%

<sup>1</sup> See Page B-4, Defined Benefit Column.



E. Graphs

Chart A: ASSET / LIABILITIES

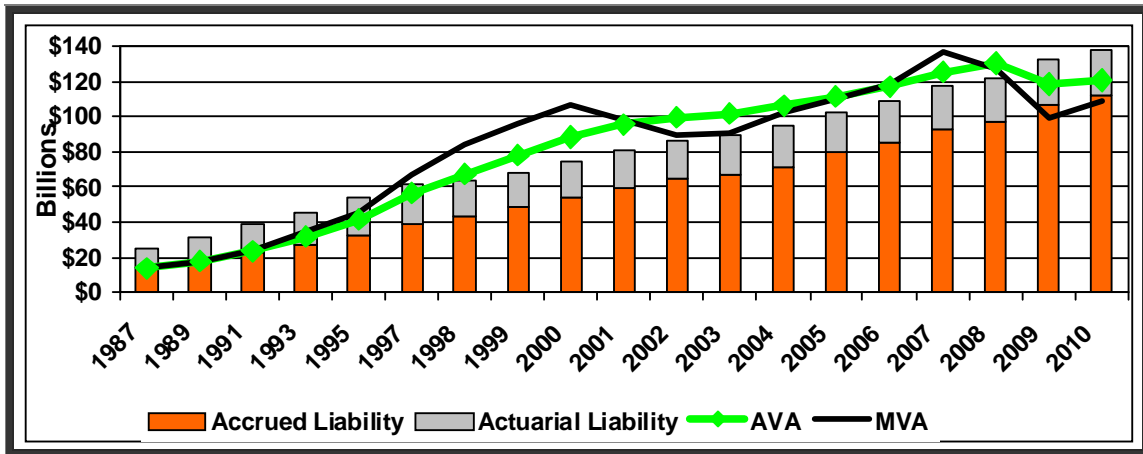


Chart B: CASH FLOWS

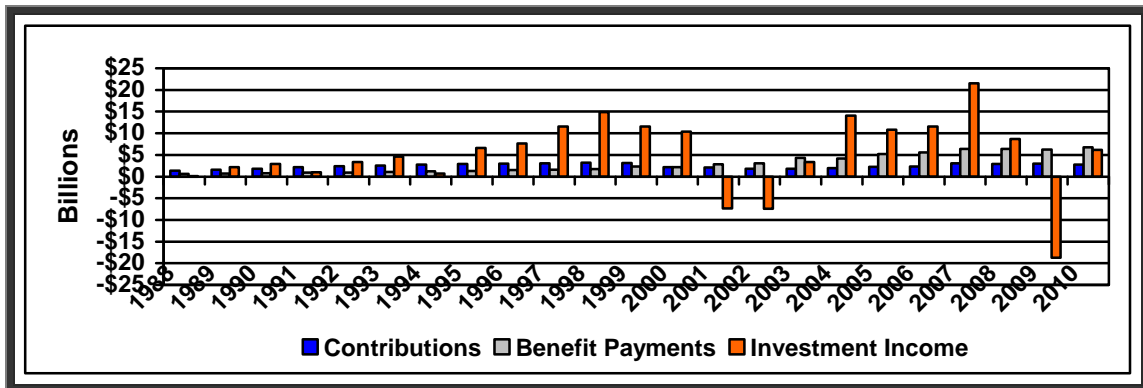
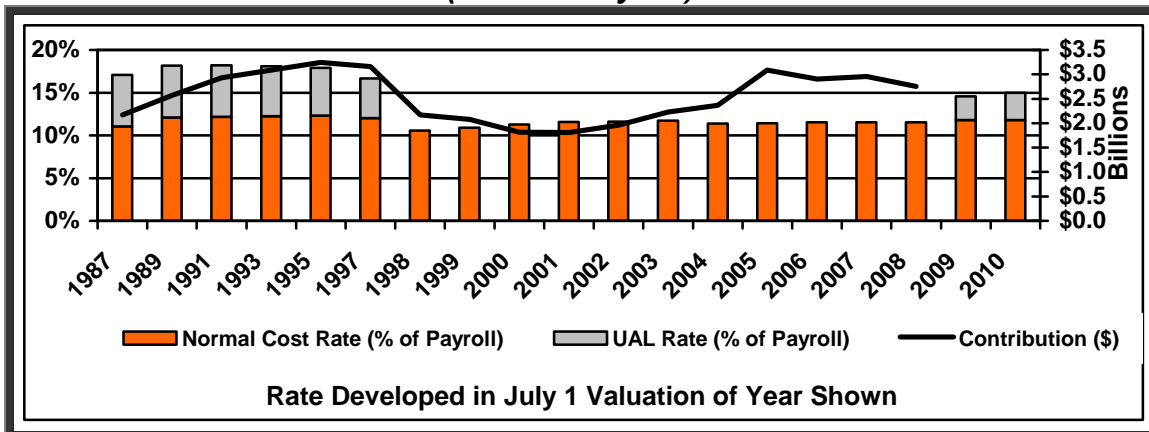


Chart C: CONTRIBUTION RATE (as % of Payroll) and CONTRIBUTIONS



\* As discussed earlier, the contribution rate developed in this report is for plan year 2011 – 2012. Therefore, our graph above accounts for the two-year lag between the development of the contribution rate and the actual contribution to the System. In 1999 through 2009, surplus assets were used to reduce rates below normal cost.



## F. Summary Comments

We caution that the results herein are applicable only for the next plan year. More than anything, the investment results will impact the contribution rates. Should the market fail to outperform our assumed rate of return, the deferred market losses will flow into the actuarial value putting upward pressure on contribution rates.

- Benefit and payroll increases always have a direct impact on costs and liabilities.
- The contribution rates for plan year 2010-2011 are based on the July 1, 2008 actuarial valuation and legislation enacted in 2009. These rates are slightly less than the Normal Cost determined in the July 1, 2009 actuarial valuation, resulting in additional UAL.
- The extremely favorable investment returns prior to 2000 helped to mitigate the unfavorable investment returns in 2001-2003. The FRS experienced favorable investment returns in 2004-2007. However, unfavorable investment returns in 2007-2009 and utilization of surplus assets for rate reduction and benefit funding have eroded the actuarial surplus and created an unfunded actuarial liability once again. Deferred investment losses from the unfavorable investment returns in 2007-2009 will be recognized over the next several years, causing the impact of favorable investment returns to be muted. Extremely favorable investment returns are required to offset the impact of the deferred investment losses. Continued favorable investment returns in the future would decrease the unfunded actuarial liability more rapidly. For example, returns as shown in the following table would produce the corresponding estimated UAL amounts assuming no liability gains or losses.

Market Return		UAL / (Surplus) <sup>1)</sup> measured as of		
PY 2010–2011	PY 2011–2012	July 1, 2010	July 1, 2011	July 1, 2012
7.75%	7.75%	\$16,705	\$20,361	\$22,883
0.00%	7.75%	16,705	22,031	26,122
0.00%	0.00%	16,705	22,031	27,864
5.24% <sup>2)</sup>	5.24% <sup>2)</sup>	16,705	20,902	24,485

<sup>1)</sup> Numbers in Millions

<sup>2)</sup> The estimated market value as of August 31, 2010 was \$111.6 billion as supplied by the State Board of Administration. Based on expected cash flows, if the market return was 5.24% for the 2010-11 plan year, the July 1, 2011 market value would be \$111.6 billion.

- Amortization of the unfunded actuarial liability over the statutory period assumes that payroll by class and in aggregate will increase by 4% per year. From July 1, 2009 to July 1, 2010, the payroll, in aggregate, used for amortization contributions decreased by 2.9%.
- 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 reader should note that while the effect of the implementation of PEORP is included in this report, the initial election percentage was less than 4%. Current PEORP membership is around 15% of total active membership. 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, 2003 to June 30, 2008. 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, 2008 experience study and adopted in plan year 2009 – 2010, as modified by the February 16, 2010 study on House Bill 479 which was enacted into law. See subsection H 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 as long-term trends are more important.

### **G. DROP Contribution Rate**

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. Due to the emergence of the UAL, it was necessary to reallocate the assets so that the DROP funding mechanism does not reflect the impact of DROP on each individual membership class. The asset reallocation developed in Table II-5 is based on the presumption that assets assigned to the current DROP members equal the same percentage as the funded percentage of the FRS.

This asset re-allocation results in a UAL contribution rate of 5.78% of current DROP payroll increasing at the 4% payroll growth assumption. The other portion of the DROP contribution rate is based on the difference in the results of two scenario valuations:

- Funding Scenario – one in which 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.
- GASB Scenario – one in which the DROP exists as it does today.

The difference in these two scenarios represents the additional cost of assuming current active members will elect the DROP in the future. The difference in the dollar amount of the normal cost and the amortization cost of the two scenarios (using a 30-year level dollar amortization) represents the DROP contribution associated with future participation in DROP. This dollar amount is divided by current DROP payroll to determine the DROP contribution rate of 13.79%, compared with 15.10% determined by the July 1, 2009 valuation. The total DROP contribution rate for the July 1, 2010 valuation is 19.57% of DROP payroll (the sum of the 13.79% DROP contribution rate plus the 5.78% UAL contribution).

### **H. Plan Change Legislated by House Bill 479**

The 2009 Legislature enacted into law House Bill 479 which prospectively closed the Renewed Membership program to retirees initially reemployed on or after July 1, 2010. Following completion of the July 1, 2009 Actuarial Valuation, Milliman prepared a study showing the impact of House Bill 479. The impact was modeled by adjusting the valuation retirement assumptions. The July 1, 2010 Actuarial Valuation uses the revised retirement assumptions. See Appendix A for retirement rates at sample ages.

# SECTION II

# ASSETS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*

In many respects, an actuarial valuation can be considered similar to an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is July 1, 2010. On that date the assets available for the payment of benefits are appraised. The 2009 asset values do not reflect any changes made to the financial statements after preparation of the 2009 actuarial valuation report. 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 (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. The actuarial value of assets is also restricted by a 20% corridor around the market value of assets, so that it cannot be greater than 120% or less than 80% of the market value. Table II-3 presents the details of this calculation.

Six tables are presented in this section, summarizing the financial resources of the System on July 1, 2010. The assets are analyzed by category in Table II-1. Table II-2 shows the reconciliation of assets from July 1, 2009 to July 1, 2010. Table II-3 provides a detailed development of the July 1, 2010 actuarial value of assets. In Table II-4, the actuarial value of assets is allocated to each employee group, based on estimated cash flows, and the reallocation of assets from the various classes to the DROP class (see Table II-5). Table II-5 shows the derivation of reallocation of assets to the DROP class in order that DROP as a class is funded to the same extent as the System as a whole. (This reallocation ensures that the accumulation

of assets in the DROP class does not impact the contribution rates of the other classes). Finally in Table II-6, rates of return are presented along with a comparison of asset allocation figures between 2009 and 2010.

The data for Table II-1 (Market Value as of July 1, 2010) 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)**

<b><u>Asset Category</u></b>	<b>Market Value as of July 1,</b>	
	<b><u>2009</u></b>	<b><u>2010</u></b>
1. Common Stock	\$58,853,911	\$68,761,616
2. Bonds	\$33,841,778	\$35,711,086
3. Real Estate	\$6,506,329	\$6,160,289
4. Temporary Investments	\$9,512,218	\$5,149,867
5. Cash – Including Certificates of Deposit	\$1,152,855	\$738,541
6. Receivables	\$3,837,599	\$3,843,461
7. Miscellaneous	\$738	\$662
8. Reverse Purchase Agreements	<u>\$1,475,431</u>	<u>\$1,565,763</u>
Gross Assets	\$115,180,859	\$121,931,285
9. Current Liabilities and Reserves	<u>(\$16,210,283)</u>	<u>(\$12,420,127)</u>
<b>Total Net Assets</b>	<b>\$98,970,576</b>	<b>\$109,511,158</b>

**Table II-2  
Florida Retirement System  
Reconciliation of Market Value of Assets**

<b>Total Net Assets as of June 30, 2009</b>	<b>\$98,970,576,272</b>
+ Contributions by Source:	
Pension Contributions – State <sup>1 &amp; 3</sup>	687,181,878
Pension Contributions - Non-State <sup>1 &amp; 3</sup>	2,463,578,264
Pension Contributions - PEORP	21,073,587
Pension Contributions - Employees	23,416,290
Transfer from ORP	0
Transfer from OAP	0
Other	0
+ Interest and Dividends:	
Interest Income	1,438,692,414
Dividend Income	1,384,740,430
Real Estate Income	438,434,716
Other <sup>2</sup>	(234,657,187)
+Net Realized and Unrealized Appreciation:	
- Pension Payments: <sup>3</sup>	6,088,727,455
- Contribution Refunds:	2,821,688
- Disbursements – PEORP	1,100,198,308
- Expenses: <sup>2</sup>	16,815,676
- Transfers to Other Funds and Departments <sup>1</sup> :	15,242,472
<b>Total Net Assets as of June 30, 2010</b>	<b>\$109,511,157,826</b>

<sup>1</sup> Includes PEORP Administrative fees.

<sup>2</sup> 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.

<sup>3</sup> Includes PEORP contributions and disbursements of \$440,776,206 which are excluded in the development of the AVA.



**Table II-3  
Florida Retirement System  
Development of 2010  
Actuarial Value of Assets**

1. FRS Market Value of Assets on July 1, 2009	\$98,970,576,272
2. Actuarial Value of Assets on July 1, 2009	\$118,764,691,550
3. 2009/2010 Net Cash Flow (Contributions less Benefits and Expenses)	(\$4,028,555,580)
4. Value of Assets, July 1, 2010, if Items 2 and 3 earned an assumed rate of 7.75%	\$123,784,293,036
5. Market Value of Assets, July 1, 2010	\$109,511,157,826
6. Net Assets (Actuarial Value Basis) Available for Benefits Prior to Application of Corridor 4 + ((5 - 4) x 20%)	\$120,929,665,999
7. 120% of Market Value [120% (5)]	\$131,413,389,391
8. 80% of Market Value [80% (5)]	\$87,608,926,261
9. Actuarial Value of Assets on July 1, 2010 Lesser of (6) and (7), but not less than (8)	<u><u>\$120,929,665,999</u></u>

**Table II-4  
Florida Retirement System  
Development 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, 2009	\$84,633,696	\$18,258,147	\$76,568	\$721,867	\$64,180	\$352,768	\$1,963,372	\$12,694,094	\$118,764,692
2. Total Contribution for the Plan Year	1,761,535	720,742	312	20,176	881	7,193	61,607	182,026	2,754,472
3. Benefit Payments and other Disbursements	4,760,424	878,051	6,032	53,802	5,867	36,215	104,936	937,702	6,783,029
4. Estimated Investment Earnings during the Year	4,410,214	964,410	3,910	37,403	3,273	17,945	103,006	653,370	6,193,531
5. Unadjusted Actuarial Value of Assets: (1) + (2) - (3) + (4)	86,045,021	19,065,248	74,758	725,644	62,467	341,691	2,023,049	12,591,788	120,929,666
6. Net Transfers (see Table II-5)	(392,949)	(108,390)	(107)	(9,021)	(809)	(2,961)	(17,686)	531,923	0
7. Allocated Actuarial Value of Assets by Class, July 1, 2010: (6) + (7)	\$85,652,072	\$18,956,858	\$74,651	\$716,623	\$61,658	\$338,730	\$2,005,363	\$13,123,711	\$120,929,666



**Table II-5  
Florida Retirement System  
Reallocation 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. Actuarial Accrued Liability								\$14,937,071	\$137,635,012
2. Actuarial Value of Assets								12,591,788	120,929,666
3. Unfunded Actuarial Liability (UAL): (1) – (2)								\$2,345,283	\$16,705,346
4. Aggregate Funded Percentage: (2) / (1)								84.30%	87.86%
5. DROP Assets Required to Meet Aggregate Funded Percentage: (1) x (4) – Table II-4 (item 5)								\$531,923	
6. Proportion of DROP Liability by Class	0.7387	0.2038	0.0002	0.0170	0.0015	0.0056	0.0332	N/A	1.0000
7. DROP Assets to be Re-Allocated <sup>1</sup>	(\$392,949)	(\$108,390)	(\$107)	(\$9,021)	(\$809)	(\$2,961)	(\$17,686)	\$531,923	0

<sup>1</sup> These adjustments bring DROP from 84.30% funded to 87.86% funded.

**Table II-6  
Florida Retirement System**

**A. Rates of Return on Investments <sup>1</sup>**

<u>Asset Bases</u>	Rates of Return		
	<u>2007/2008</u>	<u>2008/2009</u>	<u>2009/2010</u>
Market Value	-4.65%	-19.71%	15.03%
Actuarial Value	6.98%	-6.74%	5.30%

<sup>1</sup> Assumes net cash flow occurs mid-year.

