

# The Florida Retirement System

Pension Plan & Other  
State-Administered Systems

Department of Management Services  
Division of Retirement

Charlie Crist, Governor  
Linda H. South, Secretary  
Sarabeth Snuggs, State Retirement Director



**ANNUAL REPORT**  
JULY 1, 2009 - JUNE 30, 2010

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Governor Charlie Crist

Secretary Linda H. South

Dear Florida Retirement System Stakeholders:

We are pleased to present the Florida Retirement System 2009-2010 Annual Report. This annual report, which covers the period from July 1, 2009, through June 30, 2010, provides comprehensive information about the Florida Retirement System (FRS) and other state-administered retirement systems. It includes statements of financial conditions, investment objectives and policy, an actuarial report, historical and statistical information on active members, annuitants and benefit payments, a summary description of the retirement plans, as well as a list of FRS participating employers. The "Highlights and Legislation" section includes summaries of fiscal and membership reports and an overview of retirement-related legislation passed during the 2010 legislative session.

As of June 30, 2010, the FRS had 655,367 active members including 557,585 Pension Plan members and 97,782 Investment Plan members. The Pension Plan had 33,577 Deferred Retirement Option Program (DROP) participants as well as 304,337 retirees and beneficiaries receiving monthly retirement benefits. During the 2009-10 plan year, the FRS paid \$6.1 billion in monthly retirement benefits, accumulated DROP benefits and member contribution refunds. The FRS Trust Fund assets were approximately \$121.9 billion as of June 30, 2010.

The FRS is the fourth largest public retirement system in the country. The FRS Pension Plan has the lowest administrative cost per member, \$18.40, compared to other state retirement systems with more than 500,000 members. We continually strive to provide the highest level of customer service while limiting our operating costs.

For the seventh consecutive year, the FRS Pension Plan received the Public Pension Coordinating Council Standards Award. This award serves as a benchmark for defined benefit public plans to be measured in terms of both public retirement system management and administration.

The Department of Management Services Division of Retirement prepared this report. To the best of our knowledge, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and operations of the FRS. We created this report to provide complete and reliable information to members of the FRS, the Governor, the Florida Legislature and the citizens of Florida.

Sincerely,

A handwritten signature in black ink that reads 'Sarabeth Snuggs'.

Sarabeth Snuggs  
State Retirement Director

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## INTRODUCTION

The Florida Legislature established the Florida Retirement System (FRS) in 1970 by consolidating the state's existing state-administered retirement systems into one system. The FRS provides retirement, disability or death benefits to 304,337 retirees or their designated beneficiaries and 33,577 Deferred Retirement Option Program (DROP) participants, and offers a wide range of information services to 655,367 non-retired members. The primary system is a defined benefit plan for all state, county, district school board, community college and university employees. Some cities, charter schools, metropolitan planning districts and special districts also choose to participate in the system. Some State University System, State Community College System and senior management employees also choose to participate in available optional retirement programs (defined contribution plans). The Public Employee Optional Retirement Program, a defined contribution plan alternative to the FRS defined benefit plan for non-retired members, is available as a membership choice to all new employees, except certain university faculty who must participate in the State University System Optional Retirement Program. Members have a second election opportunity to change between the primary FRS plans anytime before retirement. The Florida Retirement System Trust Fund assets were approximately \$121.9 billion as of June 30, 2010.

This annual report, which covers the period from July 1, 2009, through June 30, 2010, provides comprehensive information about the system, including statements of financial condition, investment objectives and policy, an actuarial report, historical and statistical information on active members, annuitants and benefit payments, as well as a description of the retirement plans. The "Highlights and Legislation" section presents summaries of fiscal and membership reports and an overview of retirement-related legislation passed during the 2010 legislative session.

The Division of Retirement manages Florida's state-administered retirement systems. The governor appoints the secretary of the Department of Management Services who appoints the state retirement director. The following individuals were involved in managing the state-administered retirement systems during fiscal year 2009-10.

Linda H. South  
Secretary

Sarabeth Snuggs  
Director

Pat Connolly  
Assistant Director

#### STAFF ACTIVITIES

Jerry Haynes, Manager  
Administrative Services

#### BUREAUS

Dani O'Quinn, Chief  
Bureau of Benefit Payments

Doug Cherry, Chief  
Bureau of Retirement Calculations

Keith Brinkman, Chief  
Bureau of Local Retirement Systems

Cathy Smith, Chief  
Bureau of Enrollment and Contributions

Mailing Address  
Division of Retirement  
P.O. Box 9000  
Tallahassee, Florida 32315-9000



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This annual reports contains the following terms and abbreviations:

**Accumulated Contributions** – The total amount of contributions posted to the accounts of active members over their employment career, including interest on the contributions for members of the Teachers’ Retirement System.

**Active Member** – Any employee on the May or June payroll who had not retired or had not been refunded accumulated contributions as of June 30.

**AFC** – Average Final Compensation, the average of five highest fiscal years’ earnings.

**Annualized Benefits** – The monthly benefit paid on June 30 multiplied by 12.

**Annual Payroll** – The total salaries paid during the fiscal year to the members indicated.

**Annuitant** – Retired person or the survivor of a retired person who is receiving monthly benefits.

**Combined Systems** – Teachers’ Retirement System, State and County Officers and Employees’ Retirement System, Highway Patrol Pension Trust Fund, Judicial Retirement System, and the Florida Retirement System since 1970.

**DMS** – Department of Management Services.

**DROP** – Deferred Retirement Option Program.

**FRS** – Florida Retirement System.

**REGULAR** – Regular Class.

**SPECIAL RISK** – Special Risk Class.

**SPECIAL RISK ADM. SUP.** – Special Risk Administrative Support Class.

**EOC** – Elected Officers’ Class.

**SMSC** – Senior Management Service Class.

**FRS DB Plan** – Florida Retirement System Defined Benefit Plan, also known as the Florida Retirement System Pension Plan.

**HIS** – Health Insurance Subsidy.

**HWY PATROL** – Highway Patrol Pension Fund.

**IFAS** – Institute of Food and Agricultural Sciences.

**Inactive Members** – All members who had contributions posted to their accounts on June 30, except active members, retired members, and members who received a partial refund of their contributions, as of June 30.

**JRS** – Judicial Retirement System.

**PEORP** – Public Employee Optional Retirement Program, also known as the Florida Retirement System Investment Plan.

**Retirees** – Retired members (does not include joint annuitants or survivors).

**SCOERS** – State and County Officers and Employees’ Retirement System.

**SMSOAP** – Senior Management Service Optional Annuity Program.

**SUSORP** – State University System Optional Retirement Program.

**TRS** – Teachers’ Retirement System.

**TRS-SB** – Teachers’ Retirement System Survivors’ Benefit.

**UAL** – Unfunded Actuarial Liability – The difference between the actuarial assets of the system and the benefits required to be paid in the future.



Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2010***

Presented to

***Florida Retirement System Pension Plan***

In recognition of meeting professional standards for  
plan funding and administration as  
set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, reading 'Alan H. Winkle'.

Alan H. Winkle  
Program Administrator

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# Highlights and Legislation



Photo courtesy of John Owen

Florida's Historic Capitol in Tallahassee, Florida, restored to its 1902 appearance.

## MEMBERSHIP AND PAYROLL

as of June 30

### TOTAL FRS MEMBERSHIP

|                       | <u>2009*</u>     | <u>2010*</u>     | <u>% Increase</u> |
|-----------------------|------------------|------------------|-------------------|
| Members               | 668,416          | 655,367          | -1.95             |
| Annual Payroll        | \$27,508,616,581 | \$26,896,707,047 | -2.22             |
| Average Annual Salary | \$41,572         | \$41,449         | -0.30             |

### FRS INVESTMENT PLAN MEMBERSHIP

|                       | <u>2009*</u>    | <u>2010*</u>    | <u>% Increase</u> |
|-----------------------|-----------------|-----------------|-------------------|
| Members               | 95,528          | 97,782          | 2.36              |
| Annual Payroll        | \$3,826,468,651 | \$3,942,489,627 | 3.03              |
| Average Annual Salary | \$40,428        | \$40,694        | 0.66              |

### FRS PENSION PLAN MEMBERSHIP

|                       | <u>2009*</u>     | <u>2010*</u>     | <u>% Increase</u> |
|-----------------------|------------------|------------------|-------------------|
| Members               | 572,888          | 557,585          | -2.67             |
| Annual Payroll        | \$23,682,147,930 | \$22,954,217,420 | -3.07             |
| Average Annual Salary | \$41,763         | \$41,582         | -0.43             |

## ANNUITANTS AND BENEFIT PAYMENTS FOR THE FRS PENSION PLAN

as of June 30

The increase in benefit payments is the result of several factors: (1) an increase in the number of new retirees; (2) higher salaries; and (3) cost-of-living adjustments to retirees. The figures below include disability payments, IFAS, General Revenue, and TRS-SB, but do not include refunds of member contributions.

|                               | <u>2009*</u>    | <u>2010*</u>    | <u>% Increase</u> |
|-------------------------------|-----------------|-----------------|-------------------|
| Annuitants                    | 289,602         | 304,337         | 5.09              |
| Benefit Payments (Annualized) | \$4,878,227,567 | \$5,315,144,402 | 8.96              |
| Average Benefits (Annualized) | \$16,845        | \$17,465        | 3.68              |

### DISABILITIES

|                               | <u>2009*</u>  | <u>2010*</u>  | <u>% Increase</u> |
|-------------------------------|---------------|---------------|-------------------|
| Disabled Retirees             | 14,994        | 15,340        | 2.31              |
| Benefit Payments (Annualized) | \$176,886,872 | \$187,491,196 | 5.99              |
| Average Benefits (Annualized) | \$11,797      | \$12,222      | 3.60              |

### DEFERRED RETIREMENT OPTION PROGRAM PARTICIPANTS

|                        | <u>2009</u>     | <u>2010</u>     | <u>% Increase</u> |
|------------------------|-----------------|-----------------|-------------------|
| DROP Participants      | 32,921          | 33,577          | 1.99              |
| Annual Payroll         | \$1,752,132,852 | \$1,737,532,282 | -0.83             |
| DROP Accrued Liability | \$2,043,186,513 | \$1,960,010,247 | -4.07             |

\* Excludes DROP participants.