**B. Allocation of Assets at Market Value**

<u>Asset Category</u>	<u>July 1, 2009</u>	<u>July 1, 2010</u>
Stocks	59.47%	62.79%
Bonds	34.19%	32.61%
Real Estate	6.57%	5.63%
Temporary Investments	9.61%	4.70%
Cash	1.16%	0.67%
Other (includes receivables & payables)	-11.00%	-6.40%
	100%	100%

# SECTION III

# LIABILITIES



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*

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, 2010. 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). The GASB No. 25 liabilities are also based on DROP retirees being included in the class of membership from which they retired, and active liabilities are based on the full retirement rates (per page I-12.). 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 the 2009 valuation, the 2009 valuation results after adoption of House Bill 479, and the 2010 valuation. In Table III-2, the 2010 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, if any, 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 Defined Benefit Plan to the Investment Plan.

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

	July 1, 2009 Valuation	July 1, 2009 After Plan Change (HB 479)	July 1, 2010 Valuation
1. Actuarial Liabilities for:			
(a) Active Members	\$60,423,844	\$59,313,008	\$58,230,539
(b) Retired, Disabled and Beneficiary Members	55,054,800	55,054,800	59,953,975
(c) Terminated Vested Members	4,381,108	4,381,108	4,513,427
(d) DROP	14,344,324	14,344,324	14,937,071
2. Total Actuarial Liability	\$134,204,076	\$133,093,240	\$137,635,012
3. Actuarial Value of Assets	\$118,764,692	\$118,764,692	\$120,929,666
4. Unfunded Actuarial Liability / (Surplus)	\$15,439,384	\$14,328,548	\$16,705,346
5. PEORP Contingent Liability <sup>1)</sup>	228,381	\$228,381	\$233,117
6. Surplus Available for Rate Reduction	\$0	\$0	\$0

<sup>1)</sup> See Table III-3.



# LIABILITIES

**Table III-2  
Florida Retirement System  
Actuarial Liabilities  
July 1, 2010  
(\$ in Thousands)**

	FRS	---- Special Risk ----	-- Elected Officers' Class --				Senior	Total	
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	System
1. Present Value of Benefits for:									
a. Active Members	\$61,860,715	\$22,130,361	\$13,493	\$568,127	\$27,716	\$208,618	\$2,191,423	\$0	\$87,000,453
b. Retired, Disabled and Beneficiary Members	46,943,126	10,660,605	72,276	549,547	60,349	368,382	1,299,690	14,937,071	74,891,046
c. Terminated Vested Members	3,714,057	598,110	1,621	16,956	10,511	28,346	143,826	0	4,513,427
d. Total Present Value of Benefits (a)+(b)+(c)	112,517,898	33,389,076	87,390	1,134,630	98,576	605,346	3,634,939	14,937,071	166,404,926
2. Present Value of Future Normal Cost (Actives):	\$17,939,032	\$10,097,202	\$1,976	\$196,302	\$6,708	\$57,100	\$471,594	\$0	\$28,769,914
3. Actuarial Liabilities for:									
a. Active Members (1a – 2)	\$43,921,683	\$12,033,159	\$11,517	\$371,825	\$21,008	\$151,518	\$1,719,829	\$0	\$58,230,539
b. Retired, Disabled and Beneficiary Members (1b)	46,943,126	10,660,605	72,276	549,547	60,349	368,382	1,299,690	14,937,071	74,891,046
c. Terminated Vested Members (1c)	3,714,057	598,110	1,621	16,956	10,511	28,346	143,826	0	4,513,427
d. Total Actuarial Liability (a)+(b)+(c)	\$94,578,866	\$23,291,874	\$85,414	\$938,328	\$91,868	\$548,246	\$3,163,345	\$14,937,071	\$137,635,012
4. Actuarial Value of Assets	\$85,652,072	\$18,956,858	\$74,651	\$716,623	\$61,658	\$338,730	\$2,005,363	\$13,123,711	\$120,929,666
5. Unfunded Actuarial Liability / (Surplus)	\$8,926,794	\$4,335,016	\$10,763	\$221,705	\$30,210	\$209,516	\$1,157,982	\$1,813,360 <sup>1</sup>	\$16,705,346
6. Present Value of Future Pay	\$185,779,947	\$45,673,429	\$17,498	\$1,028,146	\$46,384	\$351,726	\$4,070,009	\$0	\$236,967,139

<sup>1</sup> 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)  
Contingent Actuarial Liabilities  
July 1, 2010  
(\$ in Thousands)**

	<u>FRS Regular</u>	<u>----Special Risk---- Regular Administration</u>	<u>----Elected Officers' Class---- Judicial Leg-Atty-Cab County</u>	<u>Senior Management</u>	<u>DROP</u>	<u>Total System</u>
<u>As of July 1, 2009</u>						
Contingent Liability	\$208,854	\$10,669	(\$19) (\$523)	\$161 \$106	\$9,133	N/A \$228,381
Participant Counts	9,340	317	1 5	5 13	220	N/A 9,901
<u>As of July 1, 2010</u>						
Contingent Liability <sup>1&amp;2</sup>	\$213,113	\$10,771	(\$20) (\$563)	\$139 \$105	\$9,572	N/A \$233,117
Participant Counts	8,845	297	1 5	4 12	214	N/A 9,378

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

<sup>2</sup> The contingent liability as of July 1, 2010 is calculated as the July 1, 2003 contingent liability increased by seven years of interest, adjusted for the proportion of original transfers remaining in PEORP.



# SECTION IV

# CONTRIBUTIONS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

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Any difference between the actuarial liabilities and the assets 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. In the past when the FRS had an actuarial surplus, contributions were allowed to fall below the Normal Cost. In this section we develop and present the FRS contribution rates based on the July 1, 2010 membership data to be effective for the Plan Year beginning July 1, 2011.

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 second consecutive year since 1997 that a UAL exists, or that the Plan does not have a surplus.

Table IV-2 shows the UAL Contribution rates. Table IV-3 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.

Starting in the 1998 actuarial valuation, the Legislature required all UAL bases in existence at that time to be considered fully amortized, since the Plan was in surplus position. Now that the UAL has reemerged, all gains and losses are subject to amortization. In this valuation we show the amortization of each plan/assumption change since 1998 and experience gains/losses starting in 2009.

## **B. EMPLOYER CONTRIBUTION RATES**

Table IV-4 presents the calculated employer contribution rates. Unlike in recent years, there is no surplus available with which to reduce contribution rates.

The reader should note that the payroll base for UAL contributions is approximately \$2 billion larger than the payroll base for normal cost contributions. This is because Florida law requires the employer of certain defined contribution program participants to make UAL contributions based on their payroll. Thus the total contribution shown is an arithmetic sum but the actual contribution percentage will vary by employer based on their workforce percentage of defined contribution program employees.

Shown on the next page is an excerpt from Table D-3, which provides a projection of the UAL costs that were previously paid from the surplus.

# CONTRIBUTIONS

	<b>2011 – 2012 Plan Year (in millions)</b>
1 Estimated Current Year Surplus Available RSM	\$0
2 Increase/(Decrease) in Available Surplus from prior year	\$0
<b><u>Amortization of UAL Bases</u></b>	
3 12% Increase in Special Risk benefits (in pay status before 07/01/2000)	(\$24.2)
4 Special Risk Minimum In-Line-of-Duty Disability Increased to 65%	\$0.4
5 1993-1998 Experience Study Assumption Changes	\$31.9
6 1998-2003 Experience Study Assumption Changes	\$225.0
7 2003-2008 Experience Study Assumption Changes	(\$374.0)
8 2009 Experience Gain/(Loss)	(\$832.8)
9 2009 Plan Change (House Bill 479)	\$71.0
10 2010 Experience Gain/(Loss)	(\$62.2)
<b>Subtotal [(3) + (4) + (5) + (6) + (7) + (8) + (9) + (10)]</b>	<b>(\$964.9)</b>
11 Across the Board Rate Reduction of 0%	<u>\$0</u>
<b>Total [Subtotal + (11)]</b>	<b>(\$964.9)</b>
12 Surplus Available / (UAL Amortization) [(1) + Total] =	(\$964.9)

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 House Bill 479 (2009), which was enacted into law, the retirement assumptions have been modified to reflect the elimination of reemployment exceptions, the change in the termination period, and the closure of the Renewed Membership program (i.e. the modified retirement rates are first used in the July 1, 2010 actuarial valuation.) For complete details see the Executive Summary and Appendix A of this valuation report.

**Table IV-1  
Florida Retirement System  
Normal Cost Rates by Decrement  
July 1, 2010**

	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	2.43%	3.03%	3.19%	2.70%	6.79%	4.95%	2.71%	NA	2.53%
2. Regular Retirement	6.73%	17.25%	6.98%	15.09%	6.99%	10.78%	8.47%	NA	8.39%
3. Non-Duty Death	0.19%	0.41%	0.11%	0.75%	0.38%	0.46%	0.22%	NA	0.23%
4. Line of Duty Death	0.14%	0.36%	0.30%	0.25%	0.23%	0.23%	0.16%	NA	0.17%
5. Non-Duty Disability	0.30%	0.64%	0.21%	0.52%	0.26%	0.28%	0.22%	NA	0.35%
6. Line of Duty Disability	0.05%	0.65%	0.47%	0.11%	0.09%	0.09%	0.06%	NA	0.14%
7. Total Normal Cost	<u>9.84%</u>	<u>22.34%</u>	<u>11.26%</u>	<u>19.42%</u>	<u>14.74%</u>	<u>16.79%</u>	<u>11.84%</u>	<u>NA</u>	<u>11.81%</u>



**Table IV-2  
Florida Retirement System  
UAL Contribution Rates  
July 1, 2010**

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior		Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	
1. Previous UAL Bases*									
a. Special Risk-Regular 12% Pre-2000 Retired Benefit Increase (2000)	0.00%	0.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
b. Special Risk 65% In-Line-of-Duty Disability (2000)	0.00%	-0.01%	0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
c. 1998 Experience Study (1999)**	-0.11%	-0.19%	-0.99%	0.00%	0.00%	0.00%	-0.04%	0.00%	-0.11%
d. 2003 Experience Study (2004)	-0.89%	-1.09%	26.05%	1.63%	2.00%	4.86%	2.51%	-0.21%	-0.78%
e. 2008 Experience Study (2009)	1.36%	0.81%	2.77%	1.00%	1.64%	1.38%	0.64%	1.67%	1.30%
f. 2008-2009 (Gains) / Losses	<u>1.81%</u>	<u>7.42%</u>	<u>-4.57%</u>	<u>11.61%</u>	<u>21.46%</u>	<u>21.27%</u>	<u>9.62%</u>	<u>3.65%</u>	<u>2.89%</u>
g. Total UAL Bases	2.17%	7.59%	23.41%	14.24%	25.10%	27.51%	12.73%	5.11%	3.38%
2. 2009-2010 (Gains) / Losses	0.31%	-0.59%	2.43%	-1.07%	2.27%	0.24%	0.34%	0.67%	0.22%
3. 2009-2010 Assumption Changes	NA	NA	NA	NA	NA	NA	NA	NA	NA
4. 2009-2010 Plan Changes	<u>-0.25%</u>	<u>-0.28%</u>	<u>0.00%</u>	<u>-1.27%</u>	<u>-0.65%</u>	<u>-0.85%</u>	<u>-0.53%</u>	<u>0.00%</u>	<u>-0.25%</u>
5. Total UAL Contribution Rates	2.23%	6.72%	25.84%	11.90%	26.72%	26.90%	12.54%	5.78%	3.35%

\* Year in parentheses refers to year when bases were calculated.

\*\* For classes with 0.00%, amortization payments are being made; however as a percentage of payroll they round to less than 0.005%.





**Table IV-3  
Florida Retirement System  
Unfunded Actuarial Liability (UAL) Bases  
July 1, 2010  
(\$ in Thousands)**

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior	DROP	Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management		
1. July 1, 2009 Valuation UAL	\$7,820,714	\$4,400,287	\$9,036	\$242,741	\$26,347	\$198,536	\$1,091,493	\$1,650,230	\$15,439,384
2. Effect of HB 479 on July 1, 2009 UAL	(873,299)	(163,110)	0	(21,725)	(686)	(6,223)	(45,793)	0	(1,110,836)
3. Expected UAL / (Surplus) After Plan Changes <sup>2</sup>	7,806,725	4,690,872	9,739	240,815	27,722	207,695	1,127,832	1,589,175	15,700,575
4. Actuarial Accrued Liability (Table III-2)	94,578,866	23,291,874	85,414	938,328	91,868	548,246	3,163,345	14,937,071	137,635,012
5. Actuarial Value of Assets (Table II-4)	<u>85,652,072</u>	<u>18,956,858</u>	<u>74,651</u>	<u>716,623</u>	<u>61,658</u>	<u>338,730</u>	<u>2,005,363</u>	<u>13,123,711</u>	<u>120,929,666</u>
6. Total UAL / (Surplus) (2 – 3)	\$8,926,794	\$4,335,016	\$10,763	\$221,705	\$30,210	\$209,516	\$1,157,982	\$1,813,360	\$16,705,346
7. Net Transfers	0	0	0	0	0	0	0	0	0
8. UAL Bases as of July 1, 2010									
a. Special Risk-Regular 12% Pre-2000 Retired Benefit Increase	\$0	\$324,147	\$0	\$0	\$0	\$0	\$0	\$0	\$324,147
b. Special Risk 65% In Line of Disability	0	(2,999)	51	0	0	0	0	0	(2,947)
c. 1998 Experience Study	(302,683)	(91,639)	(329)	43	3	5	(2,727)	0	(397,329)
d. 2003 Experience Study	(2,982,631)	(609,325)	10,172	26,879	2,024	34,022	208,980	(66,245)	(3,376,124)
e. 2008 Experience Study	5,130,675	503,941	1,212	18,522	1,859	10,807	59,584	580,755	6,307,355
f. 2009 Experience (Gain)/Loss	31,518,525	6,944,189	18,223	468,564	56,935	221,835	1,160,475	(20,595,405)	19,793,340
g. Unrecognized (Gain)/Loss while in Surplus	(24,616,180)	(2,201,692)	(19,590)	(249,784)	(32,359)	(52,269)	(249,137)	21,670,069	(5,750,942)
h. 2009-2010 Plan Change (HB 479)	(940,980)	(175,751)	0	(23,409)	(739)	(6,705)	(49,342)	0	(1,196,926)
i. 2010 Experience (Gain)/Loss	<u>1,120,069</u>	<u>(355,856)</u>	<u>1,024</u>	<u>(19,110)</u>	<u>2,488</u>	<u>1,821</u>	<u>30,150</u>	<u>224,185</u>	<u>1,004,771</u>
j. Total Bases	\$8,926,794	\$4,335,016	\$10,763	\$221,705	\$30,210	\$209,516	\$1,157,982	\$1,813,360	\$16,705,346
9. New UAL Base (8i)	\$1,120,069	(\$355,856)	\$1,024	(\$19,110)	\$2,488	\$1,821	\$30,150	\$224,185	\$1,004,771

<sup>2</sup> Reflects House Bill 479.



**Table IV-4  
Florida Retirement System  
Employer Contribution Rates  
July 1, 2010 Valuation for Plan Year Beginning July 1, 2011**

**No surplus available for rate reductions.**

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior	Composite	Composite	
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	(excluding DROP)	DROP <sup>1</sup>	(including DROP)
1. Normal Cost <sup>3</sup>	9.84%	22.34%	11.26%	19.42%	14.74%	16.79%	11.84%	11.81% <sup>2</sup>	13.79%	11.96%
2. UAL Cost <sup>3</sup>	2.23%	6.72%	25.84%	11.90%	26.72%	26.90%	12.54%	3.16%	5.78%	3.35%
3. Total Cost [(1) + (2)] <sup>3</sup>	12.07%	29.06%	37.10%	31.32%	41.46%	43.69%	24.38%	14.97%	19.57%	15.31%
4. UAL Cost Paid from Surplus	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5. Rate Reduction Paid from Surplus	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6. Total Adjusted Contribution [(3) + (4) + (5)]	12.07%	29.06%	37.10%	31.32%	41.46%	43.69%	24.38%	14.97%	19.57%	15.31%

<sup>1</sup> 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.

<sup>2</sup> Due to the relatively different payrolls by membership class excluding DROP, and the plan changes resulting from enactment of House Bill 479, this year the composite normal cost contribution rate is 0.14% less than last year's rate of 11.95%. The plan change is responsible for reducing the composite normal cost rate 0.17%, and the demographic changes are responsible for increasing the rate 0.03%.

<sup>3</sup> Item (1) is expressed as a percentage of the salaries of participating members, whereas item (2) is expressed as a percentage of a larger payroll base that includes those employees for whom only UAL contributions are due. Item (3) is an arithmetic sum of (1) and (2). The total cost will vary by employer and their workforce percentage of employees who are not participants in the Defined Benefit Plan.



# SECTION V

# ACCOUNTING STATEMENTS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*

# ACCOUNTING STATEMENT

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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 accrued benefits obligation (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, 2010. 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 2009 results are displayed before and after the Plan Change due to House Bill 479.

Table V-3 reconciles the ABO determined as of the prior valuation, July 1, 2009, to the ABO as of July 1, 2010. 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, 2010 results. Table V-6 shows the Solvency Test for the FRS for the 2008, 2009, and 2010 valuations. The Solvency Test compares the actuarial accrued liabilities to the market value of assets. The Statement No. 25 liabilities are based on DROP retirees being included in the class of membership from which they retired, and active liabilities are based on the full retirement rates (per page I-12.)