# ALL TRUST FUNDS ADMINISTERED

## STATEMENT OF FUND BALANCE

as of June 30

|                                                                | <u>2009</u>                    | <u>2010</u>                     |
|----------------------------------------------------------------|--------------------------------|---------------------------------|
| Florida Retirement System Trust Fund                           | \$96,503,161,626               | \$107,179,989,885               |
| Health Insurance Subsidy Trust Fund                            | 294,546,936                    | 291,458,619                     |
| State University System Optional Retirement Program Trust Fund | 2,466,667                      | 2,915,886                       |
| Senior Management Service Optional Annuity Program Trust Fund  | 49,619                         | 21,909                          |
| General Revenue Appropriation                                  | 13,221,762                     | 14,048,097                      |
| Police Officers and Firefighters' Premium Tax Trust Fund       | <u>57,584,772</u>              | <u>65,656,126</u>               |
| <b>Total Fund Balance</b>                                      | <b><u>\$96,871,031,382</u></b> | <b><u>\$107,554,090,522</u></b> |

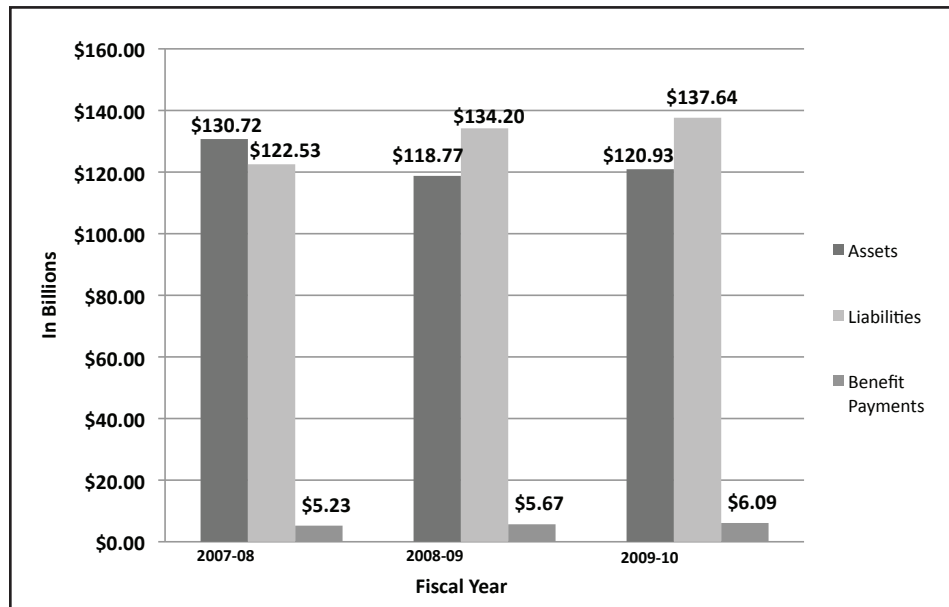
## FRS TRUST FUND ADDITIONS, DEDUCTIONS AND NET ASSETS

as of June 30

|                                                      | 2009                    | 2010                     |
|------------------------------------------------------|-------------------------|--------------------------|
| <b>Additions</b>                                     |                         |                          |
| <b>Contributions</b>                                 |                         |                          |
| Pension Contributions - State                        | \$678,777,464           | \$687,181,878            |
| Pension Contributions - Non-State                    | 2,556,629,547           | 2,463,578,264            |
| Pension Contributions - Employee                     | 138,264,160             | 23,416,290               |
|                                                      | 3,373,671,171           | 3,174,176,432            |
| <b>Transfers from Other Funds</b>                    |                         |                          |
| Optional Annuity Program                             | 119                     | —                        |
| General Revenue                                      | 13,221,762              | 14,048,097               |
| Savings Bond                                         | —                       | —                        |
| Social Security                                      | —                       | —                        |
| PEORP                                                | 18,595,158              | 21,073,587               |
| Property Transfers In                                | —                       | —                        |
| <b>Total Contributions</b>                           | 3,405,488,210           | 3,209,298,116            |
| <b>Investment Income</b>                             |                         |                          |
| Net Appreciation in Fair Value of Investments        | (26,504,626,706)        | 11,678,173,465           |
| Interest Income                                      | 103,900,427             | 1,438,692,414            |
| Dividends                                            | 1,367,459,136           | 1,384,740,430            |
| Real Estate Operating Income, Net                    | 382,122,632             | 438,434,716              |
| Other Investment Income                              | 130,548,135             | 41,858,135               |
| <b>Total Investment Income</b>                       | (24,520,596,377)        | 14,981,899,161           |
| Less Investment Activity Expense                     | 287,648,262             | 318,528,939              |
| <b>Net Income from Investment Activity</b>           | (24,808,244,639)        | 14,663,370,222           |
| <b>Security Lending Activities</b>                   |                         |                          |
| Security Lending Income                              | 221,718,334             | 58,808,435               |
| Security Lending Expense                             | 120,420,237             | 16,794,818               |
| Net Income from Security Lending                     | 101,298,097             | 42,013,617               |
| <b>Total Additions</b>                               | (21,301,458,332)        | 17,914,681,954           |
| <b>Deductions</b>                                    |                         |                          |
| Benefit Payments                                     | 5,669,557,697           | 6,088,727,455            |
| Benefit Payments - General Revenue Funded            | 13,221,762              | 14,048,097               |
| Refund of Contributions                              | 4,012,351               | 2,821,688                |
| Transfers Out within Department                      | 1,109,107               | 1,230,722                |
| Transfers to Other Departments                       | 14,358,753              | 14,011,749               |
| Transfers to Other Departments - PEORP               | 943,887,717             | 1,100,198,308            |
| Property Dispositions                                | —                       | —                        |
| Depreciation Expense                                 | 207,667                 | 176,045                  |
| Administrative Expenses                              | 15,825,118              | 16,639,631               |
| <b>Total Deductions</b>                              | 6,662,180,170           | 7,237,853,696            |
| <b>Net Increase</b>                                  | (27,963,638,502)        | 10,676,828,259           |
| <b>Net Assets Held in Trust For Pension Benefits</b> |                         |                          |
| Beginning of Year                                    | 124,466,800,130         | 96,503,161,626           |
| <b>End of Year</b>                                   | <b>\$96,503,161,626</b> | <b>\$107,179,989,885</b> |

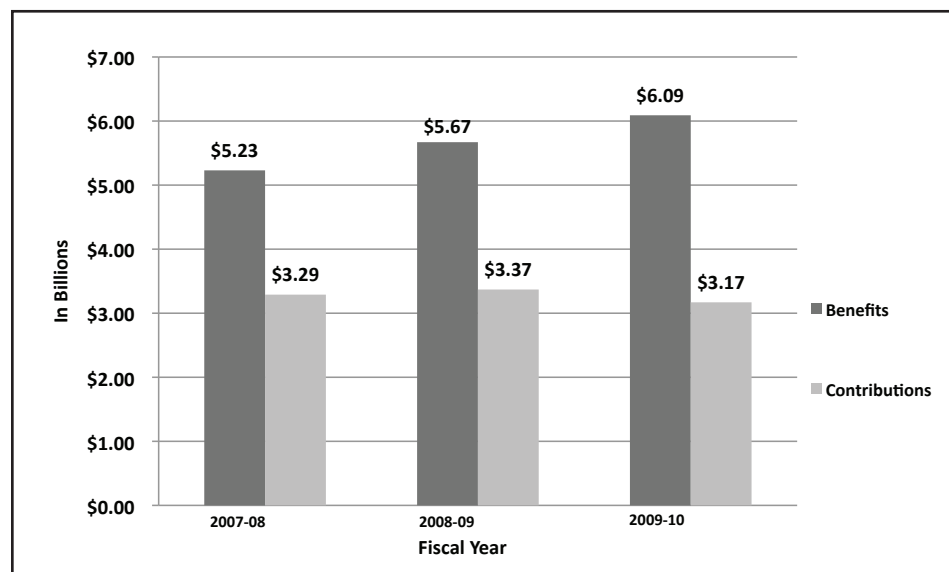
## FRS TOTAL ACTUARIAL ASSETS COMPARED TO FRS TOTAL ACTUARIAL LIABILITIES

This chart illustrates the overall financial health of the FRS defined benefit plan. Annual benefit payments are identified as part of the total liabilities.