# ACCOUNTING STATEMENT

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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, 2008 and July 1, 2009) for the FRS are shown in Table V-2 (ABO) and Table V-5 (AAL). Past and future results are affected by changes in actuarial assumptions, benefit provisions, accounting policies, etc.

For fiscal 1999-00 the FRS employers contributed the normal cost. Because the System was in a surplus position, the actuarially determined contribution level was less than the normal cost. Hence, 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. For fiscal 2001-02 through fiscal 2003-04, because of the rate stabilization mechanism, the FRS employers contributed less than the actuarially determined contribution, whereas in fiscal 2004-2005 the employers contributed more than the actuarially determined contribution. In fiscal 2005-2006 employers again contributed less than the actuarial determined contribution. For fiscal 2006-2007 through fiscal 2009-2010, actual contributions were more than expected meaning the FRS employers contributed more than the actuarially determined contributions, assuming 30 year amortization of the surplus or unfunded actuarial liability. 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 2008 annual valuation which applies to FY 2009-2010, \$2,447,374,000, included the sum of the composite contribution rate (including DROP) of 11.81% offset by the minimum UAL amortization payment required by GASB. As shown on Table V-7, the Annual Pension Cost (APC) is \$2,427,232,000 and the total employer contribution was actually \$2,721,618,000. Therefore, if GASB 27 applies, the State's CAFR must reflect a Net Pension Obligation (NPO) of (\$1,156,165,000), as compared to an NPO of (\$861,779,000) as of the prior year.

**Table V-1**  
**Florida Retirement System**  
**Accumulated Benefit Obligation - FASB Statement #35**  
**July 1, 2010**  
**(All Amounts in Thousands)**

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior	DROP	Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management		
<b>A. Accumulated Benefit Obligation</b>									
1. Active Members									
a. Accumulated Member Contributions Employer - Financed	\$25,654	\$5,956	\$0	\$228	\$77	\$355	\$1,389	\$0	\$33,659
b. Vested Benefits	24,110,070	6,227,514	7,392	227,802	13,401	94,059	1,011,468	0	31,691,706
c. Non - Vested Benefits	706,506	276,822	0	7,301	254	3,755	13,250	0	1,007,888
d. Total	\$24,842,230	\$6,510,292	\$7,392	\$235,331	\$13,732	\$98,169	\$1,026,107	\$0	\$32,733,253
2. Annuitants	\$46,943,126	\$10,660,605	\$72,276	\$549,547	\$60,349	\$368,382	\$1,299,690	\$14,937,071	\$74,891,046
3. Other Inactive Members	\$3,714,057	\$598,110	\$1,621	\$16,956	\$10,511	\$28,346	\$143,826	\$0	\$4,513,427
4. Total Accumulated Benefit Obligation	\$75,499,413	\$17,769,007	\$81,289	\$801,834	\$84,592	\$494,897	\$2,469,623	\$14,937,071	\$112,137,726
<b>B. Assets Available for Benefits</b>									
1. Market	\$77,564,570	\$17,166,900	\$67,602	\$648,958	\$55,836	\$306,746	\$1,816,011	\$11,884,535	\$109,511,158
2. Actuarial Basis	\$85,652,072	\$18,956,858	\$74,651	\$716,623	\$61,658	\$338,730	\$2,005,363	\$13,123,711	\$120,929,666
<b>C. Unfunded / (Surplus) Total Accumulated Benefit Obligation,</b>									
Assets at:									
1. Market	(\$2,065,157)	\$602,107	\$13,687	\$152,876	\$28,756	\$188,151	\$653,612	\$3,052,536	\$2,626,568
2. Actuarial Basis	(\$10,152,659)	(\$1,187,851)	\$6,638	\$85,211	\$22,934	\$156,167	\$464,260	\$1,813,360	(\$8,791,940)
<b>D. Percent of Accumulated Obligation Funded,</b>									
Assets at:									
1. Market	102.74%	96.61%	83.16%	80.93%	66.01%	61.98%	73.53%	79.56%	97.66%
2. Actuarial Basis	113.45%	106.68%	91.83%	89.37%	72.89%	68.44%	81.20%	87.86%	107.84%



# ACCOUNTING STATEMENT

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

	July 1, 2008 Valuation Basis	July 1, 2009 Valuation Basis	July 1, 2009 After Plan Changes	July 1, 2010 Valuation Basis
<b>A. Accumulated Benefit Obligation</b>				
1. Active Members				
a. Accumulated Member Contributions Employer - Financed	\$44,557	\$38,689	\$38,689	\$33,659
b. Vested Benefits	31,886,231	33,312,436	32,278,069	31,691,706
c. Non - Vested Benefits	<u>1,078,875</u>	<u>1,064,295</u>	<u>1,050,094</u>	<u>1,007,888</u>
d. Total	\$33,009,663	\$34,415,420	\$33,366,852	\$32,733,253
2. Annuitants	\$47,190,827	\$55,054,800	\$55,054,800	\$59,953,975
3. Other Inactive Members	\$4,032,310	\$4,381,108	\$4,381,108	\$4,513,427
4. DROP	<u>\$13,086,864</u>	<u>\$14,344,324</u>	<u>\$14,344,324</u>	<u>\$14,937,071</u>
5. Total Accumulated Benefit Obligation	\$97,319,664	\$108,195,652	\$107,147,084	\$112,137,726
<b>B. Assets Available for Benefits</b>				
1. Market	\$126,918,405	\$98,970,575	\$98,970,575	\$109,511,158
2. Actuarial Basis	\$130,720,547	\$118,764,692	\$118,764,692	\$120,929,666
<b>C. Unfunded/(Surplus) Total Accumulated Benefit Obligation,</b>				
Assets at:				
1. Market	(\$29,598,741)	\$9,225,077	\$8,176,509	\$2,626,568
2. Actuarial Basis	(\$33,400,883)	(\$10,569,040)	(\$11,617,608)	(\$8,791,940)
<b>D. Percent of Accumulated Benefit Obligation Funded,</b>				
Assets at:				
1. Market	130.41%	91.47%	92.37%	97.66%
2. Actuarial Basis	134.32%	109.77%	110.84%	107.84%
E. Annual Salaries <sup>1</sup>	\$26,891,340	\$26,573,196	\$26,573,196	\$25,765,362
<b>F. Unfunded/(Surplus) Accumulated Benefit Obligation as a</b>				
Percent of Salary, Assets at:				
1. Market	-110.07%	34.72%	30.77%	10.19%
2. Actuarial Basis	-124.21%	-39.77%	-43.72%	-34.12%

<sup>1</sup> Includes Drop Salaries



# ACCOUNTING STATEMENT

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**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, 2009	\$108,195,652
Increase (Decrease) During Year Attributable to:	
Increase for Interest Due to Decrease in Discount Period	\$8,045,961
Benefits Paid – PY 2010	(\$6,783,029)
Benefits Accrued & Other Gains / Losses	\$3,727,710
Plan Provision / Assumption Changes	(\$1,048,568)
Net Increase (Decrease)	\$3,942,074
Actuarial Present Value of Accrued Benefits at July 1, 2010	\$112,137,726



# ACCOUNTING STATEMENT

**Table V-4**  
**Florida Retirement System**  
**Accounting Statement Information - GASB Statement #25**  
**July 1, 2010**  
**(All Amounts in Thousands)**

	FRS	----- Special Risk -----		----- Elected Officers' Class -----			Senior	Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	
1. Actuarial Accrued Liability:								
a. Active Member Contributions	\$25,654	\$5,956	\$0	\$228	\$77	\$355	\$1,389	\$33,659
b. Annuitants	57,977,621	13,704,336	75,289	802,865	83,056	451,536	1,796,344	74,891,047
c. Other Inactive Members	3,714,057	598,110	1,621	16,956	10,511	28,346	143,826	4,513,427
d. Active Members	<u>45,370,563</u>	<u>12,508,693</u>	<u>11,737</u>	<u>385,711</u>	<u>21,399</u>	<u>154,971</u>	<u>1,761,170</u>	<u>60,214,244</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d)]	\$107,087,895	\$26,817,095	\$88,647	\$1,205,760	\$115,043	\$635,208	\$3,702,729	\$139,652,377
3. Actuarial Value of Assets	95,811,918	21,358,370	87,844	857,315	76,213	417,856	2,320,150	120,929,666
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	\$11,275,977	\$5,458,725	\$803	\$348,445	\$38,830	\$217,352	\$1,382,579	\$18,722,711
5. Funded Ratio	89.47%	79.64%	99.09%	71.10%	66.25%	65.78%	62.66%	86.59%
6. Covered Payroll	\$21,207,377	\$3,804,506	\$2,799	\$128,741	\$8,117	\$52,001	\$561,821	\$25,765,362
7. UAAL / (Surplus) as a % of Payroll	53.17%	143.48%	28.69%	270.66%	478.38%	417.98%	246.09%	72.67%



# ACCOUNTING STATEMENT

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

	July 1, 2008 Valuation Basis	July 1, 2009 Valuation Basis	July 1, 2009 After Plan Changes	July 1, 2010 Valuation Basis
1. Actuarial Accrued Liability:				
a. Active Member Contributions	\$44,557	\$38,689	\$38,689	\$33,659
b. Annuitants	60,277,690	69,399,125	69,399,125	74,891,047
c. Other Inactive Members	4,032,310	4,381,108	4,381,108	4,513,427
d. Active Members	<u>59,732,657</u>	<u>62,556,675</u>	<u>61,321,647</u>	<u>60,214,244</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d)]	\$124,087,214	\$136,375,597	\$135,140,569	\$139,652,377
3. Actuarial Value of Assets	\$130,720,547	\$118,764,692	\$118,764,692	\$120,929,666
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$6,633,333)	\$17,610,905	\$16,375,877	\$18,722,711
5. Funded Ratio	105.35%	87.09%	87.88%	86.59%
6. Covered Payroll <sup>1</sup>	\$26,891,340	\$26,573,196	\$26,573,196	\$25,765,362
7. UAAL / (Surplus) as a % of Payroll	-24.67%	66.27%	61.63%	72.67%

<sup>1</sup> Includes Drop Salaries



# ACCOUNTING STATEMENT

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

	<u>July 1, 2008</u> <u>Valuation Basis</u>	<u>July 1, 2009</u> <u>Valuation Basis</u>	<u>July 1, 2010</u> <u>Valuation Basis</u>
1. Actuarial Accrued Liability for:			
a. Retired and Disabled Members, and Survivors	\$60,277,690	\$69,399,125	\$74,891,047
b. Vested Deferred and Inactive Status Members	4,032,310	4,381,108	4,513,427
c. Active Members			
i) Accumulated employee contributions with interest	44,557	38,689	33,659
ii) Employer-financed liabilities	<u>59,732,657</u>	<u>62,556,675</u>	<u>60,214,244</u>
d. Total	\$124,087,214	\$136,375,597	\$139,652,377
2. Net Assets Available for Benefits at Market Value	\$126,918,405	\$98,970,576	\$109,511,158
3. Ratio of Market Value of Assets to Actuarial Accrued Liabilities: [2 / 1]	102.28%	72.57%	78.42%



# ACCOUNTING STATEMENT

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

	ACTUAL		PROJECTED
	<u>7/1/2008 - 6/30/2009</u>	<u>7/1/2009 - 6/30/2010</u>	<u>7/1/2010 - 6/30/2011</u>
1. Unfunded Actuarial Liability (UAL) / (Surplus)	(\$6,714,190)	(\$6,633,333)	\$16,375,877
2. Amortization of UAL	(363,419)	(359,043)	886,377
3. Normal Cost	<u>2,899,273</u>	<u>2,806,416</u>	<u>3,014,822</u>
4. Annual Required Contribution: [2 + 3]	\$2,535,854	\$2,447,374	\$3,901,200
5. Interest on Net Pension Obligation:	(44,621)	(66,788)	(89,603)
6. Adjustment to Annual Required Contribution:	<u>31,164</u>	<u>46,646</u>	<u>62,580</u>
7. Annual Pension Cost: [4 + 5 + 6]	\$2,522,397	\$2,427,232	\$3,874,177
8. Contributions Made:	<u>\$2,808,418</u>	<u>\$2,721,618</u>	<u>NA</u>
9. Increase in Net Pension Obligation: [7 - 8]	(286,021)	(294,386)	NA
10. Net Pension Obligation at Beginning of Year:	<u>(575,758)</u>	<u>(861,779)</u>	<u>(1,156,165)</u>
11. Net Pension Obligation at End of Year:	(861,779)	(1,156,165)	NA



*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*

# APPENDIX A

## ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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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 Milliman's most recent review of the System's experience for the period July 1, 2003 through June 30, 2008, as adopted by the FRS Assumptions Conference and as modified by the February 16, 2010 study on House Bill 479 (2009), which was enacted into law.

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). The UAL is amortized as level percentages of the projected payroll (salaries of present and future members of the FRS) during various amortization periods. When the UAL remained negative (i.e., surplus position), it was not amortized.

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, assuming the member has always been in the current class, were then aggregated and divided

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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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 the current active population. 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 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 plan 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 plan year.

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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- 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 in effect on August 16, 2008.

## 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.



# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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## SERVICE RETIREMENT

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

All members who have attained age 80 (age 70 for TRS, SCOERS and IFAS) 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. The most recent study looked at the line-of-duty disability incidence experience for the five fiscal years ending June 30, 2008, 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 plan years ending June 30, 2008.

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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## PRE-RETIREMENT MORTALITY

Mortality rates for members who die in service are based on the RP-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.

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 are based on the RP-2000 Healthy White Collar tables for males and females, as projected from the year 2000 to the valuation year using Projection Scale AA, adjusted by the following percentages:

	Males	Females
Regular and Special Risk Class	90.9%	95.8%
ECO, ESO, Judges, Senior Management and Special Risk Administrative	82.4%	56.7%

Table A-7 shows these rates for representative ages.

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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## DISABILITY MORTALITY RATES

Disability mortality rates are based on the RP-2000 Disabled Retiree Table for males, and the PBGC Disabled with Social Security Table for females, adjusted by the following percentages:

	Adjustment Factor
Males	
Under age 45	92.4%
Age 51 and over	73.9%
Ages 46 – 50 are interpolated between the two factors	
Females	
Under age 65	82.9%
Age 65 and over	88.1%

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.

## 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.

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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## 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 <sup>1)</sup>	0.2818	0	0.1853	0
Out-of-State Service Credit	0	0	0.0910	0.0910

<sup>1)</sup> Pre-1987 hires only.

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

## ANNUAL LEAVE CREDIT

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**TABLE A-1**  
Summary of Valuation Assumptions  
July 1, 2010

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; rates reflect the enactment of House Bill 479
C. Disablement	Tables A-4 and A-5
D. Pre-Retirement Mortality	RP-2000 Mortality Tables for males and females. Table A-6
E. Post-Retirement Mortality	RP-2000 Healthy White Collar Tables for males and females, projected from 2000 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

<b>Table A-2 Salary</b>										
<b>REGULAR – Male</b>										
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	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
3	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%	2.84%
4	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%
5	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%
6	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%
7	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
8	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
9	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
10 or more	3.00%	3.00%	3.00%	3.00%	2.50%	2.00%	1.50%	0.50%	0.50%	0.50%
<b>REGULAR - Female</b>										
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	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
2	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%
3	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%	2.62%
4	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%
5	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%
6	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%
7	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
8	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
9	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%	1.97%
10 or more	3.00%	3.00%	3.00%	3.00%	2.50%	2.00%	1.00%	0.00%	0.00%	0.00%
<b>ECO, ESO – Male and Female</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
1	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
2	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
3	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
4	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
5	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
6	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
7	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
8	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
9	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
10 or more	0.43%	0.43%	0.43%	0.43%	0.43%	0.23%	0.03%	0.00%	0.00%	0.00%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

<b>Table A2 (cont.) Salary</b>											
<b>JUDGES – Male and Female</b>											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
1	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
2	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
3	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
4	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
5	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
6	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
7	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
8	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
9	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%
10 or more	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>SENIOR MANAGEMENT – Male</b>											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%
1	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%
2	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%	3.94%
3	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%	3.72%
4	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
5	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%	3.06%
6	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
7	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
8	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
9	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
10 or more	2.18%	2.18%	2.18%	2.18%	1.74%	1.30%	0.86%	0.86%	0.86%	0.86%	0.86%
<b>SENIOR MANAGEMENT - Female</b>											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%
1	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%
2	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%
3	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%
4	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%
5	3.41%	3.41%	3.41%	3.41%	3.41%	3.41%	3.41%	3.41%	3.41%	3.41%	3.41%
6	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%	2.59%
7	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
8	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
9	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%	2.18%
10 or more	2.18%	2.18%	2.18%	2.18%	1.36%	1.15%	0.54%	0.00%	0.00%	0.00%	0.00%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

<b>Table A-2 (cont.) Salary</b>											
<b>SPECIAL RISK – Male</b>											
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	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%
3	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
4	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
5	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%	2.99%
6	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%
7	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
8	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%
9	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%
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%
<b>SPECIAL RISK – Female</b>											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%	5.47%
1	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%	4.57%
2	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%	3.22%
3	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%
4	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
5	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
6	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
7	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%
8	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%
9	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%
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%
<b>SPECIAL RISK ADMIN – Male and Female</b>											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
1	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
2	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
3	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
4	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
5	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
6	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%	3.46%
7	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%	2.61%
8	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%
9	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%	2.19%
10 or more	1.97%	1.97%	1.97%	1.97%	1.55%	1.12%	0.91%	0.91%	0.91%	0.91%	0.91%



# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

REGULAR				
Age	Male		Female	
	Retirement at First Eligibility	Retirement Beyond First Eligibility	Retirement at First Eligibility	Retirement Beyond First 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	11.4%	3.0%	13.1%	1.7%
50	25.1%	9.5%	21.9%	6.2%
55	31.3%	9.1%	26.7%	7.6%
60	39.4%	10.4%	35.5%	14.6%
65	23.5%	11.0%	29.2%	19.0%
ELECTED OFFICERS' GROUPS: ECO, ESO *				
Age	Male		Female	
	Retirement at First Eligibility	Retirement Beyond First Eligibility	Retirement at First Eligibility	Retirement Beyond First 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	8.0%	0.0%	7.8%	1.2%
50	9.6%	0.7%	12.8%	1.2%
55	14.3%	1.5%	17.0%	4.0%
60	19.3%	4.9%	13.8%	7.2%
65	21.8%	9.6%	17.4%	10.7%
* Rates for the ECO and ESO groups differ only at age 64, retirement at first eligibility for males. Otherwise, the tables are identical.				
JUDICIAL				
Age	Male		Female	
	Retirement at First Eligibility	Retirement Beyond First Eligibility	Retirement at First Eligibility	Retirement Beyond First 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	8.0%	0.0%	7.8%	1.2%
50	9.6%	0.7%	12.8%	1.2%
55	12.0%	1.5%	17.0%	4.0%
60	12.1%	4.9%	18.4%	7.2%
65	20.0%	9.6%	18.2%	10.7%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

SENIOR MANAGEMENT SERVICE				
Age	Male		Female	
	Retirement at First Eligibility	Retirement Beyond First Eligibility	Retirement at First Eligibility	Retirement Beyond First 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	10.3%	2.1%	12.1%	0.4%
50	24.2%	11.1%	20.9%	5.9%
55	29.1%	10.3%	25.3%	6.6%
60	37.2%	14.9%	40.0%	12.8%
65	31.7%	21.5%	35.2%	21.4%
TRS and SCOERS				
Age	Male		Female	
	Retirement at First Eligibility	Retirement Beyond First Eligibility	Retirement at First Eligibility	Retirement Beyond First 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	16.3%	2.5%	15.0%	1.5%
50	32.7%	2.5%	26.3%	1.5%
55	34.0%	13.5%	32.5%	9.0%
60	100.0%	56.5%	100.0%	55.5%
65	37.5%	56.5%	88.8%	57.5%
SPECIAL RISK				
Age	Male		Female	
	Retirement at First Eligibility	Retirement Beyond First Eligibility	Retirement at First Eligibility	Retirement Beyond First 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	2.4%	0.9%	2.4%	0.9%
45	7.6%	0.9%	4.1%	4.7%
50	20.9%	4.5%	14.6%	4.4%
55	16.5%	4.7%	13.5%	4.8%
60	12.1%	4.9%	17.0%	7.9%
65	39.8%	14.5%	31.7%	10.6%
* It is assumed that IFAS participants will retire upon the later of attainment of age 62 and 10 years of covered service or immediately, if beyond that time.				

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

SPECIAL RISK ADMINISTRATIVE SUPPORT				
Age	Male		Female	
	Retirement at First Eligibility	Retirement Beyond First Eligibility	Retirement at First Eligibility	Retirement Beyond First 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	11.3%	0.0%	11.3%	0.0%
50	18.0%	4.5%	18.0%	4.5%
55	33.0%	5.8%	56.5%	5.8%
60	24.8%	11.6%	42.6%	11.6%
65	69.2%	56.0%	69.5%	56.0%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

<b>Table A-4 Line-of-Duty Disability Annual Rates</b>		
<b>REGULAR</b>		
Age	Male	Female
20	0.002%	0.000%
25	0.002%	0.001%
30	0.003%	0.001%
35	0.005%	0.003%
40	0.009%	0.005%
45	0.014%	0.008%
50	0.022%	0.010%
55	0.034%	0.016%
60	0.048%	0.022%
65	0.050%	0.020%
<b>ECO, ESO, JUDGES, SENIOR MANAGEMENT</b>		
Age	Male	Female
20	0.004%	0.001%
25	0.004%	0.001%
30	0.005%	0.001%
35	0.007%	0.002%
40	0.011%	0.003%
45	0.017%	0.005%
50	0.029%	0.007%
55	0.044%	0.011%
60	0.044%	0.014%
65	0.044%	0.013%
<b>SPECIAL RISK, SPECIAL RISK ADMINISTRATIVE</b>		
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%	0.152%
60	0.301%	0.151%
65	0.231%	0.143%
<b>TRS and SCOERS</b>		
Same as Non-Duty Disability		

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

<b>Table A-5 Non-Duty Disability Annual Rates</b>		
<b>REGULAR</b>		
Age	Male	Female
20	0.000%	0.000%
25	0.027%	0.010%
30	0.053%	0.026%
35	0.066%	0.049%
40	0.092%	0.070%
45	0.122%	0.114%
50	0.203%	0.184%
55	0.339%	0.294%
60	0.445%	0.419%
65	0.215%	0.105%
<b>ECO, ESO, JUDGES, SENIOR MANAGEMENT</b>		
Age	Male	Female
20	0.000%	0.002%
25	0.000%	0.002%
30	0.016%	0.017%
35	0.022%	0.030%
40	0.033%	0.047%
45	0.072%	0.096%
50	0.121%	0.151%
55	0.210%	0.162%
60	0.313%	0.162%
65	0.156%	0.106%
<b>SPECIAL RISK, SPECIAL RISK ADMINISTRATIVE</b>		
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%	0.209%
50	0.292%	0.254%
55	0.244%	0.328%
60	0.206%	0.328%
65	0.206%	0.328%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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**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

<b>Table A-6</b>				
<b>Pre-Retirement Mortality Annual Rates</b>				
<b>REGULAR, ECO, ESO, JUDGES, SENIOR MANAGEMENT</b>				
	Male		Female	
Age	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%	0.14%
55	0.04%	0.21%	0.02%	0.18%
60	0.06%	0.33%	0.03%	0.28%
65	0.09%	0.52%	0.05%	0.42%
70	0.12%	0.68%	0.06%	0.55%
75	0.18%	1.04%	0.09%	0.81%
80	0.31%	1.77%	0.15%	1.33%
<b>SPECIAL RISK, SPECIAL RISK ADMINISTRATIVE</b>				
	Male		Female	
Age	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%	0.17%
60	0.10%	0.29%	0.08%	0.24%
65	0.15%	0.46%	0.12%	0.35%
70	0.20%	0.60%	0.15%	0.46%
75	0.31%	0.92%	0.23%	0.68%
80	0.52%	1.57%	0.37%	1.11%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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<b>Table A-6 (cont.) Pre-Retirement Mortality Annual Rates</b>		
<b>TRS, SCOERS</b>		
Age	Male	Female
20	0.05%	0.02%
25	0.05%	0.03%
30	0.07%	0.04%
35	0.09%	0.05%
40	0.13%	0.08%
45	0.20%	0.11%
50	0.38%	0.17%
55	0.65%	0.25%
60	1.00%	0.39%
65	1.59%	0.69%
70	2.63%	1.16%
75	0.00%	0.00%
80	0.00%	0.00%
<b>IFAS</b>		
Age	Male	Female
20	0.03%	0.02%
25	0.04%	0.02%
30	0.04%	0.03%
35	0.08%	0.05%
40	0.11%	0.07%
45	0.15%	0.11%
50	0.21%	0.17%
55	0.30%	0.25%
60	0.49%	0.39%
65	0.76%	0.58%
70	0.99%	0.76%
75	0.00%	0.00%
80	0.00%	0.00%



# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

Table A-7 <sup>1)</sup>		
Post-Retirement Mortality Annual Rates		
REGULAR AND SPECIAL RISK		
Age	Male	Female
20	0.15%	0.01%
25	0.19%	0.02%
30	0.23%	0.03%
35	0.29%	0.05%
40	0.35%	0.09%
45	0.44%	0.14%
50	0.54%	0.23%
55	0.49%	0.33%
60	0.60%	0.54%
65	1.06%	0.87%
70	1.75%	1.46%
75	3.06%	2.46%
80	5.40%	4.13%
85	9.52%	7.11%
90	16.21%	12.09%
95	24.32%	18.64%
100	31.32%	22.76%
105	36.17%	28.09%
110	36.36%	34.94%
115	36.36%	38.33%
120	90.91%	95.83%

ECO, ESO, J, SM, and SRA		
Age	Male	Female
20	0.14%	0.01%
25	0.17%	0.01%
30	0.21%	0.02%
35	0.26%	0.03%
40	0.32%	0.05%
45	0.40%	0.09%
50	0.49%	0.14%
55	0.45%	0.20%
60	0.54%	0.32%
65	0.96%	0.52%
70	1.59%	0.86%
75	2.77%	1.46%
80	4.89%	2.44%
85	8.62%	4.21%
90	14.68%	7.15%
95	22.03%	11.03%
100	28.37%	13.46%
105	32.77%	16.62%
110	32.94%	20.67%
115	32.94%	22.68%
120	82.35%	56.70%

<sup>1)</sup> Rates are shown for 2000. Rates are projected to the valuation date using projection Scale AA.

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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<b>Table A-8 Disabled Termination (Mortality and Recovery)</b>		
<b>All Groups</b>		
<b>Age</b>	<b>Male</b>	<b>Female</b>
20	2.09%	2.18%
25	2.09%	2.18%
30	2.09%	1.96%
35	2.09%	1.77%
40	2.09%	1.73%
45	2.09%	1.86%
50	2.14%	2.13%
55	2.62%	2.44%
60	3.11%	2.74%
65	3.71%	3.26%
70	4.63%	3.62%
75	6.07%	4.33%
80	8.08%	6.57%
85	10.47%	9.93%
90	13.56%	14.81%
95	19.77%	22.24%
100	25.47%	33.37%
105	29.41%	50.05%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

<b>REGULAR – Male</b>										
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	25.4%	18.5%	15.4%	14.3%	12.6%	12.5%	12.2%	12.2%	12.2%	12.2%
2	22.7%	17.2%	14.0%	12.8%	12.0%	11.6%	10.7%	10.7%	10.7%	10.7%
3	18.4%	14.6%	13.2%	12.6%	10.7%	10.3%	9.4%	9.3%	9.3%	9.3%
4	15.8%	12.7%	11.8%	10.9%	9.0%	8.8%	7.9%	7.8%	7.8%	7.8%
5	11.7%	9.7%	8.8%	8.5%	7.4%	6.8%	6.0%	6.8%	6.8%	6.8%
6	11.1%	8.5%	7.8%	7.5%	6.7%	6.5%	5.5%	5.4%	5.4%	5.4%
7	11.1%	8.4%	7.1%	6.8%	6.2%	6.0%	5.3%	5.2%	5.1%	5.1%
8	11.0%	7.7%	6.4%	6.2%	5.8%	5.1%	4.6%	4.4%	4.3%	4.3%
9	10.0%	6.3%	5.5%	5.3%	5.3%	5.1%	4.6%	4.3%	4.2%	4.2%
10 or more	9.8%	6.2%	4.7%	4.2%	3.0%	2.7%	3.0%	4.5%	5.3%	3.7%
<b>REGULAR – Female</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	30.3%	26.6%	25.4%	25.4%	24.4%	24.4%	23.2%	23.2%	23.2%	23.2%
1	25.8%	19.8%	16.9%	15.9%	14.0%	13.9%	13.4%	13.4%	13.4%	13.4%
2	22.1%	17.1%	14.5%	13.5%	12.1%	11.9%	11.0%	11.0%	11.0%	11.0%
3	17.4%	13.0%	11.6%	11.2%	10.0%	9.8%	8.8%	8.7%	8.7%	8.7%
4	15.4%	12.9%	11.3%	10.9%	9.1%	8.8%	8.4%	8.3%	8.3%	8.3%
5	13.5%	10.7%	9.4%	9.0%	7.0%	6.7%	6.2%	6.1%	6.1%	6.1%
6	11.4%	9.7%	8.7%	8.0%	6.5%	6.5%	5.9%	5.8%	5.8%	5.8%
7	11.3%	9.2%	8.1%	7.8%	6.3%	6.1%	5.5%	5.4%	5.4%	5.4%
8	10.5%	7.8%	7.1%	6.8%	6.1%	5.8%	5.5%	5.4%	5.4%	5.4%
9	10.2%	7.1%	6.5%	6.2%	5.0%	4.7%	4.6%	4.5%	4.5%	4.5%
10 or more	11.6%	5.3%	5.4%	4.6%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>ECO – Male</b>										
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	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
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

<b>Table A-9 (cont.) Other Terminations of Employment Annual Rates</b>										
<b>ECO – Female</b>										
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	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	11.9%	11.7%	11.6%	10.2%
9	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.1%	2.8%	2.7%	1.0%
10 or more	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.1%	3.9%	3.8%	2.4%
<b>ESO – Male</b>										
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	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
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	6.7%	6.7%	6.7%	6.7%	6.7%	7.1%	6.6%	5.7%	5.5%	4.2%
<b>ESO – Female</b>										
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**

<b>JUDGES - Male</b>											
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	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
5	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
6	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
7	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
8	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
9	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.1%	0.8%	0.7%	0.5%	0.5%
10 or more	2.0%	2.0%	2.0%	1.9%	1.9%	1.9%	1.7%	1.3%	1.1%	0.7%	0.7%
<b>JUDGES – Female</b>											
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	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
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	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
9	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.4%	1.1%	1.0%	0.8%	0.8%
10 or more	2.9%	2.9%	2.9%	2.7%	2.7%	2.7%	2.4%	2.0%	1.8%	1.4%	1.4%
<b>SENIOR MANAGEMENT – Male</b>											
Combined Years of Service	Attained Age										
	20	25	30	35	40	45	50	55	60	65	
0	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%
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	10.9%	10.5%	10.0%	9.7%	9.3%	8.6%	8.2%	8.1%	8.0%	8.0%	8.0%
6	10.6%	10.3%	9.8%	9.3%	9.0%	8.7%	8.4%	8.3%	8.1%	8.1%	8.1%
7	10.5%	10.2%	9.7%	9.2%	8.8%	8.5%	8.3%	8.1%	8.0%	8.0%	8.0%
8	9.6%	9.5%	9.1%	8.8%	8.5%	8.3%	8.1%	8.0%	7.9%	7.8%	7.8%
9	6.6%	6.6%	6.3%	6.1%	5.9%	5.7%	5.6%	5.4%	5.3%	5.3%	5.3%
10 or more	4.8%	4.8%	4.1%	3.6%	3.2%	2.9%	3.0%	3.1%	3.5%	2.6%	2.6%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

<b>SENIOR MANAGEMENT – Female</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%	21.1%
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	19.0%	18.0%	17.3%	16.7%	16.2%	15.9%	15.7%	15.6%	15.6%	15.6%
4	14.6%	14.0%	13.5%	13.0%	12.7%	12.4%	12.1%	12.0%	11.8%	11.8%
5	12.1%	11.3%	10.5%	9.9%	9.4%	9.0%	8.7%	8.6%	8.5%	8.5%
6	10.9%	10.6%	10.1%	9.7%	9.4%	9.1%	8.8%	8.7%	8.5%	8.5%
7	10.3%	10.1%	9.6%	9.2%	8.8%	8.6%	8.4%	8.2%	8.1%	8.1%
8	7.7%	7.6%	7.1%	6.8%	6.5%	6.2%	6.0%	5.9%	5.8%	5.7%
9	7.4%	7.4%	6.9%	6.5%	6.1%	5.8%	5.5%	5.3%	5.1%	5.1%
10 or more	4.8%	4.8%	3.9%	3.2%	2.7%	2.4%	2.1%	1.9%	1.9%	1.9%

<b>SPECIAL RISK – Male</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	21.4%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%
1	10.3%	9.8%	9.5%	8.8%	8.0%	7.3%	6.5%	5.8%	5.3%	5.3%
2	8.6%	8.1%	7.7%	7.4%	6.8%	6.0%	5.3%	4.7%	4.7%	4.7%
3	8.4%	7.9%	7.5%	7.2%	6.7%	6.0%	5.3%	4.7%	4.7%	4.7%
4	7.5%	7.0%	6.7%	6.5%	6.0%	5.5%	5.0%	4.6%	4.6%	4.6%
5	5.3%	5.3%	5.3%	5.3%	4.8%	4.3%	3.8%	3.3%	3.3%	3.3%
6	5.2%	5.2%	5.2%	5.1%	4.6%	4.1%	3.6%	3.2%	3.2%	3.2%
7	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
8	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
9	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
10 or more	2.3%	2.3%	2.1%	2.0%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%

<b>SPECIAL RISK – Female</b>										
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%	12.2%	11.2%	10.2%	9.2%	8.4%	8.4%	8.4%
2	12.3%	11.6%	10.6%	9.6%	8.6%	7.6%	6.6%	5.8%	5.8%	5.8%
3	10.3%	9.8%	9.3%	8.8%	8.3%	7.6%	6.6%	5.6%	5.6%	5.6%
4	9.7%	9.2%	8.7%	8.4%	7.6%	7.0%	6.4%	5.4%	5.4%	5.4%
5	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	5.3%	5.3%	5.3%
6	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.1%	5.1%	5.1%
7	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
8	4.2%	4.2%	4.2%	4.2%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
9	4.2%	4.2%	4.2%	4.1%	4.1%	4.1%	4.0%	4.0%	4.0%	4.0%
10 or more	1.9%	1.9%	1.7%	1.5%	2.5%	2.5%	1.6%	4.0%	4.0%	4.0%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

<b>SPECIAL RISK ADMINISTRATIVE – Male</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	14.6%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%
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	3.9%	3.9%	3.6%	3.4%	3.2%	3.3%	3.6%	7.5%	7.5%	7.5%

<b>SPECIAL RISK ADMINISTRATIVE – Female</b>										
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



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*



# SUMMARY OF PLAN PROVISIONS

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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.