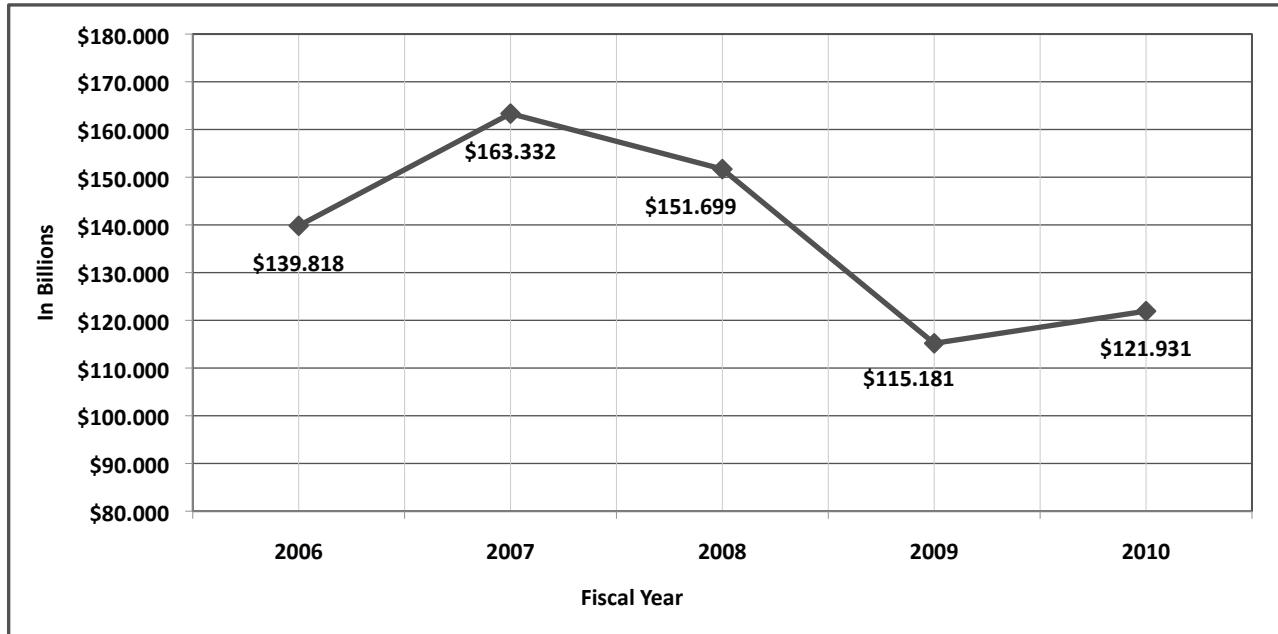
## BENEFIT PAYMENTS COMPARED TO TOTAL CONTRIBUTIONS

The actuarial assets of the FRS defined benefit plan exceeded the actuarial liabilities of the system from 1998 through 2008; making it possible for the Legislature to set the Pension Plan contribution rates below normal cost using surplus actuarial assets. Beginning in 2008-09 an actuarial unfunded liability reappeared. Benefit payments are increasing due to an increased number of retirees, higher salaries and annual cost-of-living increases.



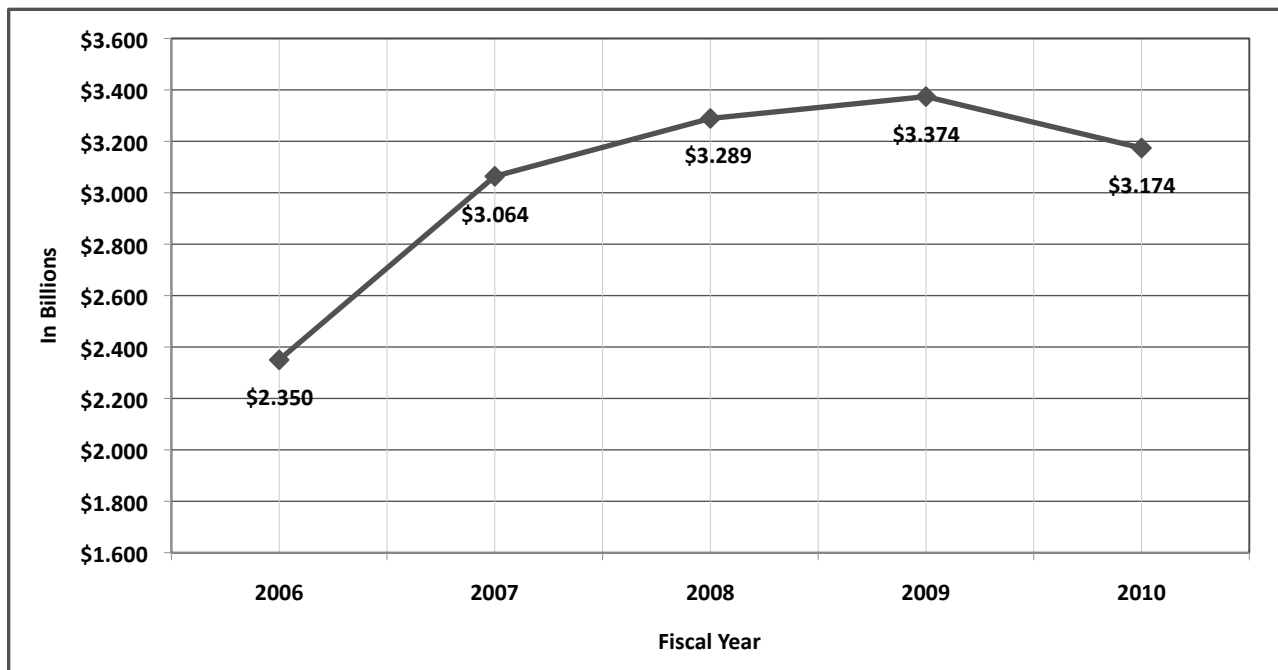
## GROWTH OF FRS TRUST ASSETS

as of June 30



## RETIREMENT CONTRIBUTIONS FOR FRS

as of June 30



## FLORIDA RETIREMENT SYSTEM TRUST FUND PERFORMANCE

The following shows the Florida Retirement System Trust Fund's investment performance reported at fair value for one-year periods as of June 30 of each year.

| <u>Fiscal<br/>Year</u> | <u>Based On<br/>Fair Value</u> |
|------------------------|--------------------------------|
| 2000                   | 10.80%                         |
| 2001                   | (6.90)%                        |
| 2002                   | (8.07)%                        |
| 2003                   | 2.80%                          |
| 2004                   | 16.65%                         |
| 2005                   | 10.18%                         |
| 2006                   | 10.56%                         |
| 2007                   | 18.07%                         |
| 2008                   | (4.42)%                        |
| 2009                   | (19.03)%                       |
| 2010                   | 14.03%                         |

## ADMINISTRATIVE COSTS

as of June 30

The cost of administering the Florida Retirement System increased for the 2010 year. The State Board of Administration deducts the fees for its investment services directly from the FRS Trust Fund, so they do not appear in the division's operating budget. For 2010, the State Board of Administration paid \$318,528,939 for external investment and banking fees, for internal investment management and other Florida Retirement System administrative costs.

|                      | <u>2009</u>  | <u>2010</u>  | <u>% Increase<br/>(Decrease)</u> |
|----------------------|--------------|--------------|----------------------------------|
| Administrative Costs | \$17,415,380 | \$18,279,337 | 4.96%                            |

## 2010 LEGISLATIVE SESSION

All retirement legislation must comply with Article X, Section 14, of the State Constitution and with part VII, chapter 112, Florida Statutes. Both of these provisions require that any increase in retirement benefits must be funded concurrently on an actuarially sound basis. The Florida Legislature enacted the following substantive changes in 2010:

### **1. Chapter 2010-171, Laws of Florida**

- Created a public records exemption for specified personal information of current and former public defenders and criminal conflict and civil regional counsel, as well as their spouses and children.

### **2. Chapter 2010-179, Laws of Florida**

- Provided eligibility requirements for membership in the FRS Special Risk Class for certain members who suffer a qualifying injury for as long as eligible members remain employed by the same employer as at the time of injury.

### **3. Chapter 2010-180, Laws of Florida**

- Provided for use of excess account balances in the FRS Investment Plan after transfer to the FRS Pension Plan to purchase or upgrade service credit in the Pension Plan.
- Changed the employer contribution rate for the administration of the FRS Investment Plan to 0.03 percent from July 1, 2010, through June 30, 2014, and to 0.04 percent effective July 1, 2014.
- Expanded the types of investments the State Board of Administration (SBA) is authorized to make and increased the asset allocation in foreign equities from 25 percent to 35 percent of the total fund.



# Financial Statements



Photo Courtesy of J Potter

The Old Spanish Sugar Mill, opened in 1961 by Peter and Marjorie Schwarze, is a unique restaurant located inside the DeLeon Springs State Park recreation area.