As of July 1, 2007, the Institute for Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the FRS as a closed group.

(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.



# SUMMARY OF PLAN PROVISIONS

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

Members of the FRS Defined Benefit Program were provided an educational period about their plan choice options prior to a 90-day election period to elect between the Defined Benefit Program and the Public Employee Optional Retirement Program (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 defined benefit program 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, correctional officers, or certain forensic positions within a law enforcement agency, or a medical examiner's office 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.

# SUMMARY OF PLAN PROVISIONS

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***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.

***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 either chosen not to participate or are not eligible 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 for the July 1, 2010 – June 30, 2011 plan year are as follows:

Classification	Defined Benefit	PEORP	Blended
Regular	9.69%	9.25%	9.63%
Special Risk	22.23	21.33	22.11
Special Risk Administrative Support Elected Officers'	12.22	11.80	12.10
- Judicial	20.71	19.63	20.65
- State	15.69	13.81	15.20
- County	17.76	16.61	17.50
Senior Management Service	13.99	11.21	13.43
DROP	11.14	N/A	11.14

The above rates exclude the 0.03% 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 separate Defined Benefit and PEORP rates above were modified by the 2009 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 (i.e. blended) 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

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- 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))

# SUMMARY OF PLAN PROVISIONS

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## ***Optional Forms***

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

(Section 121.091(6))

## ***Dual Retirement***

In the event a member accumulates retirement benefits to commence at different normal retirement ages by virtue of having performed duties for an employer which would entitle him or her to benefits as both a Special Risk 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 plan 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))

## SUMMARY OF PLAN PROVISIONS

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The appropriate benefit percentages are as follows:

- For Creditable Service as a Regular Class 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))

- 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))

## SUMMARY OF PLAN PROVISIONS

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- 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))

- 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))



# SUMMARY OF PLAN PROVISIONS

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## 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.

### ***Benefit Amount***

An eligible benefit recipient will receive a benefit adjustment to bring the benefit to the calculated minimum benefit. Effective July 1, 2010, the minimum monthly benefit is \$25.48 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)

# SUMMARY OF PLAN PROVISIONS

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## 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))

## NON-DUTY DISABILITY RETIREMENT

### *Eligibility*

Members are eligible if totally and permanently disabled:

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).

# SUMMARY OF PLAN PROVISIONS

---

## ***Benefit Amount***

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

## ***Minimum Benefit Amount***

25% of average monthly compensation.

If 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.

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))

# SUMMARY OF PLAN PROVISIONS

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## 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

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## ***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 (36 months for Special Risk Class members) 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

## SUMMARY OF PLAN PROVISIONS

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continues to work for a maximum of 60 months. Upon completion of the maximum five-year period, DROP participation ends and participants must terminate employment with all FRS employers. At that time, the participant will receive payment of the accumulated DROP benefits, and begin receiving his FRS monthly retirement benefit (in the same amount as determined at retirement, plus annual cost-of-living increases).

Effective July 1, 2003, participants employed in eligible instructional positions with a district school board, the Florida School for the Deaf and Blind, or a developmental research school can 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

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## **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 0.05% 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

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

Classification	2010-2011 Plan 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	2010-2011 Plan 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



# SUMMARY OF PLAN PROVISIONS

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## 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 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 disability benefits, assuming the member remains disabled.

### ***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))

# SUMMARY OF PLAN PROVISIONS

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## 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 account balance to the Defined Benefit Program and receive guaranteed lifetime monthly disability benefits, assuming the member remains disabled.

### ***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

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## **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

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## 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))

# SUMMARY OF PLAN PROVISIONS

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## **Optional Forms**

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

(Section 238.08)

## **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))

## SUMMARY OF PLAN PROVISIONS

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### 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))

### 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.

# SUMMARY OF PLAN PROVISIONS

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## ***Benefit Amount***

Effective July 1, 2010, the minimum monthly benefit is \$25.48 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***

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.

## SUMMARY OF PLAN PROVISIONS

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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))

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

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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, the Florida School for the Deaf and Blind, or a developmental research school can 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.

# SUMMARY OF PLAN PROVISIONS

---

## ***Death While in DROP***

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

(Section 121.091 (13))

## **RETURN OF EMPLOYEE CONTRIBUTIONS**

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

(Sections 238.07(13), 238.10)

## **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)

# SUMMARY OF PLAN PROVISIONS

---

## **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)

### **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%



# SUMMARY OF PLAN PROVISIONS

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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)

### ***Optional Forms***

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

(Section 122.08)

### ***Regular Benefit Amount***

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

## SUMMARY OF PLAN PROVISIONS

---

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

(Sections 122.08(1), 122.28(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)

## **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, 2010, the minimum monthly benefit is \$25.48 times years of creditable service prior to application of the reduction factor for electing an optional form of payment. For retirements on or after July 1, 1987, creditable service for the minimum benefit calculation does not include any service earned on or after that date.

(Section 112.362)

# SUMMARY OF PLAN PROVISIONS

---

## EARLY RETIREMENT BENEFIT

### ***Eligibility***

Age 55 and 10 years of service.

(Section 122.08(2)(a))

### ***Benefit Amount***

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

(Section 122.08(2)(a))

## DISABILITY RETIREMENT

### ***Eligibility***

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

### ***Benefit Amount***

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

(Section 122.09)

### ***Minimum Benefit***

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

(Section 122.28(2))

### ***Form of Benefit***

Straight life annuity. No optional form may be elected.

(Section 122.08(6))



# SUMMARY OF PLAN PROVISIONS

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## 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))

## 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))

# SUMMARY OF PLAN PROVISIONS

---

## 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.

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 either July 1, 2003 or July 1, 2004, participants employed in eligible instructional positions with a district school board (2003), the Florida School for the Deaf and Blind (2004), or a developmental research school (2004) can 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.

# SUMMARY OF PLAN PROVISIONS

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## ***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))

## **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)

# SUMMARY OF PLAN PROVISIONS

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## **PART IV: INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES SUPPLEMENTAL RETIREMENT PROGRAM (IFAS)**

The benefit and contribution provisions of the Statutes are set forth in Chapter 121 of the Florida Statutes. Certain provisions are drawn from other sections of the Florida Statutes. This is a closed system.

### **EFFECTIVE DATE**

The effective date of the Supplemental Retirement Program was July 1, 1985.

(Section 121.40)

### **MEMBERSHIP**

Employees hired on or before July 1, 1983 who:

- a. hold both state and federal appointments while employed at the Institute,
- b. are not entitled to any benefit from a state-supported retirement system or Social Security based on service as an employee of the Institute, and
- c. are participants in the Federal Civil Service Retirement System.

(Section 121.40)

### **MEMBER CONTRIBUTIONS**

The total cost of the Program is paid by the participating employers.

### **EMPLOYER CONTRIBUTIONS**

Effective July 1, 2008, employer contributions are fixed at 18.75%.

(Section 121.40)



# SUMMARY OF PLAN PROVISIONS

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## NORMAL RETIREMENT BENEFIT

### *Eligibility*

Age 62 and 10 or more years of creditable service, plus immediate eligibility for retirement benefits under the Federal Civil Service Retirement System (i.e., attainment of age 55 and completion of at least 30 years of service or attainment of age 60 and completion of at least 20 years of service or attainment of age 62 and completion of at least 5 years of service).

(Section 121.40)

### *Normal Form*

Straight life benefit (Option 1).

(Section 121.40)

### *Optional Forms*

Modified cash refund annuity (Option 2).

50% joint & survivor (Option 3).

100% joint & survivor (Option 4).

(Section 121.40)

### *Regular Benefit Amount*

The sum of (a) and (b) less (c) where:

- a. The amount of a monthly retirement benefit that a participant would be entitled to receive under the Florida Retirement System calculated as follows:

The appropriate benefit percentage multiplied by average monthly compensation in the highest five years of credited service, the product then multiplied by the credited years of service, where the appropriate benefit percentage is as follows;

## SUMMARY OF PLAN PROVISIONS

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<u>Retirement at:</u>	<u>Percentage</u>
Age 62 with 10 years creditable service, or 30 years creditable service	1.60%
Age 63 with 10 years creditable service, or 31 years creditable service	1.63
Age 64 with 10 years creditable service, or 32 years creditable service	1.65
Age 65 with 10 years creditable service, or 33 years creditable service	1.68

- b. An amount equal to the monthly primary insurance amount that a participant would be entitled to receive under Social Security had he been covered for Social Security based only on service after December 1, 1970.
- c. The amount of a monthly retirement benefit that a participant would be entitled to receive under the Federal Civil Service Retirement System calculated as follows:

The sum of (i) and (ii) and (iii) below multiplied by average monthly compensation in the highest three years of credited service:

- i.) 1.50% multiplied by the credited years of service, up to 5, earned after December 1, 1970.
- ii.) 1.75% multiplied by the credited years of service earned after December 1, 1970 in excess of 5 years but not more than 5.
- iii.) 2.00% multiplied by the credited years of service earned after December 1, 1970 in excess of 10 years.

### **Credited Service**

Credited service is earned only for employment subsequent to December 1, 1970. It is awarded as follows:

- a. For service from December 1, 1970 through June 30, 1974 one month of credited service will be earned for each calendar month during which the employee is paid a salary payment.



## SUMMARY OF PLAN PROVISIONS

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- b. For service from July 1, 1974 through June 30, 1979 one month of credited service will be earned for each calendar month during which the employee is paid at least \$100 in salary payments. In any month that the employee is paid less than \$100 in salary payments, credited service shall be determined by dividing the actual salary payment by \$100.
- b. For service from July 1, 1979 through June 30, 1985 one month of credited service will be earned for each calendar month during which the employee is paid at least \$250 in salary payments. In any month that the employee is paid less than \$250 in salary payments, credited service shall be determined by dividing the actual salary payment by \$250.
- c. For service on or after July 1, 1985 one month of credited service will be earned for each calendar month during which the employee is paid a salary payment.

(Section 121.40)

### MAXIMUM BENEFIT

No maximum.

### MINIMUM BENEFIT

No minimum.

### EARLY RETIREMENT BENEFIT

None.

### DISABILITY RETIREMENT

None.

### HEALTH INSURANCE SUBSIDY

IFAS members are not eligible for the Health Insurance Subsidy.

# SUMMARY OF PLAN PROVISIONS

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## POST-RETIREMENT DEATH BENEFITS

Based on the optional form elected.

(Section 122.40)

## PRE-RETIREMENT DEATH BENEFITS

### ***Eligibility***

When employment is terminated by death after 10 years of creditable service, or death occurs after termination of employment but while eligible for a terminated vested benefit.

### ***Benefit Amount***

The regular 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 surviving spouse or other dependent. The monthly benefit commences upon the beneficiary attaining age 62 and is payable to the member's beneficiary for the beneficiary's lifetime.

(Section 121.40)

## VESTING

### ***Eligibility***

Attainment of age 60 and 20 or more years of service or attainment of age 55 and 30 or more years of service.

### ***Benefit Amount***

The normal retirement benefit accrued to the date of termination. Benefits may not commence prior to age 62.

(Section 121.40)



# SUMMARY OF PLAN PROVISIONS

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## DROP – DEFERRED RETIREMENT OPTION PROGRAM

### *Eligibility*

IFAS members are not eligible for DROP.

## 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 121.40)

# APPENDIX C

## MEMBERSHIP DATA



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*

## MEMBERSHIP DATA

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This valuation is based upon the membership of the System as of July 1, 2010.

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-27 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-27 is the grand total of Tables C-7 through C-26.

Table C-28 presents a summary by System of active membership, payroll, and accumulated employee contributions.

**Table C-1**  
**Florida Retirement System**  
**Annuitants at July 1, 2010**  
**Regular and Early Retirement by Age**

Age	Men	Women	Total
<b>Number of Persons</b>			
Under 50	1,642	1,979	3,621
50 to 54	2,634	3,065	5,699
55 to 59	8,532	12,712	21,244
60 to 64	20,662	31,655	52,317
65 to 69	24,436	39,573	64,009
70 to 74	19,445	31,866	51,311
75 to 79	14,345	24,236	38,581
80 & Up	16,372	34,795	51,167
Total	108,068	179,881	287,949
<b>Annual Benefits (in Thousands)</b>			
Under 50	\$17,559	\$17,855	\$35,414
50 to 54	62,655	35,582	98,237
55 to 59	222,187	192,254	414,441
60 to 64	505,963	550,070	1,056,033
65 to 69	537,987	627,179	1,165,166
70 to 74	392,860	473,960	866,820
75 to 79	296,165	368,442	664,607
80 & Up	312,936	488,265	801,201
Total	\$2,348,312	\$2,753,607	\$5,101,919

**Table C-2**  
**Florida Retirement System**  
**Annuitants at July 1, 2010**  
**Disability Retirement by Age**

Age	Men	Women	Total
<b>Number of Persons</b>			
Under 50	432	601	1,033
50 to 54	633	960	1,593
55 to 59	989	1,706	2,695
60 to 64	1,156	1,965	3,121
65 to 69	824	1,374	2,198
70 to 74	448	777	1,225
75 to 79	239	379	618
80 & Up	218	479	697
Total	4,939	8,241	13,180

<b>Annual Benefits (in Thousands)</b>			
Under 50	\$7,246	\$7,072	\$14,318
50 to 54	9,764	11,450	21,214
55 to 59	14,709	20,383	35,092
60 to 64	17,107	23,332	40,439
65 to 69	11,622	16,047	27,669
70 to 74	5,745	8,542	14,287
75 to 79	3,013	4,014	7,027
80 & Up	2,446	4,155	6,601
Total	\$71,652	\$94,995	\$166,647

**Table C-3**  
**Florida Retirement System**  
**Potential Annuitants at July 1, 2010**  
**Vested Terminated Members by Age for the Regular,**  
**Senior Management Service, and Elected Officers' Classes**

Age	Men	Women	Total
<b>Number of Persons</b>			
Under 30	105	257	362
30 to 34	706	2,323	3,029
35 to 39	1,975	5,754	7,729
40 to 44	3,229	8,171	11,400
45 to 49	5,003	11,127	16,130
50 to 54	6,000	13,121	19,121
55 to 59	5,069	10,245	15,314
60 & Up	3,894	8,043	11,937
Total	25,981	59,041	85,022
<b>Annual Benefits (in Thousands) *</b>			
Under 30	\$277	\$629	\$906
30 to 34	2,599	8,281	10,880
35 to 39	9,138	24,882	34,020
40 to 44	19,375	41,670	61,045
45 to 49	36,204	62,477	98,681
50 to 54	47,976	79,017	126,993
55 to 59	41,326	63,943	105,269
60 & Up	26,365	37,592	63,957
Total	\$183,260	\$318,491	\$501,751

\* Deferred to Age 62

**Table C-4**  
**Florida Retirement System**  
**Potential Annuitants at July 1, 2010**  
**Vested Terminated Members by Age for the**  
**Special Risk Regular & Administrative Support Classes**

Age	Men	Women	Total
<b>Number of Persons</b>			
Under 30	21	17	38
30 to 34	211	109	320
35 to 39	700	298	998
40 to 44	1,031	408	1,439
45 to 49	957	381	1,338
50 to 54	606	249	855
55 to 59	218	74	292
60 & Up	119	38	157
Total	3,863	1,574	5,437

<b>Annual Benefits (in Thousands) *</b>			
Under 30	\$154	\$130	\$284
30 to 34	1,856	838	2,694
35 to 39	6,852	2,661	9,513
40 to 44	12,534	4,642	17,176
45 to 49	12,889	4,987	17,876
50 to 54	8,329	3,595	11,924
55 to 59	2,529	972	3,501
60 & Up	1,453	424	1,877
Total	\$46,596	\$18,249	\$64,845

\* Deferred to Age 55

**Table C-5**  
**Florida Retirement System**  
**Annuitants and Potential Annuitants at July 1, 2010**  
**All Types of Retirement by System**

System	Annuitants	Potential Annuitants	Total
<b>Number of Persons</b>			
Regular	271,659	83,752	355,411
Senior Management Service	2,259	935	3,194
Special Risk	25,024	5,419	30,443
Special Risk Administrative	162	18	180
EOC - Judges	676	36	712
EOC - Legislative/Attorneys/Cabinet	179	88	267
EOC - County Officials	1,170	211	1,381
<b>Total</b>	<b>301,129</b>	<b>90,459</b>	<b>391,588</b>
<b>Annual Benefits (in Thousands)</b>			
Regular	\$4,291,024	\$479,063	\$4,770,087
Senior Management Service	94,959	17,024	111,983
Special Risk	791,158	64,712	855,870
Special Risk Administrative	5,399	133	5,532
EOC - Judges	48,983	1,862	50,845
EOC - Legislative/Attorneys/Cabinet	5,172	1,111	6,283
EOC - County Officials	31,871	2,691	34,562
<b>Total</b>	<b>\$5,268,566</b>	<b>\$566,596</b>	<b>\$5,835,162</b>



**Table C-6**  
**Florida Retirement System**  
**Annuitants at July 1, 2010**  
**DROP Members \***

Age		Men	Women	Total
Number of Persons				
Under	50	306	80	386
	50 to 54	1,431	1,449	2,880
	55 to 59	3,628	5,581	9,209
	60 to 64	4,961	10,055	15,016
	65 to 69	1,859	4,032	5,891
	70 to 74	55	89	144
	75 to 79	16	25	41
	80 & Up	3	5	8
Total		12,259	21,316	33,575

Annual Benefits (in Thousands)				
Under	50	\$19,017	\$3,193	\$22,210
	50 to 54	75,535	41,717	117,252
	55 to 59	137,658	166,868	304,526
	60 to 64	122,640	206,439	329,079
	65 to 69	35,263	63,329	98,592
	70 to 74	711	1,107	1,818
	75 to 79	116	179	295
	80 & Up	6	18	24
Total		\$390,946	\$482,850	\$873,796

\* 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, 2010  
FRS - Regular: Men**

AGE	UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	273	2,077,712				
20 to 24	3,549	69,946,502	186	4,721,167		
25 to 29	7,078	209,258,849	2,235	74,209,474	93	3,174,406
30 to 34	5,106	165,086,529	5,191	207,970,957	1,468	61,275,014
35 to 39	4,187	138,619,489	4,653	191,331,000	4,029	189,876,015
40 to 44	4,072	135,834,865	4,303	179,161,674	3,967	185,940,924
45 to 49	4,396	145,573,133	4,604	190,245,829	3,871	178,855,908
50 to 54	4,077	136,250,258	4,532	184,466,988	3,994	182,461,313
55 to 59	3,347	108,473,721	4,126	165,930,266	3,821	171,085,287
60 to 64	2,119	64,446,723	3,107	124,877,069	2,624	117,851,267
65 & UP	1,357	27,849,169	2,262	69,669,026	1,655	62,226,154
TOTALS	39,561	1,203,416,950	35,199	1,392,583,450	25,522	1,152,746,288

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	35	1,453,172				
35 to 39	1,200	59,265,387	62	2,959,566		
40 to 44	3,525	186,907,720	1,537	79,965,500	91	4,584,418
45 to 49	3,819	200,525,893	4,277	245,467,879	1,650	92,016,207
50 to 54	3,571	184,815,079	4,441	255,108,705	3,492	212,405,923
55 to 59	3,527	180,334,167	4,134	238,719,484	3,161	197,309,318
60 to 64	2,216	113,620,332	2,119	121,317,735	1,493	95,397,020
65 & UP	961	43,213,698	587	33,102,152	238	16,319,059
TOTALS	18,854	970,135,448	17,157	976,641,021	10,125	618,031,945

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	105	5,498,817				
50 to 54	1,019	60,669,430	42	2,365,798		
55 to 59	1,212	79,478,469	190	11,430,792	3	210,209
60 to 64	414	29,758,257	200	14,705,394	20	1,296,252
65 & UP	165	13,942,565	132	12,757,398	57	5,517,663
TOTALS	2,915	189,347,538	564	41,259,382	80	7,024,124

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		SERVICE ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					273	2,077,712
20 to 24					3,735	74,667,669
25 to 29					9,406	286,642,729
30 to 34					11,800	435,785,672
35 to 39					14,131	582,051,457
40 to 44					17,495	772,395,101
45 to 49					22,722	1,058,183,666
50 to 54					25,168	1,218,543,494
55 to 59					23,521	1,152,971,713
60 to 64					14,312	683,270,049
65 & UP	9	762,078	5	373,917	7,428	285,732,879
TOTALS	9	762,078	5	373,917	149,991	6,552,322,141



# MEMBERSHIP DATA

**Table C-8  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
FRS - Regular: Women**

AGE	UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	405	2,737,538				
20 to 24	6,878	139,249,191	229	4,566,381		
25 to 29	17,565	534,051,974	6,150	206,175,697	140	4,589,380
30 to 34	11,365	334,897,706	14,567	541,971,157	3,993	156,118,785
35 to 39	9,669	263,664,811	11,719	412,486,477	11,049	457,898,193
40 to 44	9,339	243,495,991	11,156	366,002,921	10,318	397,576,227
45 to 49	8,735	222,262,744	11,211	347,868,923	10,763	380,688,108
50 to 54	7,122	187,274,049	10,132	322,947,688	10,677	371,091,637
55 to 59	5,081	137,891,964	7,802	256,349,025	8,635	309,776,144
60 to 64	2,643	66,959,998	4,908	156,730,474	4,549	162,858,544
65 & UP	1,507	26,320,663	2,406	56,999,195	2,046	56,362,610
TOTALS	80,309	2,158,806,629	80,280	2,672,097,938	62,170	2,296,959,628

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	79	3,020,145				
35 to 39	3,171	141,500,792	129	5,617,732		
40 to 44	8,964	422,759,560	3,734	178,398,685	135	6,608,743
45 to 49	8,430	367,417,441	9,435	480,420,626	3,408	175,428,053
50 to 54	8,750	362,034,807	9,574	462,609,136	7,922	436,780,496
55 to 59	8,385	352,143,283	9,803	471,836,664	6,855	367,977,153
60 to 64	4,251	177,183,235	5,352	261,040,844	3,547	185,828,208
65 & UP	1,195	38,364,473	924	35,683,885	460	20,203,095
TOTALS	43,225	1,864,423,736	38,951	1,895,607,572	22,327	1,192,825,748

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	135	6,573,970				
50 to 54	2,122	116,775,989	57	2,726,723		
55 to 59	2,517	150,753,535	348	20,400,759	3	206,907
60 to 64	750	40,637,367	266	16,446,783	46	2,549,951
65 & UP	251	11,287,409	145	7,336,156	53	2,738,429
TOTALS	5,775	326,028,270	816	46,910,421	102	5,495,287

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		SERVICE ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					405	2,737,538
20 to 24					7,107	143,815,572
25 to 29					23,855	744,817,051
30 to 34					30,004	1,036,007,793
35 to 39					35,737	1,281,168,005
40 to 44					43,646	1,614,842,127
45 to 49					52,117	1,980,659,865
50 to 54					56,356	2,262,240,525
55 to 59					49,429	2,067,335,434
60 to 64	1	96,768			26,313	1,070,332,172
65 & UP	6	349,488	4	243,460	8,997	255,888,863
TOTALS	7	446,256	4	243,460	333,966	12,459,844,945



# MEMBERSHIP DATA

**Table C-9  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
FRS - Special Risk: Men**

AGE	UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	9	230,729				
20 to 24	2,636	87,597,959	58	2,370,190		
25 to 29	4,215	167,574,942	2,243	105,558,247	33	1,711,672
30 to 34	2,437	100,167,550	3,326	170,892,424	1,213	66,733,434
35 to 39	1,680	69,694,320	2,669	142,381,507	2,702	161,961,914
40 to 44	1,095	45,313,850	1,777	94,077,280	1,995	118,870,588
45 to 49	776	33,428,150	1,112	58,129,318	1,002	58,007,979
50 to 54	501	22,498,937	725	37,829,863	613	32,646,366
55 to 59	265	11,398,090	484	24,382,708	360	18,311,137
60 to 64	89	3,905,620	222	10,997,846	229	11,996,812
65 & UP	13	477,418	41	1,873,662	58	3,278,516
TOTALS	13,716	542,287,565	12,657	648,493,045	8,205	473,518,418

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	22	1,208,501				
35 to 39	1,328	85,855,438	46	3,209,623		
40 to 44	2,511	168,311,640	1,645	120,317,020	39	2,926,954
45 to 49	1,506	100,528,216	2,739	204,236,985	764	61,226,959
50 to 54	742	45,243,809	1,398	100,650,444	654	52,181,979
55 to 59	372	22,029,022	365	24,589,423	207	14,956,179
60 to 64	191	10,790,753	168	10,651,935	80	5,581,266
65 & UP	52	2,989,111	36	2,278,709	25	2,038,187
TOTALS	6,724	436,956,490	6,397	465,934,139	1,769	138,911,524

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	17	1,317,245				
50 to 54	123	10,180,884	4	434,765		
55 to 59	88	7,268,948	9	683,248		
60 to 64	31	2,632,602	6	422,456	1	81,911
65 & UP	6	393,883	3	340,127	2	159,804
TOTALS	265	21,793,562	22	1,880,596	3	241,715

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		SERVICE ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					9	230,729
20 to 24					2,694	89,968,149
25 to 29					6,491	274,844,861
30 to 34					6,998	339,001,909
35 to 39					8,425	463,102,802
40 to 44					9,062	549,817,332
45 to 49					7,916	516,874,852
50 to 54					4,760	301,667,047
55 to 59					2,150	123,618,755
60 to 64					1,017	57,061,201
65 & UP					236	13,829,417
TOTALS					49,758	2,730,017,054



# MEMBERSHIP DATA

**Table C-10  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
FRS - Special Risk: Women**

AGE	UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1	21,825				
20 to 24	750	23,984,752	8	326,193		
25 to 29	1,392	49,379,877	590	24,737,200	9	383,523
30 to 34	827	30,289,672	1,085	49,141,636	360	17,630,747
35 to 39	534	20,358,757	779	35,578,658	865	45,267,917
40 to 44	361	13,601,441	509	22,961,059	650	33,835,908
45 to 49	245	9,127,510	346	15,754,047	409	20,798,644
50 to 54	169	6,737,265	200	9,119,452	234	11,158,932
55 to 59	102	4,338,325	102	4,651,541	123	5,599,882
60 to 64	22	931,813	48	2,265,862	52	2,260,063
65 & UP	5	201,245	10	374,326	12	591,335
TOTALS	4,408	158,972,482	3,677	164,909,974	2,714	137,526,951

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	5	247,307				
35 to 39	327	19,589,739	5	277,100		
40 to 44	652	39,160,711	373	25,087,731	5	329,930
45 to 49	440	25,778,421	726	47,959,463	177	12,411,901
50 to 54	298	16,267,204	421	25,912,291	253	15,988,525
55 to 59	121	6,486,209	105	5,810,686	78	4,780,058
60 to 64	53	2,713,208	48	2,429,274	17	909,092
65 & UP	12	600,785	8	502,951	2	106,746
TOTALS	1,908	110,843,584	1,686	107,979,496	532	34,526,252

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	1	75,254				
50 to 54	26	1,915,569	1	87,550		
55 to 59	17	1,121,121				
60 to 64	5	253,062	1	46,245		
65 & UP						
TOTALS	49	3,365,006	2	133,795		

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					1	21,825
20 to 24					758	24,310,945
25 to 29					1,991	74,500,600
30 to 34					2,277	97,309,362
35 to 39					2,510	121,072,171
40 to 44					2,550	134,976,780
45 to 49					2,344	131,905,240
50 to 54					1,602	87,186,788
55 to 59					648	32,787,822
60 to 64					246	11,808,619
65 & UP					49	2,377,388
TOTALS					14,976	718,257,540



# MEMBERSHIP DATA

**Table C-11  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
FRS - Special Risk Administrative Support: Men**

AGE	SERVICE UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29			1	33,217		
30 to 34					2	84,175
35 to 39						
40 to 44					1	44,935
45 to 49	1	27,820				
50 to 54			1	38,667	3	115,029
55 to 59					2	88,435
60 to 64						
65 & UP			1	68,881		
TOTALS	1	27,820	3	140,765	8	332,574

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	3	143,806				
40 to 44	3	165,181	3	138,252		
45 to 49	3	159,164	2	73,638	1	60,208
50 to 54					2	101,091
55 to 59	1	40,382	1	41,584	1	41,263
60 to 64	1	46,149				
65 & UP						
TOTALS	11	554,682	6	253,474	4	202,562

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	1	50,915				
55 to 59						
60 to 64						
65 & UP						
TOTALS	1	50,915				

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		SERVICE ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	33,217
30 to 34					2	84,175
35 to 39					3	143,806
40 to 44					7	348,368
45 to 49					7	320,830
50 to 54					7	305,702
55 to 59					5	211,664
60 to 64					1	46,149
65 & UP					1	68,881
TOTALS					34	1,562,792



# MEMBERSHIP DATA

**Table C-12  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
FRS - Special Risk Administrative Support: Women**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	10 TO 15	15 TO 20	20 TO 25	25 TO 30
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39					3	110,852
40 to 44			1	27,146	1	56,650
45 to 49					1	42,485
50 to 54					1	85,458
55 to 59						
60 to 64						
65 & UP						
TOTALS			1	27,146	6	295,445

AGE	SERVICE		SERVICE		SERVICE	
	15 TO 20	20 TO 25	25 TO 30	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	2	75,704				
40 to 44	1	39,852	3	161,300		
45 to 49	1	38,884	2	81,675		
50 to 54	1	40,300	1	36,227	1	36,234
55 to 59						
60 to 64						
65 & UP						
TOTALS	5	194,740	6	279,202	1	36,234

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	40 TO 45	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						
60 to 64						
65 & UP						
TOTALS						

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	50 & UP	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39					5	186,556
40 to 44					6	284,948
45 to 49					4	163,044
50 to 54					4	198,219
55 to 59						
60 to 64						
65 & UP						
TOTALS					19	832,767



# MEMBERSHIP DATA

**Table C-13  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
EOC - Judicial: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34			1	142,178		
35 to 39	3	410,743	2	269,358	4	537,963
40 to 44	5	695,275	13	1,814,527	8	1,112,333
45 to 49	7	824,860	12	1,699,305	11	1,539,856
50 to 54	10	1,312,187	13	1,821,337	33	4,476,751
55 to 59	8	910,155	19	2,717,181	20	2,841,640
60 to 64	18	2,548,319	24	3,402,035	13	1,840,573
65 & UP	6	853,068	9	1,265,205	3	426,534
TOTALS	57	7,554,607	93	13,131,126	92	12,775,650

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	6	769,242				
45 to 49	8	1,128,841	9	1,263,806		
50 to 54	23	3,184,286	16	2,219,562	15	2,086,900
55 to 59	32	4,523,962	34	4,757,209	31	4,363,778
60 to 64	16	2,227,492	16	2,232,305	13	1,832,518
65 & UP	8	1,113,730	1	142,178		
TOTALS	93	12,947,553	76	10,615,060	59	8,283,196

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	134,322				
55 to 59	10	1,405,984				
60 to 64	5	695,275				
65 & UP						
TOTALS	16	2,235,581				

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	142,178
35 to 39					9	1,218,064
40 to 44					32	4,391,377
45 to 49					47	6,456,668
50 to 54					111	15,235,345
55 to 59					154	21,519,909
60 to 64					105	14,778,517
65 & UP					27	3,800,715
TOTALS					486	67,542,773





# MEMBERSHIP DATA

**Table C-14  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
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	4	553,731	1	142,178	3	402,840
40 to 44	2	292,255	6	822,364	11	1,474,596
45 to 49	8	1,122,598	13	1,809,119	11	1,537,339
50 to 54	6	837,712	5	702,992	14	1,968,206
55 to 59	4	545,029	6	837,272	11	1,535,723
60 to 64	1	142,178	3	426,534	6	837,272
65 & UP					2	284,356
TOTALS	25	3,493,503	34	4,740,459	58	8,040,332

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44	9	1,214,274				
45 to 49	13	1,801,613	9	1,255,908		
50 to 54	14	1,970,414	16	2,183,181	8	1,099,229
55 to 59	11	1,532,367	16	2,243,576	19	2,641,814
60 to 64	8	1,121,630	5	718,789	5	702,992
65 & UP	1	142,178				
TOTALS	56	7,782,476	46	6,401,454	32	4,444,035

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	142,178				
60 to 64	1	142,178				
65 & UP						
TOTALS	2	284,356				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39					8	1,098,749
40 to 44					28	3,803,489
45 to 49					54	7,526,577
50 to 54					63	8,761,734
55 to 59					68	9,477,959
60 to 64					29	4,091,573
65 & UP					3	426,534
TOTALS					253	35,186,615



# MEMBERSHIP DATA

**Table C-15  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
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	6,412				
30 to 34	3	89,763	4	118,788	1	29,697
35 to 39	3	89,091	1	29,697	1	29,697
40 to 44	2	59,394	7	207,879	5	148,485
45 to 49	1	29,697	5	266,071	1	29,697
50 to 54	2	59,394	4	213,942	4	130,272
55 to 59	2	59,394	2	179,774	1	29,697
60 to 64	1	29,697	2	179,774	2	59,394
65 & UP	1	21,794	6	178,182	1	29,697
TOTALS	16	444,636	31	1,374,107	16	486,636