# EXHIBIT A - DEFINED BENEFIT PENSION PLANS COMPARATIVE STATEMENT OF PLAN NET ASSETS

as of June 30

|                                                           | Florida Retirement System<br>Trust Fund |                         |
|-----------------------------------------------------------|-----------------------------------------|-------------------------|
|                                                           | 2010                                    | 2009                    |
| <b>Assets</b>                                             |                                         |                         |
| Cash and Cash Equivalents                                 | \$151,927,634                           | \$501,855,696           |
| State Treasury Investment Pool                            | 1,680,822                               | 980,001                 |
| <b>Total Cash and State Treasury Investments</b>          | <b>153,608,456</b>                      | <b>502,835,697</b>      |
| <b>Investments</b>                                        |                                         |                         |
| Certificates of Deposit                                   | 584,932,435                             | 650,018,995             |
| U.S. Government and Federally Guaranteed Obligations      | 6,448,165,511                           | 2,765,487,688           |
| Federal Agencies                                          | 7,969,767,654                           | 7,813,487,854           |
| Commercial Paper                                          | 3,656,139,638                           | 2,701,752,362           |
| Options                                                   | 5,615,350                               | (1,928,869)             |
| Repurchase Agreements                                     | 1,565,763,000                           | 1,475,431,366           |
| International Bonds and Notes                             | 3,354,299,138                           | 2,562,370,731           |
| Bonds and Notes                                           | 14,282,714,238                          | 17,998,679,612          |
| Fix Income Investment                                     | —                                       | —                       |
| Real Estate Contracts                                     | 6,160,289,374                           | 6,506,329,245           |
| Mutual Funds Equity                                       | 5,135,368,806                           | 4,773,683,729           |
| Short Term Investment Funds                               | 4,652,274                               | 2,406,832               |
| Domestic Equity/Domestic Equity Commingled                | 40,179,373,523                          | 32,911,339,799          |
| Limited Partnerships                                      | 6,372,309,082                           | 4,593,643,077           |
| Equity Group Trust                                        | 2,082,558                               | 1,927,712               |
| International Equity/International Equity Commingled      | 17,066,866,013                          | 16,575,244,520          |
| <b>Total Investments</b>                                  | <b>112,788,338,595</b>                  | <b>101,329,874,655</b>  |
| <b>Receivables</b>                                        |                                         |                         |
| Accounts Receivable                                       | 83,557                                  | —                       |
| Contributions Receivable - State                          | 51,546,137                              | 51,986,274              |
| Contributions Receivable - Non-State                      | 255,793,869                             | 249,077,442             |
| Interest Receivable                                       | 264,433,416                             | 259,320,255             |
| Dividends Receivable                                      | 119,467,463                             | 119,432,172             |
| Pending Investment Sales                                  | 2,566,913,808                           | 2,850,894,632           |
| Forward Contract Receivable                               | 564,628,863                             | 285,333,530             |
| Future Trade Equity                                       | 11,158,215                              | 15,638,503              |
| Prepaid Items                                             | 9,434,919                               | 5,916,296               |
| Allowance For Uncollectibles                              | —                                       | —                       |
| Due from Other Funds within Division                      | 310                                     | —                       |
| Due from Other Funds                                      | —                                       | —                       |
| <b>Total Receivables</b>                                  | <b>3,843,460,555</b>                    | <b>3,837,599,103</b>    |
| Security Lending Collateral                               | 5,145,214,996                           | 9,509,811,617           |
| Property, at Cost                                         | 1,467,995                               | 1,430,481               |
| Accumulated Depreciation                                  | (806,164)                               | (692,358)               |
| <b>Total Property</b>                                     | <b>661,831</b>                          | <b>738,122</b>          |
| <b>Total Assets</b>                                       | <b>121,931,284,433</b>                  | <b>115,180,859,194</b>  |
| <b>Liabilities</b>                                        |                                         |                         |
| Accounts Payable                                          | 55,169,751                              | 53,085,188              |
| Benefits Payable                                          | 1,391,611                               | 2,343,036               |
| Accrued DROP Liability                                    | 2,331,167,940                           | 2,467,414,646           |
| Accrued Salaries and Wages                                | 177,823                                 | —                       |
| Due to Other Funds                                        | 23,743                                  | 22,883                  |
| Due to Other Departments                                  | 45,483,063                              | 42,792,399              |
| Future Trade Equity Payable                               | —                                       | —                       |
| Accrued Interest Payable                                  | 3,730,230                               | 11,622,088              |
| Obligations Under Securities Lending                      | 5,307,936,737                           | 10,357,706,017          |
| Pending Investment Purchases                              | 5,713,045,515                           | 4,843,425,531           |
| Forward Contracts Payable                                 | 562,818,119                             | 286,370,658             |
| Broker Rebate Fees                                        | 245,448                                 | (3,829,446)             |
| Short Sell Obligations - Fixed Income                     | 729,122,043                             | 615,754,315             |
| Compensated Absences Liability                            | 982,524                                 | 990,252                 |
| <b>Total Liabilities</b>                                  | <b>14,751,294,545</b>                   | <b>18,677,697,568</b>   |
| <b>Net Plan Assets Held In Trust for Pension Benefits</b> | <b>\$107,179,989,885</b>                | <b>\$96,503,161,626</b> |



# EXHIBIT B - DEFINED BENEFIT PENSION PLANS

## COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS

as of June 30

|                                                      | Florida Retirement System<br>Trust Fund |                         |
|------------------------------------------------------|-----------------------------------------|-------------------------|
|                                                      | 2010                                    | 2009                    |
| <b>Additions</b>                                     |                                         |                         |
| <b>Contributions</b>                                 |                                         |                         |
| Pension Contributions - State                        | \$687,181,878                           | \$678,777,464           |
| Pension Contributions - Non-State                    | 2,463,578,264                           | 2,556,629,547           |
| Pension Contributions - Employee                     | 23,416,290                              | 138,264,160             |
|                                                      | 3,174,176,432                           | 3,373,671,171           |
| <b>Transfers from Other Funds</b>                    |                                         |                         |
| Optional Retirement Program                          | —                                       | 119                     |
| IFAS Trust Fund                                      | —                                       | —                       |
| General Revenue                                      | 14,048,097                              | 13,221,762              |
| Savings Bonds                                        | —                                       | —                       |
| Social Security                                      | —                                       | —                       |
| PEORP                                                | 21,073,587                              | 18,595,158              |
| Property Transfers In                                | —                                       | —                       |
| <b>Total Contributions</b>                           | 3,209,298,116                           | 3,405,488,210           |
| <b>Investment Income</b>                             |                                         |                         |
| Net Appreciation in Fair Value                       | 11,678,173,465                          | (26,504,626,706)        |
| Interest Income                                      | 1,438,692,414                           | 103,900,427             |
| Dividends                                            | 1,384,740,430                           | 1,367,459,136           |
| Real Estate Operating Income, Net                    | 438,434,716                             | 382,122,632             |
| Other Investment Income                              | 41,858,135                              | 130,548,135             |
| <b>Total Investment Income</b>                       | 14,981,899,161                          | (24,520,596,377)        |
| Less Investment Activity Expense                     | 318,528,939                             | 287,648,262             |
| Net Income from Investment Activity                  | 14,663,370,222                          | (24,808,244,639)        |
| <b>Security Lending Activities</b>                   |                                         |                         |
| Security Lending Income                              | 58,808,435                              | 221,718,334             |
| Security Lending Expense                             | 16,794,818                              | 120,420,237             |
| Net Income from Security Lending                     | 42,013,617                              | 101,298,097             |
| <b>Total Additions</b>                               | 17,914,681,954                          | (21,301,458,332)        |
| <b>Deductions</b>                                    |                                         |                         |
| Benefit Payments                                     | 6,088,727,455                           | 5,669,557,697           |
| Benefit Payments - General Revenue Funded            | 14,048,097                              | 13,221,762              |
| Refunds of Contributions                             | 2,821,688                               | 4,012,351               |
| Transfers Out Within Department                      | 1,230,722                               | 1,109,107               |
| Transfers to Other Departments                       | 14,011,749                              | 14,358,753              |
| Transfers to Other Departments - PEORP               | 1,100,198,308                           | 943,887,717             |
| Property Dispositions                                | —                                       | —                       |
| Depreciation Expense                                 | 176,045                                 | 207,667                 |
| Administrative Expenses                              | 16,639,631                              | 15,825,118              |
| <b>Total Deductions</b>                              | 7,237,853,696                           | 6,662,180,170           |
| <b>Net Increase (Decrease)</b>                       | 10,676,828,259                          | (27,963,638,502)        |
| <b>Net Assets Held in Trust for Pension Benefits</b> |                                         |                         |
| Beginning of Year                                    | 96,503,161,626                          | 124,466,800,130         |
| <b>End of Year</b>                                   | <b>\$107,179,989,885</b>                | <b>\$96,503,161,626</b> |

(A schedule of funding progress is presented on Page 28.)