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	2	59,394			1	29,697
50 to 54	4	339,744	1	150,077	2	300,154
55 to 59	4	359,548	2	300,154	2	179,774
60 to 64	4	350,059			1	150,077
65 & UP	1	29,697	1	29,697		
TOTALS	15	1,138,442	4	479,928	6	659,702

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	29,697				
60 to 64	1	29,697				
65 & UP					1	150,077
TOTALS	2	59,394			1	150,077

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	6,412
30 to 34					8	238,248
35 to 39					5	148,485
40 to 44					14	415,758
45 to 49					10	414,556
50 to 54					17	1,193,583
55 to 59					14	1,138,038
60 to 64					11	798,698
65 & UP					11	439,144
TOTALS					91	4,792,922



# MEMBERSHIP DATA

**Table C-16  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
EOC - Legislators/Attorneys/Cabinet: Women**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	10 TO 15	15 TO 20	20 TO 25	25 TO 30
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29	1	29,697				
30 to 34						
35 to 39						
40 to 44	1	29,697				
45 to 49					3	89,091
50 to 54	1	29,697	3	89,091	1	150,077
55 to 59			1	29,697		
60 to 64			2	59,394	2	59,394
65 & UP			3	89,091	1	29,697
TOTALS	3	89,091	9	267,273	7	328,259

AGE	SERVICE		SERVICE		SERVICE	
	15 TO 20	20 TO 25	25 TO 30	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	1	29,697				
45 to 49	2	179,774				
50 to 54			2	179,774		
55 to 59			1	150,077	1	150,077
60 to 64						
65 & UP						
TOTALS	3	209,471	3	329,851	1	150,077

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	40 TO 45	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						
60 to 64						
65 & UP						
TOTALS						

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	50 & UP	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					1	29,697
30 to 34						
35 to 39						
40 to 44					2	59,394
45 to 49					5	268,865
50 to 54					7	448,639
55 to 59					3	329,851
60 to 64					4	118,788
65 & UP					4	118,788
TOTALS					26	1,374,022



# MEMBERSHIP DATA

**Table C-17  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
EOC - County Officials: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	3,840				
25 to 29	3	112,821	1	39,625		
30 to 34	7	139,739	2	132,875		
35 to 39	3	103,468	5	290,257	2	59,833
40 to 44	13	410,785	12	411,917	10	312,153
45 to 49	21	650,063	22	979,295	7	485,061
50 to 54	23	654,154	36	1,426,536	12	408,232
55 to 59	17	711,136	28	1,320,957	15	836,813
60 to 64	23	696,328	23	977,676	15	528,375
65 & UP	28	755,163	33	1,072,659	30	898,807
TOTALS	139	4,237,497	162	6,651,797	91	3,529,274

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						
40 to 44	8	461,131	4	310,939		
45 to 49	13	712,183	6	479,878	3	348,213
50 to 54	15	529,347	13	908,792	7	661,327
55 to 59	20	887,212	17	1,005,404	13	1,215,620
60 to 64	12	636,439	12	791,708	7	476,905
65 & UP	18	472,374	12	592,670	4	106,021
TOTALS	86	3,698,686	64	4,089,391	34	2,808,086

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	123,903				
50 to 54	2	190,773				
55 to 59	2	120,929	1	100,187		
60 to 64	2	43,189	1	95,975		
65 & UP	2	76,085	1	170,414		
TOTALS	9	554,879	3	366,576		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	3,840
25 to 29					4	152,446
30 to 34					9	272,614
35 to 39					10	453,558
40 to 44					47	1,906,925
45 to 49					73	3,778,596
50 to 54					108	4,779,161
55 to 59					113	6,198,258
60 to 64					95	4,246,595
65 & UP					128	4,144,193
TOTALS					588	25,936,186



# MEMBERSHIP DATA

**Table C-18  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
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						
30 to 34	2	42,842	2	121,814	1	78,688
35 to 39	4	185,460	1	38,939	3	145,963
40 to 44	7	181,938	2	10,320	5	221,649
45 to 49	3	80,572	5	233,342	4	166,977
50 to 54	4	139,628	5	223,845	15	872,555
55 to 59	11	228,835	16	730,002	16	762,430
60 to 64	15	479,350	18	1,042,179	11	706,717
65 & UP	15	430,992	14	597,555	14	775,649
TOTALS	61	1,769,617	63	2,997,996	69	3,730,628

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	38,939				
40 to 44	4	240,204	3	301,813		
45 to 49	2	71,879	12	900,097	3	288,991
50 to 54	6	375,497	10	858,037	6	590,520
55 to 59	20	1,020,172	9	308,472	12	973,811
60 to 64	9	556,931	9	946,738	2	265,252
65 & UP	10	265,650	5	269,107	1	25,501
TOTALS	52	2,569,272	48	3,584,264	24	2,144,075

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	102,058				
50 to 54	3	287,764	3	270,514		
55 to 59	3	93,363	1	137,493		
60 to 64			2	180,176		
65 & UP						
TOTALS	7	483,185	6	588,183		

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					5	243,344
35 to 39					9	409,301
40 to 44					21	955,924
45 to 49					30	1,843,916
50 to 54					52	3,618,360
55 to 59					88	4,254,578
60 to 64					66	4,177,343
65 & UP					59	2,364,454
TOTALS					330	17,867,220



# MEMBERSHIP DATA

**Table C-19  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
FRS - Senior Management Service: Men**

AGE	SERVICE UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29	154	6,290,844	3	89,906		
30 to 34	128	5,729,436	76	4,268,659	8	556,327
35 to 39	55	2,655,336	69	4,549,355	51	3,906,787
40 to 44	30	1,744,052	68	5,552,378	66	5,661,666
45 to 49	37	3,352,252	46	3,994,687	65	5,836,297
50 to 54	36	3,349,914	44	3,852,711	73	6,959,402
55 to 59	40	3,421,090	65	6,171,075	80	8,594,906
60 to 64	31	3,197,740	54	5,508,046	73	7,809,317
65 & UP	11	1,002,276	23	2,356,593	25	2,903,164
TOTALS	522	30,742,940	448	36,343,410	441	42,227,866

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	13	1,142,425	3	248,549		
40 to 44	90	8,228,254	27	2,625,611	1	116,853
45 to 49	111	11,401,134	143	14,464,322	37	3,407,024
50 to 54	84	8,259,096	141	14,276,563	156	17,884,643
55 to 59	83	8,823,943	122	13,391,972	135	14,939,794
60 to 64	67	6,945,136	48	5,391,874	53	5,654,438
65 & UP	27	2,882,767	19	2,247,538	9	1,378,570
TOTALS	475	47,682,755	503	52,646,429	391	43,381,322

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	3	206,584				
50 to 54	32	3,427,288				
55 to 59	52	6,791,555	3	434,537		
60 to 64	16	2,073,972	4	589,207	1	144,414
65 & UP	1	126,638	4	618,723	1	97,453
TOTALS	104	12,626,037	11	1,642,467	2	241,867

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		SERVICE ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					157	6,380,750
30 to 34					212	10,554,422
35 to 39					191	12,502,452
40 to 44					282	23,928,814
45 to 49					442	42,662,300
50 to 54					566	58,009,617
55 to 59					580	62,568,872
60 to 64					347	37,314,144
65 & UP	1	318,060			121	13,931,782
TOTALS	1	318,060			2,898	267,853,153



# MEMBERSHIP DATA

**Table C-20**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2010**  
**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	24,082				
25 to 29	197	7,856,206	6	303,927		
30 to 34	143	6,274,348	113	6,453,780	9	555,758
35 to 39	38	1,813,282	107	6,409,567	95	6,674,265
40 to 44	43	2,613,164	60	3,848,533	87	6,080,673
45 to 49	29	1,967,976	36	2,610,747	77	5,907,214
50 to 54	19	1,495,099	36	2,851,920	64	5,127,489
55 to 59	20	1,684,716	34	2,981,192	51	4,425,031
60 to 64	11	848,067	20	1,980,315	28	2,266,725
65 & UP	3	179,132	8	645,566	5	245,373
TOTALS	504	24,756,072	420	28,085,547	416	31,282,528

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	29	1,939,075	6	343,753		
40 to 44	128	10,978,984	45	3,617,465	2	101,243
45 to 49	104	8,695,402	171	15,128,212	60	5,277,983
50 to 54	78	6,880,599	120	11,378,884	153	15,969,540
55 to 59	80	7,217,150	120	11,764,027	131	13,161,288
60 to 64	24	2,520,155	40	3,878,414	47	4,635,067
65 & UP	9	619,992	8	605,935	2	188,958
TOTALS	452	38,851,357	510	46,716,690	395	39,334,079

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	98,057				
50 to 54	28	2,610,526	1	143,416		
55 to 59	40	4,209,584	10	927,006		
60 to 64	8	781,128	2	333,576	1	92,034
65 & UP	3	260,947	1	60,132		
TOTALS	81	7,960,242	14	1,464,130	1	92,034

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	24,082
25 to 29					203	8,160,133
30 to 34					265	13,283,886
35 to 39					275	17,179,942
40 to 44					365	27,240,062
45 to 49					479	39,685,591
50 to 54					499	46,457,473
55 to 59					486	46,369,994
60 to 64					181	17,335,481
65 & UP			2	205,688	41	3,011,723
TOTALS			2	205,688	2,795	218,748,367



# MEMBERSHIP DATA

**Table C-21  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
TRS - Teachers' Retirement System: Men**

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

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	35 TO 40	40 TO 45	40 TO 45	40 TO 45
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64					1	97,563
65 & UP			2	351,273	8	774,619
TOTALS			2	351,273	9	872,182

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	ALL YEARS	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
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	97,563
65 & UP					10	1,125,892
TOTALS					11	1,223,455



*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*



# MEMBERSHIP DATA

**Table C-22**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2010**  
**TRS - Teachers' Retirement System: Women**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	10 TO 15	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		SERVICE		SERVICE	
	15 TO 20	20 TO 25	25 TO 30	30 TO 35	35 TO 40	40 TO 45
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64			1	71,338	1	74,898
65 & UP						
TOTALS			1	71,338	1	74,898

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	40 TO 45	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						
60 to 64			4	282,585	5	398,066
65 & UP			1	66,565	12	861,136
TOTALS			5	349,150	17	1,259,202

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	50 & UP	ALL YEARS	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						
60 to 64					11	826,887
65 & UP	4	367,089	1	77,925	18	1,372,715
TOTALS	4	367,089	1	77,925	29	2,199,602



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# MEMBERSHIP DATA

**Table C-23  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
SCOERS - State & County Officers' Employees' R.S.: Men**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	10 TO 15	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		SERVICE		SERVICE	
	15 TO 20	20 TO 25	25 TO 30	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		SERVICE		SERVICE	
	30 TO 35	35 TO 40	40 TO 45	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						
60 to 64					1	36,744
65 & UP			1	47,294		
TOTALS			1	47,294	1	36,744

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	50 & UP	ALL YEARS	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						
60 to 64					1	36,744
65 & UP					1	47,294
TOTALS					2	84,038



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# MEMBERSHIP DATA

**Table C-24  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
SCOERS - State & County Officers' Employees' R.S.: Women**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	10 TO 15	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		SERVICE		SERVICE	
	15 TO 20	20 TO 25	25 TO 30	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		SERVICE		SERVICE	
	30 TO 35	35 TO 40	40 TO 45	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						
60 to 64			1	27,435		
65 & UP			1	19,947		
TOTALS			2	47,382		

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	50 & UP	ALL YEARS	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						
60 to 64					1	27,435
65 & UP					1	19,947
TOTALS					2	47,382



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# MEMBERSHIP DATA

**Table C-25  
Florida Retirement System  
Members and Their Salaries at July 1, 2010  
IFAS - Institute of Food and Agricultural Sciences: Men**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	10 TO 15	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		SERVICE		SERVICE	
	15 TO 20	20 TO 25	25 TO 30	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	795,999
60 to 64					11	1,128,555
65 & UP					3	249,142
TOTALS					22	2,173,696

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	40 TO 45	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	77,403				
60 to 64						
65 & UP						
TOTALS	1	77,403				

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	50 & UP	ALL YEARS	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					9	873,402
60 to 64					11	1,128,555
65 & UP					3	249,142
TOTALS					23	2,251,099



# MEMBERSHIP DATA

**Table C-26**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2010**  
**IFAS - Institute of Food and Agricultural Sciences: Women**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	10 TO 15	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		SERVICE		SERVICE	
	15 TO 20	20 TO 25	25 TO 30	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	82,197
55 to 59			3	222,747	7	567,567
60 to 64					3	206,272
65 & UP					2	132,576
TOTALS			3	222,747	13	988,612

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	40 TO 45	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	73,357				
60 to 64	1	64,461				
65 & UP						
TOTALS	2	137,818				

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	50 & UP	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54					1	82,197
55 to 59					11	863,671
60 to 64					4	270,733
65 & UP					2	132,576
TOTALS					18	1,349,177



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# MEMBERSHIP DATA

**Table C-27  
Florida Retirement System  
Distribution of Active Participants  
Grand Totals  
July 1, 2010**

----- SERVICE -----						
AGE	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	688	5,067,804				
20 to 24	13,815	320,806,326	481	11,983,931		
25 to 29	30,606	974,561,622	11,229	411,147,293	275	9,858,981
30 to 34	20,018	642,717,585	24,367	981,214,268	7,055	303,062,625
35 to 39	16,180	498,148,488	20,006	793,506,993	18,807	866,872,239
40 to 44	14,970	444,272,707	17,914	674,897,998	17,124	751,336,787
45 to 49	14,259	418,447,375	17,412	623,590,683	16,225	653,984,656
50 to 54	11,970	360,638,294	15,736	565,585,032	15,738	617,651,719
55 to 59	8,897	269,662,455	12,685	466,280,690	13,135	523,887,125
60 to 64	4,973	144,185,833	8,431	308,447,204	7,604	309,074,453
65 & UP	2,946	58,090,920	4,816	135,189,941	3,852	128,051,892
TOTALS	139,322	4,136,599,409	133,077	4,971,844,033	99,815	4,163,780,477

----- SERVICE -----						
AGE	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	141	5,929,125				
35 to 39	6,074	309,551,305	251	12,656,323		
40 to 44	15,902	839,266,450	7,374	410,924,316	273	14,668,141
45 to 49	14,454	718,498,239	17,531	1,011,732,489	6,104	350,495,236
50 to 54	13,586	629,940,182	16,154	876,471,673	12,672	756,168,758
55 to 59	12,656	585,397,417	14,732	775,141,479	10,661	624,053,493
60 to 64	6,852	318,711,519	7,818	409,470,954	5,280	302,842,560
65 & UP	2,294	90,694,455	1,601	75,454,822	746	40,747,855
TOTALS	71,959	3,497,988,692	65,461	3,571,852,056	35,736	2,088,976,043

----- SERVICE -----						
AGE	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	265	13,995,888				
50 to 54	3,357	196,243,460	108	6,028,766		
55 to 59	3,945	251,566,123	562	34,114,022	6	417,116
60 to 64	1,234	77,111,188	487	33,129,832	76	4,696,935
65 & UP	428	26,087,527	291	21,768,029	134	10,299,181
TOTALS	9,229	565,004,186	1,448	95,040,649	216	15,413,232

----- SERVICE -----						
AGE	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					688	5,067,804
20 to 24					14,296	332,790,257
25 to 29					42,110	1,395,567,896
30 to 34					51,581	1,932,923,603
35 to 39					61,318	2,480,735,348
40 to 44					73,557	3,135,366,399
45 to 49					86,250	3,790,744,566
50 to 54					89,321	4,008,727,884
55 to 59					77,279	3,530,519,920
60 to 64	1	96,768			42,756	1,907,767,246
65 & UP	20	1,796,715	12	900,990	17,140	589,082,327
TOTALS	21	1,893,483	12	900,990	556,296	23,109,293,250



**Table C-28**  
**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	483,957	\$19,557,757	\$21,294
Senior Management Service	5,693	499,638	1,389
Florida Retirement System - Special Risk			
Non-Administrative	64,734	3,558,043	5,956
Administrative	53	2,460	0
Florida Retirement System - Elected Officers' Class			
Judicial	739	104,840	228
Leg. / Atty. / Cabinet	117	6,294	77
County Elected Off.	918	44,707	355
Teachers Retirement System	40	3,493	4,099
State and County Retirement System	4	134	117
Institute of Food and Agricultural Sciences	41	3,677	4
<b>Total</b>	<b>556,296</b>	<b>\$23,781,043</b>	<b>\$33,519</b>
	Average Annual Salary =	\$42,749	

# APPENDIX D

# PROJECTIONS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

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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, 2010. The contributions shown beginning with plan year 2011-2012 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. The contributions shown for plan year 2010-2011 are based on the rates (after blending) on page B-4 of this report.

Table D-2 projects each existing amortization base as of July 1, 2010. Beginning in the July 1, 1998 actuarial valuation with the emergence of the surplus, all UAL bases in existence as that time were considered to be fully amortized. While the Plan was in surplus, the UAL amortization payment or credit was made from the surplus for certain post-1998 benefit increases and the 1998 and 2003 experience studies prior to any use of the surplus for contribution rate reductions or any other Florida Retirement System uses. Now that the plan is no longer in surplus, the UAL payment will be paid by employers as part of the contribution rate.

Table D-3 estimates the available surplus / (UAL) for the next three plan years based on Florida law. The estimates are projections of our July 1, 2010 valuation results, and assume experience occurs as stated in our July 1, 2010 valuation, except that the market value of assets is assumed to earn 7.75% per annum, and some of the stored asset losses will be recognized over this time period.

All three tables also assume that no surplus is available for rate reduction. The amortization methodology recognizes the time value of money.

**Table D-1  
Florida Retirement System  
Projection of Retirement Costs (Excluding Member Contributions)  
July 1, 2010**

(All Amounts in Millions)

	2010 -2011	2011 -2012	2012 -2013	2013 -2014	2014 - 2015
A. Normal Cost *	\$3,145	\$3,159	\$3,235	\$3,305	\$3,356
B. UAL Payment / (Surplus Utilization )	(\$140)	\$947	\$964 <sup>1)</sup>	\$977 <sup>1)</sup>	\$983 <sup>1)</sup>
C. Total	\$3,005	\$4,106	\$4,199	\$4,282	\$4,339
D. Social Security	\$1,962	\$2,015	\$2,068	\$2,117	\$2,156
E. Grand Total	\$4,967	\$6,121	\$6,267	\$6,399	\$6,495

\* Includes DROP contributions on behalf of DROP members.

<sup>1)</sup> UAL Payment increase is based on assumed increasing payroll, but does not reflect the recognition and funding of deferred investment losses.

**Table D-2  
Florida Retirement System – July 1, 2010 Valuation  
Funding of UAL / (Surplus) by Duration of Amortization**

Years to Amortize UAL / (Surplus)

	FRS	----- Special Risk -----		-- Elected Officers' Class --			Senior	DROP
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	
Outstanding UAL Balance / (Surplus)	\$8,926,794	\$4,335,016	\$10,763	\$221,705	\$30,210	\$209,516	\$1,157,982	\$1,813,360
UAL Cost / (Savings) (see Table IV-2)	2.23%	6.72%	25.84%	11.90%	26.72%	26.90%	12.54%	5.78%
Normal Cost Payroll	\$19,547,628	\$3,557,986	\$2,460	\$104,840	\$6,294	\$44,387	\$499,455	\$1,984,319
UAL Payroll <sup>1</sup>	\$21,489,204	\$3,573,083	\$2,500	\$105,541	\$6,487	\$44,818	\$532,345	\$1,984,319
Annual Payment / (Savings) for FY 2010-2011	\$498,378	\$249,716	\$672	\$13,062	\$1,803	\$12,538	\$69,426	\$119,281
Amortization Period Calculated Assuming								
Level Dollar	NA <sup>2</sup>	NA <sup>2</sup>	NA <sup>2</sup>	NA <sup>2</sup>	NA <sup>2</sup>	NA <sup>2</sup>	NA	NA <sup>2</sup>
Level Percent of Payroll	32	30	26	28	28	28	27	25

<sup>1</sup> The UAL payroll includes salaries for defined contribution program members who pay only the UAL contribution rate.

<sup>2</sup> Current annual payment / (savings) will never accumulate to the UAL if the earned interest rate is 7.75%.



## Table D-3 Retirement Plan with FRS Rate Stabilization Mechanism Impact of Florida Law on FRS Trust Fund <sup>1</sup>

Updated FY 2011-2012 Forward Based on 07/01/2010 Valuation Results and 07/01/2010 Assets

		In Millions		
		<u>2011 - 12</u>	<u>2012 - 13</u>	<u>2013 - 14</u>
1	Estimated Current Year Surplus Available RSM <sup>2</sup>	\$0.0	\$0.0	\$0.0
2	Decrease in Available Surplus from prior year	\$0.0	\$0.0	\$0.0
3	12% Increase in Special Risk benefits (in pay status before 07/01/2000) <sup>3</sup>	(\$24.2)	(\$25.1)	(\$26.1)
4	Special Risk Minimum In-Line-of-Duty Disability Increased to 65% <sup>4</sup>	\$0.4	\$0.4	\$0.4
5	1993 - 1998 Experience Study Assumption Changes <sup>5</sup>	\$31.9	\$33.2	\$34.5
6	1998 - 2003 Experience Study Assumption Changes <sup>5</sup>	\$225.0	\$234.0	\$243.3
7	2003 – 2008 Experience Study Assumption Changes <sup>5</sup>	(\$374.0)	(\$388.5)	(\$404.1)
8	2009 Experience Gain/(Loss) <sup>6</sup>	(\$832.8)	(\$865.7)	(\$897.2)
9	2009 Plan Change (House Bill 479)	\$71.0	\$73.9	\$76.8
10	2010 Experience Gain/(Loss)	<u>(\$62.2)</u>	<u>(\$64.7)</u>	<u>(\$67.2)</u>
	<b>Subtotal [(3) + (4) + (5) + (6) + (7) + (8) + (9) + (10)]</b>	<b>(\$964.9)</b>	<b>(\$1,002.5)</b>	<b>(\$1,039.6)</b>
11	Across the Board Rate Reduction of 0%	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
	<b>Total [Subtotal + (11)]</b>	<b>(\$964.9)</b>	<b>(\$1,002.5)</b>	<b>(\$1,039.6)</b>
12	Surplus Available / (UAL)			
	[(1) + Total] =	(\$964.9)	(\$1,002.5) <sup>7</sup>	(\$1,039.6) <sup>7</sup>

<sup>1</sup> Numbers exclude contributions to DC Plan

<sup>2</sup> Projected surplus based on 07/01/2010 valuation results. Using amortization method that reflects interest.

<sup>3</sup> Assumed to be paid from surplus. In the absence of a surplus, there is an additional cost to the Special Risk Regular Class of 0.61% attributable to the 12% increase in pre-2000 retired benefits.

<sup>4</sup> Assumed to be paid from surplus. In the absence of a surplus, there is an additional cost to the Special Risk Regular Class of 0.12% and an additional cost to the Special Risk Administrative Class of -0.01% attributable to the Increase in the Minimum ILOD Disability Benefit

<sup>5</sup> Assumed to be paid from surplus. In the absence of a surplus, there is an additional charge or credit to each class. See Table IV-2 for details.

<sup>6</sup> Includes FY2009 Experience Gain/Loss and Cumulative Gain/Loss unrecognized while Plan maintained a surplus.

<sup>7</sup> UAL Payment increase is based on assumed increasing payroll, but does not reflect the recognition and funding of deferred investment losses.

# APPENDIX E

## COMPARISONS/RECONCILIATION



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

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## 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 2009 actuarial valuation to the 2010 actuarial valuation, while the last table cross-references the required sections of 112.64 with this report.

<b>TABLE E-1</b>			
<b>One-Year Comparisons</b>			
<b>1. Annual Rate of Investment Return on Actuarial Value of Assets</b>			
Period Ending	Actual	Assumed	
June 30, 2008	6.98%	7.75%	
June 30, 2009	-6.74%	7.75%	
June 30, 2010	5.30%	7.75%	
<b>2. Annual Rate of Payroll Growth</b>			
Period Ending	Actual <sup>1) &amp; 2)</sup>	Assumed <sup>2)</sup>	
June 30, 2008	2.00%	0.00%	
June 30, 2009	-1.63%	0.00%	
June 30, 2010	-3.37%	0.00%	
<b>3. Individual Rates of Salary Increases for Regular Members and Special Risk Members</b>			
Year Ended June 30	Rate of Increase During Year		
	Regular Members	Special Risk	Assumed <sup>3)</sup>
2008	6.0%	6.0%	6.25%
2009	2.3%	5.4%	6.25%
2010	1.6%	2.2%	5.85%

<sup>1)</sup> Payroll excludes DROP members for all years

<sup>2)</sup> The payroll base compared is used for normal cost calculations

<sup>3)</sup> Individual rates vary by age



## COMPARISONS/RECONCILIATION

<b>TABLE E-2 FLORIDA RETIREMENT SYSTEM DATA RECONCILIATION (FRS TRUST FUND)</b>					
	Active Members	Disabled Members	Retired Members and Beneficiaries	DROP Participants	Total
Number reported as of July 1, 2009	572,591	12,939	273,735	33,921	892,186
New Entrants	41,478	0	0	0	41,478
Retirements	(14,014)	785	22,995	(9,766)	0
DROP	(10,420)	0	0	10,420	0
Terminations, PEORP Transfers and deaths with and without benefit	(33,339)	0	0	0	(33,339)
Cessation of benefit payments	NA	(544)	(8,781)	0	(9,325)
Number reported as of July 1, 2010	556,296	13,180	287,949	33,575	891,000

# COMPARISONS/RECONCILIATION

**Table E-3**  
**Florida Retirement System**  
**Cross Reference to Section 112.64 Reporting Requirements**

<b>Code Ref</b>	<b>1 General Information:</b>	
1.003 (3g)	Includes certification by the enrolled actuary (signed and dated)?	Page 3
1.003 (11)	Do procedures follow commonly accepted procedures and determinations?	Page 3
1.003 (4g)	Disclosure of events not taken into account by actuary?	Page 2
1.003 (4g)	Disclosure of trends not assumed to continue (by actuary)?	Page 2
	<b>2 Assumptions:</b>	
1.003 (3e)	Description and explanation of all actuarial assumptions?	A-1
1.003 (3f)	Is there a comparison of actual to expected salary increases over the preceding 3-year period?	E-1
1.003 (3f)	Is there a comparison of actual to expected investment returns over the preceding 3-year period?	E-1
1.003 (6)	Do assumptions factor in actual experience?	A-1
1.003 (6)	Is impact of inflation considered?	A-8
1.003 (6)	Any consistent experience gains or losses to suggest assumption changes?	No
1.003 (7)	Listing of changed assumptions?	1-13
	<b>3 Plan Provisions &amp; Funding Method:</b>	
1.003 (4c)	Contain a summary of plan provisions?	B-1
1.003 (4d)	Contain a detailed summary of funding method?	A-1
1.003 (5)	Does funding method provide a contribution sufficient to meet the NC and amortize the UAL?	Y(Section IV)
	<b>4 Assets &amp; Method:</b>	
1.003 (3a)	Is the MVA breakdown included (by cash, bonds, stocks, and other)?	II-3
1.003 (3a)	Is the "statement value" breakdown included?	No
1.003 (3a)	Is the derivation of AVA included?	II-5
1.003 (8)	Are administrative expenses being paid on a current basis?	II-4
	Asset reconciliation, including:	
1.003 (4j)	- contributions by source	II-4
1.003 (4j)	- interest and dividends	II-4
1.003 (4j)	- realized gains / (losses)	II-4
1.003 (4j)	- unrealized appreciation	II-4
1.003 (4j)	- pension payments	II-4
1.003 (4j)	- contribution refunds	II-4
1.003 (4j)	- expenses	II-4
1.003 (4j)	- other receipts (identified)	II-4 (transfer)
1.003 (4j)	- other disbursements (identified)	II-4 (PEORP)



# COMPARISONS/RECONCILIATION

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<b>5 UAL &amp; Amortization Schedule:</b>		
1.003 (3b)	Include a plan to amortize any UAL?	IV-1 & D-3
	Does amortization schedule of UAL exist (as of the valuation date) ...	
1.003 (3c)	- on an annual basis for the next 3-years?	No
1.003 (3c)	- for the final year?	No
1.003 (3c)	Is a statement as to how method was derived included?	A-1
1.003 (3d)	Is a description of actions taken to reduce the UAL included?	Section IV
	Reconciliation of UAL (must include items below):	
1.003 (4h)	- UAL for prior valuation (w/ start date)	IV-6
1.003 (4h)	- Normal Cost, contributions, & accrued interest	No
1.003 (4h)	- Impact of changes (assumption, funding method, amendments, gain/loss)	IV-6
1.003 (4h)	- UAL for current valuation	IV-6
<b>6 Results:</b>		
1.003 (4a)	Valuation Date clearly indicated?	I-4
1.003 (4e)	Are results separated by employee group?	III-3 and Sections IV & V
1.003 (4f)	Is there disclosure of any benefit and expense provided by and/or paid from plan assets for which no liabilities or current costs have been established?	Page 2
1.003 (4i)	Projection of emerging liabilities/cash flow needs for next 10-15 years (optional)	No
1.003 (4l)	Summary of principal results (for current and prior valuation) including:	
	- participant data (counts, total pay, total annual benefits by group)	C-2
	- assets (market and actuarial)	II-5
	- PVB (split: active by decrement, tv, ret & ben, dis, and total)	III-3
	- PV of future benefit payments	III-3
	- AL and UAL, i.e., including amount, date, amortization period	III-3
	- PVVB (by group), non-vested PVAB, Total PVAB	V-3
1.003 (4l)	Reconciliation of PVAB, including:	
	- PVAB at beginning of year	V-5
	- changes due to amendment and/or assumptions	V-5
	- change due to decrease in discount period and benefits accrued	V-5
	- Benefits paid	V-5
	- Other changes	V-5
	- Net increase (decrease)	V-5
	- PVAB at end of year	V-5
1.003 (4l)	Pension Cost	
	- Normal cost (shown for each benefit and amount for admin expense)	IV-4
	- Payment to amortize UAL	IV-7
	- Expected plan sponsor contribution (i.e. total of above pieces with interest, also as % of pay)	IV-7
	- Amount to be contributed by members (total and % of pay)	N/A

# COMPARISONS/RECONCILIATION

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1.003 (4l)	Past Contributions	
	- Required plan sponsor & member contribution	V-9
	- Actual contributions made by: plan sponsor, members, other	V-9
1.003 (4k)	Active member accumulated contributions with interest	V-4
1.003 (4l)	Net actuarial gain / loss	IV-6
1.003 (4l)	Other (PVFS & PVFC at attained age and at entry age, PVFC from other sources, PVF Expected BP)	III-4
<b>7 Data:</b>		
1.003 (4i)	Are membership demographics and financial statistics included?	C-1
1.003 (4i)	Age/service table for actives included?	C-8
1.003 (4i)	Data reconciliation?	E-2
<b>8 Contribution Rate:</b>		
1.003 (4a)	Applicable beginning and ending dates for recommended contribution indicated?	I-3
1.003 (4b)	Are ER and EE contribution rates adequate to meet benefits?	I-3
1.003 (4b)	Are contribution rate changes necessary to achieve or preserve funding?	No
1.003 (7)	Is the impact of assumption or cost method changes indicated?	I-1 & IV-2
1.003 (9)	Were costs to be paid at a later date adjusted for interest and/or salary?	Yes I-3
1.003 (10)	Is the effective date of recommended changes no later than the next fiscal year?	Yes I-3

# APPENDIX F

## GLOSSARY



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2010

*This work product was prepared solely for the Department of Management Services for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.*

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. *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.

**2. *Accumulated Benefit Obligation (ABO):***

The actuarial present value of benefits attributed by the pension benefit formula to employee service rendered before a specified date and based on employee service and compensation prior to that date.

**3. *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.

**4. *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.

**5. *Actuarially Equivalent:***

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

**6. *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.

**7. Actuarial Liability (AL) :**

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.

**8. 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.

**9. Actuarial Value of Assets (AVA):**

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.

**10. Amortization:**

Paying an interest-bearing liability by gradual reduction through a series of installments, as opposed to one lump-sum payment.

**11. 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 percent of payroll.  
Cash payment remains level.

**12. Annual Pension Cost (APC):**

Under GASB, when the Net Pension Obligation is positive, the APC is equal to the Annual Required Contribution plus the Interest on the beginning Net Pension Obligation minus the amortization of the Net Pension Obligation. When the Net Pension Obligation is negative, the APC is equal to the Annual Required Contribution minus the Interest on the beginning Net Pension Obligation plus the amortization of the Net Pension Obligation.

**13. Annual Required Contribution (ARC):**

Under GASB, this amount is equal to the Normal Cost plus the Amortization Payment. GASB does not require contributions to be equal to the ARC; however it requires the calculation and reporting of the ARC.

**14. Entry Age Normal Actuarial Cost Method (EAN):**

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 or service 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.

**15. Funded Ratio:**

Ratio of the assets of a pension plan to its liabilities.

**16. Government Accounting Standards Board (GASB):**

This Board sets standards of state and local accounting and financial reporting.

**17. Interest Rate:**

The rate used to discount projected benefit payments to determine the present value in a valuation.

**18. Market Value of Assets (MVA):**

The price for which an asset could be sold at a particular date. May also be referred to as the Fair Value of Assets.

**19. Normal Cost (NC):**

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.

**20. Net Pension Obligation (NPO):**

Under GASB, the cumulative difference between Annual Pension Cost and the employer's contributions to the plan, including the pension liability or asset at transition, if any.

**21. Present Value (PV)/ Actuarial Present Value (APV):**

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

**22. 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 anticipated future compensation and service credits.

**23. Projected Unit Credit Actuarial Cost Method (PUC):**

A method under which the projected benefits in an Actuarial Valuation are allocated by a consistent formula to valuation years. The Actuarial Present Value of benefits allocated to a valuation year is called the Normal Cost. The Actuarial Present Value of benefits allocated to all periods prior to a valuation year is called the Actuarial Accrued Liability.

**24. *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.

**25. *Valuation Date:***

The date as of which the liabilities are determined.