# EXHIBIT C - DEFINED CONTRIBUTION PLANS COMBINING COMPARATIVE BALANCE SHEET

as of June 30

|                                           | Combined Totals     |                    | State University System<br>Optional Retirement Program<br>Trust Fund |                    | Senior Management Service<br>Optional Annuity Program<br>Trust Fund |                 |
|-------------------------------------------|---------------------|--------------------|----------------------------------------------------------------------|--------------------|---------------------------------------------------------------------|-----------------|
|                                           | 2010                | 2009               | 2010                                                                 | 2009               | 2010                                                                | 2009            |
| <b>Assets</b>                             |                     |                    |                                                                      |                    |                                                                     |                 |
| Cash                                      | \$5,138,502         | \$44,359           | \$5,134,754                                                          | \$4,791            | \$3,748                                                             | \$39,568        |
| Investments with State Treasury           | 2,983,655           | 2,544,623          | 2,928,170                                                            | 2,535,677          | 55,485                                                              | 8,946           |
| Interest Receivable                       | 7,085               | 6,030              | 7,020                                                                | 5,993              | 65                                                                  | 37              |
| Contributions Receivable                  | 2,051,174           | 6,585,739          | 2,044,685                                                            | 6,548,889          | 6,488                                                               | 36,850          |
| Due from Other Funds                      | —                   | —                  | —                                                                    | —                  | —                                                                   | —               |
| Property, at Cost                         | —                   | —                  | —                                                                    | —                  | —                                                                   | —               |
| Accumulated Depreciation                  | —                   | —                  | —                                                                    | —                  | —                                                                   | —               |
| <b>Total Assets</b>                       | <b>10,180,416</b>   | <b>9,180,751</b>   | <b>10,114,630</b>                                                    | <b>9,095,350</b>   | <b>65,786</b>                                                       | <b>85,401</b>   |
| <b>Liabilities and Fund Balance</b>       |                     |                    |                                                                      |                    |                                                                     |                 |
| <b>Liabilities</b>                        |                     |                    |                                                                      |                    |                                                                     |                 |
| Accounts Payable                          | 7,210,725           | 6,633,201          | 7,166,850                                                            | 6,597,421          | 43,875                                                              | 35,780          |
| Due to Other Funds                        | 69                  | 81                 | 69                                                                   | 79                 | —                                                                   | 2               |
| Due to Other Departments                  | 401                 | 412                | 399                                                                  | 412                | 2                                                                   | —               |
| Compensated Absences Liability            | 31,426              | 30,771             | 31,426                                                               | 30,771             | —                                                                   | —               |
| <b>Total Liabilities</b>                  | <b>7,242,621</b>    | <b>6,664,465</b>   | <b>7,198,743</b>                                                     | <b>6,628,683</b>   | <b>43,877</b>                                                       | <b>35,782</b>   |
| <b>Fund Balance</b>                       | <b>2,937,795</b>    | <b>2,516,286</b>   | <b>2,915,886</b>                                                     | <b>2,466,667</b>   | <b>21,909</b>                                                       | <b>49,619</b>   |
| <b>Total Liabilities and Fund Balance</b> | <b>\$10,180,416</b> | <b>\$9,180,751</b> | <b>\$10,114,630</b>                                                  | <b>\$9,095,350</b> | <b>\$65,786</b>                                                     | <b>\$85,401</b> |

# EXHIBIT D - DEFINED CONTRIBUTION PLANS

## COMBINING COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

as of June 30

|                                   | Combined Totals           |                           | State University System<br>Optional Retirement Program<br>Trust Fund |                           | Senior Management Service<br>Optional Annuity Program<br>Trust Fund |                        |
|-----------------------------------|---------------------------|---------------------------|----------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------|------------------------|
|                                   | 2010                      | 2009                      | 2010                                                                 | 2009                      | 2010                                                                | 2009                   |
| <b>Revenues</b>                   |                           |                           |                                                                      |                           |                                                                     |                        |
| Pension Contributions - State     | \$139,768,812             | \$137,602,756             | \$139,210,130                                                        | \$136,935,519             | \$558,682                                                           | \$667,237              |
| Pension Contributions - Non-State | 177,779                   | 158,364                   | 177,779                                                              | 158,364                   | —                                                                   | —                      |
| Pension Contributions - Employees | 63,104,327                | 61,839,550                | 63,097,250                                                           | 61,838,920                | 7,077                                                               | 631                    |
| Investment Earnings               | 65,139                    | 70,735                    | 64,572                                                               | 70,311                    | 566                                                                 | 425                    |
| <b>Total Revenues</b>             | <u>203,116,057</u>        | <u>199,671,405</u>        | <u>202,549,731</u>                                                   | <u>199,003,113</u>        | <u>566,325</u>                                                      | <u>668,293</u>         |
| <b>Expenses</b>                   |                           |                           |                                                                      |                           |                                                                     |                        |
| Payments to Annuity Companies     | 202,543,017               | 199,792,878               | 201,948,982                                                          | 199,160,199               | 594,035                                                             | 632,679                |
| Transfers to FRS Trust Fund       | —                         | 119                       | —                                                                    | 119                       | —                                                                   | —                      |
| Administrative Expenses           | 151,530                   | 147,932                   | 151,530                                                              | 147,932                   | —                                                                   | —                      |
| <b>Total Expenses</b>             | <u>202,694,547</u>        | <u>199,940,929</u>        | <u>202,100,512</u>                                                   | <u>199,308,250</u>        | <u>594,035</u>                                                      | <u>632,679</u>         |
| Excess of Revenues over Expenses  | 421,510                   | (269,524)                 | 449,220                                                              | (305,137)                 | (27,710)                                                            | 35,614                 |
| Fund Balance, July 1              | 2,516,286                 | 2,785,810                 | 2,466,667                                                            | 2,771,804                 | 49,619                                                              | 14,005                 |
| <b>Fund Balance, June 30</b>      | <u><b>\$2,937,796</b></u> | <u><b>\$2,516,286</b></u> | <u><b>\$2,915,886</b></u>                                            | <u><b>\$2,466,667</b></u> | <u><b>\$21,909</b></u>                                              | <u><b>\$49,619</b></u> |

## EXHIBIT E - OTHER EMPLOYEE BENEFIT TRUST FUND COMPARATIVE BALANCE SHEET

as of June 30

|                                           | Health Insurance Subsidy<br>Trust Fund |                             |
|-------------------------------------------|----------------------------------------|-----------------------------|
|                                           | 2010                                   | 2009                        |
| <b>Assets</b>                             |                                        |                             |
| Cash                                      | \$615,998                              | \$180,331                   |
| Investments                               | 257,795,868                            | 261,653,591                 |
| Accounts Receivable                       | 32,941,542                             | 32,114,501                  |
| Interest Receivable                       | 156,790                                | 609,069                     |
| Due from Other Funds                      | —                                      | —                           |
| Due from Other Departments                | —                                      | —                           |
| Due from Other Governmental Units         | —                                      | —                           |
| <b>Total Assets</b>                       | <u>291,510,198</u>                     | <u>294,557,492</u>          |
| <b>Liabilities and Fund Balance</b>       |                                        |                             |
| <b>Liabilities</b>                        |                                        |                             |
| Accounts Payable                          | 42,038                                 | 1,443                       |
| Due to Other Funds                        | —                                      | —                           |
| Due to Other Departments                  | 9,541                                  | 9,112                       |
| Due to Other Governmental Units           | —                                      | —                           |
| Due to General Revenue                    | —                                      | —                           |
| <b>Total Liabilities</b>                  | <u>51,579</u>                          | <u>10,556</u>               |
| <b>Fund Balance</b>                       | <u>291,458,619</u>                     | <u>294,546,936</u>          |
| <b>Total Liabilities and Fund Balance</b> | <u><b>\$291,510,198</b></u>            | <u><b>\$294,557,492</b></u> |

# EXHIBIT F - OTHER EMPLOYEE BENEFIT TRUST FUND COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

as of June 30

|                                             | Health Insurance Subsidy<br>Trust Fund |                             |
|---------------------------------------------|----------------------------------------|-----------------------------|
|                                             | 2010                                   | 2009                        |
| <b>Revenues</b>                             |                                        |                             |
| HIS Employer Contributions                  | \$332,023,129                          | \$341,568,560               |
| Investment Earnings                         | 1,992,858                              | 5,887,265                   |
| Net Appreciation in Fair Value              | 1,916,697                              | (6,177,013)                 |
| <b>Total Revenues</b>                       | <u>335,932,684</u>                     | <u>341,278,812</u>          |
| <b>Expenditures</b>                         |                                        |                             |
| Benefit Payments                            | 338,891,598                            | 321,742,432                 |
| Administrative Expenses                     | 81,934                                 | 81,486                      |
| Interest and Fiscal Charges                 | 47,196                                 | 46,874                      |
| Transfers to Other Funds                    | 273                                    | 285                         |
| <b>Total Expenditures</b>                   | <u>339,021,001</u>                     | <u>321,871,077</u>          |
| <b>Excess of Revenues Over Expenditures</b> | (3,088,317)                            | 19,407,735                  |
| <b>Fund Balance, July 1</b>                 | <u>294,546,936</u>                     | <u>275,139,201</u>          |
| <b>Fund Balance, June 30</b>                | <u><u>\$291,458,619</u></u>            | <u><u>\$294,546,936</u></u> |

## EXHIBIT G - SPECIAL REVENUE FUND COMPARATIVE BALANCE SHEET

as of June 30

|                                           | <b>Police and Firefighters Premium<br/>Tax Trust Fund</b> |                      |
|-------------------------------------------|-----------------------------------------------------------|----------------------|
|                                           | <b>2010</b>                                               | <b>2009</b>          |
| <b>Assets</b>                             |                                                           |                      |
| Cash                                      | \$441,424                                                 | \$76,018             |
| Investments                               | 209,809,385                                               | 205,500,330          |
| Accounts Receivable                       | —                                                         | —                    |
| Interest Receivable                       | 37,623                                                    | 356,347              |
| Due from Other Funds                      | —                                                         | —                    |
| Due from Other Departments                | 10,378,100                                                | —                    |
| Due from Other Governmental Units         | —                                                         | —                    |
| <b>Total Assets</b>                       | <b>220,666,531</b>                                        | <b>205,932,695</b>   |
| <b>Liabilities and Fund Balance</b>       |                                                           |                      |
| <b>Liabilities</b>                        |                                                           |                      |
| Accounts Payable                          | 139,249                                                   | 447,522              |
| Due to Other Funds                        | 614                                                       | 334                  |
| Due to Other Departments                  | 14,274,473                                                | 16,379,849           |
| Due to Other Governmental Units           | 130,645,821                                               | 131,112,415          |
| Due to General Revenue                    | 9,950,248                                                 | 407,803              |
| <b>Total Liabilities</b>                  | <b>155,010,405</b>                                        | <b>148,347,923</b>   |
| <b>Fund Balance</b>                       | <b>65,656,126</b>                                         | <b>57,584,772</b>    |
| <b>Total Liabilities and Fund Balance</b> | <b>\$220,666,531</b>                                      | <b>\$205,932,695</b> |

# EXHIBIT H - SPECIAL REVENUE FUND

## COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

as of June 30

|                                             | Police and Firefighters Premium<br>Tax Trust Fund |                     |
|---------------------------------------------|---------------------------------------------------|---------------------|
|                                             | 2010                                              | 2009                |
| <b>Revenues</b>                             |                                                   |                     |
| Premium Taxes                               | \$164,378,100                                     | \$138,358,691       |
| Investment Earnings                         | 481,287                                           | 1,731,848           |
| Net Appreciation in Fair Value              | 1,156,315                                         | (2,387,632)         |
| Transfers in From Within the Agency         | 512,354                                           | —                   |
| <b>Total Revenues</b>                       | <b>166,528,055</b>                                | <b>137,702,907</b>  |
| <b>Expenditures</b>                         |                                                   |                     |
| Distribution to Cities                      | 130,564,247                                       | 130,757,099         |
| Administrative Expenses                     | 937,204                                           | 1,549,028           |
| Interest and Fiscal Charges                 | 31,654                                            | 45,754              |
| Transfers to Other Funds                    | 26,923,596                                        | 25,288,443          |
| <b>Total Expenditures</b>                   | <b>158,456,701</b>                                | <b>157,640,324</b>  |
| <b>Excess of Revenues Over Expenditures</b> | <b>8,071,354</b>                                  | <b>(19,937,417)</b> |
| <b>Fund Balance, July 1</b>                 | <b>57,584,772</b>                                 | <b>77,522,189</b>   |
| <b>Fund Balance, June 30</b>                | <b>\$65,656,126</b>                               | <b>\$57,584,772</b> |

# EXHIBIT I - NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

## 1. Organization and Plan Description

### A. Administration

The Division of Retirement, Department of Management Services administers the:

- Florida Retirement System (FRS) Pension Plan, a defined benefit retirement program that includes closed state-administered defined benefit programs for participating public employees;
- State University System Optional Retirement Program (SUSORP), a defined contribution retirement program for State University System faculty, members of the State University System Executive Service, and administrative and professional staff positions that are exempt from career service;
- Senior Management Service Optional Annuity Program (SMSOAP), a defined contribution retirement program for state Senior Management Service Class employees;
- Retiree Health Insurance Subsidy (HIS) Program, a supplemental benefit program for FRS retirees to assist with the cost of health care coverage;
- Police Officers and Firefighters' Premium Tax Trust Fund, a supplemental funding of defined benefit plans for municipal police officers and firefighters who are not in the FRS, based upon taxes collected on property and casualty insurance premiums within the city limits or special fire district boundaries of the participating plan; and
- Various General Revenue pension appropriations.

Effective December 31, 1986, the collection and remittance of Social Security taxes for public employers in the state was transferred to the U.S. Department of the Treasury, Internal Revenue Service.

### B. Plan Description-FRS

The FRS is a multiple-employer, cost-sharing retirement system. It was created December 1970 by consolidating 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 brought into the overall system. In 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.

The provisions of the FRS are summarized in the section titled "Summary Plan Description and Chronology" beginning on page 60.

### FRS MEMBERSHIP SUMMARY

| Employers              | June 30     |              |
|------------------------|-------------|--------------|
|                        | 2009        | 2010         |
| District School Boards | 67          | 67           |
| Community Colleges     | 28          | 28           |
| County Agencies        | 396         | 396          |
| Cities                 | 181         | 182          |
| Independent Hospitals  | 4           | 5            |
| Special Districts      | 221         | 231          |
| State of Florida       | 55          | 55           |
| Other                  | 12          | 12           |
| Total Employers        | <u>964*</u> | <u>976**</u> |

\*These totals include 26 cities, 3 independent hospitals and 13 independent special districts that are closed to new FRS members as of January 1, 1996.

\*\*These totals include 26 cities, 5 independent hospitals and 12 independent special districts that are closed to new FRS members as of January 1, 1996.



|                                                                        | <u>June 30</u>          |                         |
|------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                        | <u>2009</u>             | <u>2010</u>             |
| <b>Employee Members</b>                                                |                         |                         |
| Current Retirees and Beneficiaries (excludes General Revenue & TRS-SB) | 288,216                 | 302,978                 |
| DROP Participants                                                      | 32,921                  | 33,577                  |
| Terminated Vested Participants                                         | 87,284                  | 88,756                  |
| <b>Subtotal</b>                                                        | <u>408,421</u>          | <u>425,311</u>          |
| <b>Active Participants</b>                                             |                         |                         |
| Vested                                                                 | 474,621                 | 477,386                 |
| Non-vested                                                             | 193,795                 | 177,981                 |
| <b>Subtotal</b>                                                        | <u>668,416</u>          | <u>655,367</u>          |
| <b>Total Employee Members</b>                                          | <u><u>1,076,837</u></u> | <u><u>1,080,678</u></u> |

## 2. Summary of Significant Accounting Policies and Plan Asset Matters

- **Basis of Accounting** — Financial statements for the Pension Funds, both Defined Benefit and Defined Contribution Plans, are prepared using the accrual basis of accounting. Revenues are recognized when earned, contributions are recognized as revenue in the period in which employee services are performed and expenses are recognized when incurred. Financial statements for the Special Revenue and Agency Funds are prepared using the modified accrual basis of accounting. Revenues are recognized when measurable and available for expenditure; expenditures are recognized when incurred.
- **Method Used to Value Investments** — Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued based on expected future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments without an established market are reported at estimated fair value.
- **Property** — Division fixed assets are capitalized in the Operating Trust Fund, which is combined with the FRS Trust Fund for reporting purposes. Effective July 1, 1999, the dollar value in the definition of property as provided in the Florida Statutes was amended to \$1,000 or more. The division also removed items not meeting the definition for capitalization from inventory.
- **Accrued DROP Liability** — Benefits accrue monthly to employees entering DROP who have up to 60 months to terminate from service. The Accrued DROP Liability on June 30, 2010, was \$1,960,010,247 for 33,577 retirees.
- **Compensated Absences Liability** — On June 30, 2010, the amount recorded for compensated absences liability in General Long Term Debt for Special Revenue funded activities was \$59,840.

## 3. Contributions Required and Contributions Made

The funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due (see page 62 for current rates). Level percentages of payroll employer contribution rates, established by state law, are determined using the entry-age actuarial funding method. The level percentage of payroll method is also used to amortize the unfunded liability over a period of 30 years, and to amortize each change in actuarial assumptions.

Contributions during fiscal year 2009-10 totaled \$3,174,176,432 (including pension contributions by employees), in accordance with contribution requirements determined through the actuarial valuation. Below, we list significant actuarial assumptions used to compute contribution requirements.

The Division of Retirement provides the annual report and findings of the annual actuarial valuation and special studies to the Legislature to assist in making funding decisions.

## 4. Required Supplementary Information

### Schedule of Funding Progress

(000 omitted in dollar amounts)

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>Entry Age<br>(b) | Unfunded AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Annualized<br>Covered<br>Payroll <sup>1</sup><br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|--------------------------------|----------------------------------------|----------------------------------------------------------|---------------------------------|--------------------------|------------------------------------------------------|---------------------------------------------------------------|
| July 1, 2000                   | 88,503,838                             | 74,948,950                                               | (13,554,888)                    | 118.09%                  | 20,463,401                                           | (66.24%)                                                      |
| July 1, 2001                   | 95,517,948                             | 80,993,718                                               | (14,524,230)                    | 117.93%                  | 21,360,862                                           | (68.00%)                                                      |
| July 1, 2002                   | 99,405,677                             | 86,469,774                                               | (12,935,903)                    | 114.96%                  | 22,195,184                                           | (58.28%)                                                      |
| July 1, 2003                   | 101,906,723                            | 89,251,331                                               | (12,655,392)                    | 114.18%                  | 22,270,807                                           | (56.83%)                                                      |
| July 1, 2004                   | 106,707,426                            | 95,185,433                                               | (11,521,993)                    | 112.10%                  | 23,115,581                                           | (49.85%)                                                      |
| July 1, 2005                   | 111,539,878                            | 103,925,948                                              | (7,614,380)                     | 107.33%                  | 24,185,938                                           | (31.48%)                                                      |
| July 1, 2006                   | 117,159,615                            | 110,977,831                                              | (6,181,784)                     | 105.57%                  | 25,327,922                                           | (24.41%)                                                      |
| July 1, 2007                   | 125,584,704                            | 118,870,513                                              | (6,714,191)                     | 105.65%                  | 26,385,768                                           | (25.45%)                                                      |
| July 1, 2008                   | 130,720,547                            | 124,087,214                                              | (6,633,333)                     | 105.35%                  | 26,891,340                                           | (24.67%)                                                      |
| July 1, 2009 <sup>2</sup>      | 118,764,692                            | 136,375,597                                              | 17,610,905                      | 87.09%                   | 26,573,196                                           | 66.27%                                                        |
| July 1, 2010                   | 120,929,666                            | 139,652,377                                              | 18,722,711                      | 86.59%                   | 25,765,362                                           | 72.67%                                                        |

### Schedule of Employer Contributions

(000 omitted in dollar amounts)

| Year Ended<br>June 30 | Annual Required<br>Contributions | Percent<br>Contributed <sup>3</sup> |
|-----------------------|----------------------------------|-------------------------------------|
| 2000                  | 1,969,057                        | 111%                                |
| 2001                  | 1,869,731                        | 110%                                |
| 2002                  | 1,825,485                        | 97%                                 |
| 2003                  | 1,844,203                        | 98%                                 |
| 2004                  | 2,044,540                        | 92%                                 |
| 2005                  | 2,141,862                        | 102%                                |
| 2006                  | 2,193,928                        | 96%                                 |
| 2007                  | 2,455,255                        | 111%                                |
| 2008                  | 2,612,672                        | 107%                                |
| 2009                  | 2,535,854                        | 111%                                |
| 2010                  | 2,447,374                        | 111%                                |

### Notes to Required Supplementary Information

Actuarial valuations determined the information presented in the required supplementary schedules at the dates indicated. Additional information as of the latest actuarial valuation follows:

|                                       |                               |
|---------------------------------------|-------------------------------|
| Valuation Date                        | July 1, 2010                  |
| Actuarial cost method                 | Entry Age Normal              |
| Amortization method                   | Level Percentage of Pay, Open |
| Equivalent Single amortization period | 30 years <sup>4</sup>         |
| Asset valuation method                | 5-year Smoothed Method        |
| Actuarial assumptions:                |                               |
| Investment rate of return             | 7.75%                         |
| Projected salary increases            | 5.85% <sup>5</sup>            |
| Includes inflation at                 | 3.00%                         |
| Cost-of-Living Adjustments            | 3.00%                         |

<sup>1</sup> Payroll reported July 1, 1999, and after includes DROP payroll.

<sup>2</sup> As reported in July 1, 2009, actuarial valuation report, before impact of House Bill 479 (2009).

<sup>3</sup> The 2000 required annual contributions and the corresponding percentage contributed were restated to reflect a change in the annual required contribution through the use of actuarially determined surplus.

<sup>4</sup> Used for GASB Statement #27 reporting purposes.

<sup>5</sup> Includes individual salary growth of 4.00 percent plus an age-graded merit scale defined by gender and employment class. See Table A-2 of the July 1, 2009, actuarial valuation report for merit scale.

## SCHEDULE A – FRS TRUST FUND HISTORICAL TREND INFORMATION

Revenues by Source and Expenditures by Type

### Revenues by Source (in dollars)

| Fiscal Year | Contributions | Investment<br>Income | Other<br>Income <sup>1</sup> | Total            |
|-------------|---------------|----------------------|------------------------------|------------------|
| 2000-01     | 2,077,983,564 | (7,825,964,164)      | 8,149,870                    | (5,739,830,730)  |
| 2001-02     | 1,813,480,193 | (7,863,773,572)      | 8,612,068                    | (6,041,681,311)  |
| 2002-03     | 1,802,499,435 | 2,709,318,105        | 19,247,450                   | 4,531,064,991    |
| 2003-04     | 1,947,706,372 | 14,771,188,710       | 19,365,505                   | 16,738,260,586   |
| 2004-05     | 2,096,743,552 | 10,260,954,625       | 19,774,370                   | 12,377,472,548   |
| 2005-06     | 2,349,816,307 | 11,495,790,748       | 24,746,327                   | 13,870,353,383   |
| 2006-07     | 3,064,633,977 | 21,301,593,731       | 32,729,306                   | 24,398,957,014   |
| 2007-08     | 3,289,467,438 | (6,355,228,148)      | 50,623,500                   | (3,015,137,210)  |
| 2008-09     | 3,373,671,171 | (24,706,946,542)     | 31,817,039                   | (21,301,458,332) |
| 2009-10     | 3,174,176,432 | 14,705,383,838       | 35,121,684                   | 17,914,681,954   |

### Expenditures by Type (in dollars)

| Fiscal<br>Year | Benefits <sup>3</sup> | Administrative<br>Expenses | Refunds        | Other <sup>2</sup> | Total         |
|----------------|-----------------------|----------------------------|----------------|--------------------|---------------|
| 2000-01        | 2,796,239,561         | 38,122,576                 | 2,502,025      | 7,865,164          | 2,844,729,326 |
| 2001-02        | 3,044,287,975         | 38,651,521                 | 3,890,449      | 8,587,667          | 3,095,417,612 |
| 2002-03        | 3,899,614,092         | 411,422,901 <sup>4</sup>   | 3,455,273      | 9,572,502          | 4,324,064,769 |
| 2003-04        | 3,661,451,134         | 477,817,450 <sup>4</sup>   | 4,440,492      | 9,967,588          | 4,153,676,664 |
| 2004-05        | 4,295,049,880         | 920,133,786 <sup>4</sup>   | — <sup>5</sup> | 10,807,423         | 5,225,991,089 |
| 2005-06        | 4,537,273,049         | 1,063,549,553 <sup>4</sup> | 3,385,597      | 11,154,172         | 5,615,362,670 |
| 2006-07        | 4,946,210,527         | 1,464,115,340 <sup>4</sup> | 1,710,407      | 11,729,366         | 6,423,765,640 |
| 2007-08        | 5,226,432,805         | 1,591,514,346 <sup>4</sup> | 2,642,967      | 12,713,091         | 6,833,303,209 |
| 2008-09        | 5,669,557,697         | 975,388,360 <sup>4</sup>   | 4,012,351      | 13,221,762         | 6,662,180,170 |
| 2009-10        | 6,088,727,455         | 1,132,256,456              | 2,821,688      | 14,048,097         | 7,237,853,696 |

<sup>1</sup> Beginning 1996-97, transfers from General Revenue are considered "Other Income."

<sup>2</sup> Beginning 1996-97, General Revenue funded benefit payments are considered "Other." Also, "Other" no longer includes Investment and Security Lending Expenses, which are netted against income from Investment and Security Lending Activities.

<sup>3</sup> Includes Accrued DROP liability.

<sup>4</sup> Includes transfers to other departments, present value transfers, property dispositions and depreciation expenses.

<sup>5</sup> Refunds were netted against contributions in the amount of \$1,908,065.

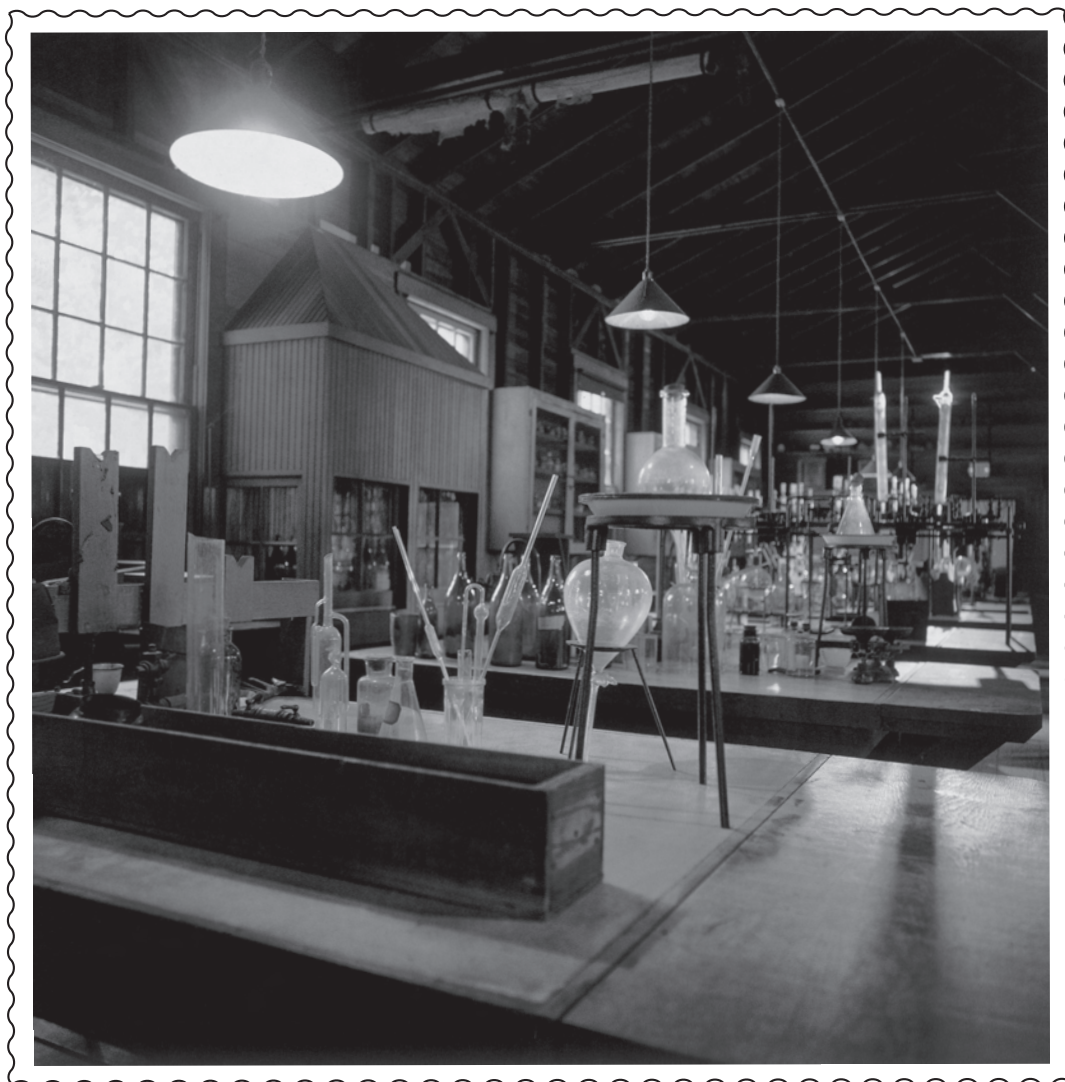
## SCHEDULE B - FRS TRUST FUND COMPARATIVE ANALYSIS OF ADMINISTRATIVE EXPENSES

as of June 30

|                                                        | 2010                       | 2009                       |
|--------------------------------------------------------|----------------------------|----------------------------|
| <b>Personal Services</b>                               |                            |                            |
| Salaries and Wages                                     | \$6,660,424                | \$6,540,105                |
| State Retirement                                       | 620,560                    | 658,291                    |
| Other Employee Benefits                                | 1,536,250                  | 1,330,131                  |
| Social Security                                        | 491,288                    | 484,486                    |
| Other Personal Services                                | 3,546                      | 1,808                      |
| <b>Total Personal Services</b>                         | <u>9,312,068</u>           | <u>9,014,820</u>           |
| <b>Professional Services</b>                           |                            |                            |
| Data Processing                                        | 110,580                    | 92,002                     |
| Contractual IT Services and Monitoring                 | 2,864,200                  | 2,800,000                  |
| Other Contractual Services                             | 481,191                    | 420,213                    |
| Legal                                                  | 110,378                    | 122,660                    |
| Actuarial                                              | 898,230                    | 721,598                    |
| <b>Total Professional Services</b>                     | <u>4,464,579</u>           | <u>4,156,474</u>           |
| <b>Communication</b>                                   |                            |                            |
| Postage and Freight                                    | 1,154,537                  | 1,086,214                  |
| Printing and Reproduction Services                     | 354,354                    | 202,587                    |
| Travel                                                 | 63,616                     | 65,240                     |
| Telephone Services                                     | 140,285                    | 175,304                    |
| <b>Total Communication</b>                             | <u>1,712,793</u>           | <u>1,529,345</u>           |
| <b>Rentals</b>                                         |                            |                            |
| Office Rental                                          | 694,772                    | 680,306                    |
| Equipment Leasing                                      | 45,727                     | 44,981                     |
| <b>Total Rentals</b>                                   | <u>740,500</u>             | <u>725,287</u>             |
| <b>Miscellaneous</b>                                   |                            |                            |
| Repair and Maintenance                                 | 55,151                     | 20,795                     |
| Materials and Supplies                                 | 331,756                    | 239,602                    |
| Other Current Charges and Obligations                  | 131,697                    | 304,437                    |
| <b>Total Miscellaneous</b>                             | <u>518,604</u>             | <u>564,834</u>             |
| <b>Subtotal Administrative Expenses</b>                | <u>16,748,544</u>          | <u>15,990,759</u>          |
| <b>Transfers to Other Funds</b>                        |                            |                            |
| DMS Administrative Assessment                          | 1,162,568                  | 1,035,769                  |
| DMS Human Resource Contract                            | 66,488                     | 69,314                     |
| Department of Insurance Risk Management                | 65,974                     | 61,265                     |
| Department of Insurance Fire and Workers' Compensation | 22,083                     | 6,069                      |
| Division of Administrative Hearings                    | 39,298                     | 44,537                     |
| <b>Total Transfers to Other Funds</b>                  | <u>1,356,411</u>           | <u>1,216,954</u>           |
| <b>Property Dispositions</b>                           | —                          | —                          |
| <b>Depreciation Expense</b>                            | <u>174,383</u>             | <u>207,667</u>             |
| <b>Total Administrative Expenses</b>                   | <u><u>\$18,279,337</u></u> | <u><u>\$17,415,380</u></u> |



# Investments



Thomas Edison's laboratory in his winter home in Fort Myers, Florida.





**STATE BOARD OF ADMINISTRATION  
OF FLORIDA**

1801 Hermitage Boulevard  
Tallahassee, Florida 32308  
(850) 488-4406

Post Office Box 13300  
32317-3300

CHARLIE CRIST  
GOVERNOR  
AS CHAIRMAN  
  
ALEX SINK  
CHIEF FINANCIAL OFFICER  
AS TREASURER  
  
BILL MCCOLLUM  
ATTORNEY GENERAL  
AS SECRETARY  
  
ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO

**DATE: December 31, 2010**

**TO:** Members of the Florida Legislature  
Members of the Florida Retirement System

**RE:** Assets of the Florida Retirement System Pension Plan

The State Board of Administration of Florida (SBA) manages the assets of the Florida Retirement System (FRS). The Board consists of Governor Charlie Crist, Chairman; Chief Financial Officer Alex Sink, Treasurer; and Attorney General Bill McCollum, Secretary. The primary investment objectives for the FRS Pension Plan are to provide investment returns sufficient to ensure timely payment of promised benefits and keep plan costs at a reasonable level. The portfolio consists of a highly diversified asset mix of investments, which includes government and corporate bonds, common stocks, income-producing real estate, private equity, and short-term money market instruments. The proportions of major asset classes in the FRS Pension Plan portfolio, by quarter, are shown below:

**FRS Pension Plan Market Value for Fiscal Year 2009-2010**

|                    | <b>9/30/09</b>   | <b>12/31/09</b>  | <b>3/31/10</b>   | <b>6/30/10</b>   |
|--------------------|------------------|------------------|------------------|------------------|
| Fund Market Value* | \$110.05 billion | \$113.51 billion | \$116.72 billion | \$109.34 billion |

**Actual Quarter-End Asset Allocation Fiscal Year 2009-2010**

| <b>Asset Classes</b>        | <b>9/30/09</b> | <b>12/31/09</b> | <b>3/31/10</b> | <b>6/30/10</b> |
|-----------------------------|----------------|-----------------|----------------|----------------|
| Domestic Equities           | 37.1%          | 38.0%           | 38.7%          | 35.6%          |
| Foreign Equities            | 20.8%          | 20.1%           | 19.9%          | 18.9%          |
| Fixed Income                | 25.8%          | 25.5%           | 25.5%          | 28.5%          |
| High Yield                  | 2.3%           | 2.1%            | 2.0%           | 2.1%           |
| Real Estate                 | 6.7%           | 6.4%            | 6.0%           | 6.5%           |
| Private Equity              | 3.4%           | 3.5%            | 3.6%           | 4.1%           |
| Strategic Investments       | 3.5%           | 3.7%            | 3.7%           | 4.1%           |
| Cash Equivalents/Short Term | 0.5%           | 0.7%            | 0.6%           | 0.4%           |
| <b>Total**</b>              | <u>100.0%</u>  | <u>100.0%</u>   | <u>100.0%</u>  | <u>100.0%</u>  |

\*Fund market values as reported by SBA's custodian, Bank of New York Mellon.

\*\*Columns may not add to totals due to rounding.

**Annualized FRS Pension Plan Investment Performance**

|                               | <b>10 Years</b>  | <b>5 Years</b>   | <b>3 Years</b>   | <b>1-Year</b>    |
|-------------------------------|------------------|------------------|------------------|------------------|
| <b>By Fiscal Year Periods</b> | <b>2000-2010</b> | <b>2005-2010</b> | <b>2007-2010</b> | <b>2009-2010</b> |
| Total FRS Pension Plan        | 2.61%            | 2.87%            | -4.08%           | 14.03%           |

Investment performance of the FRS Pension Plan is reported in the SBA's *2009-10 Investment Report*. The annual report is prepared before January 1, in compliance with Section 215.44(5), Florida Statutes, and includes detailed information on FRS Pension Plan investment assets, strategy, and performance. The SBA's performance consultant, Bank of New York Mellon, independently prepares reported performance data.

Respectfully submitted,

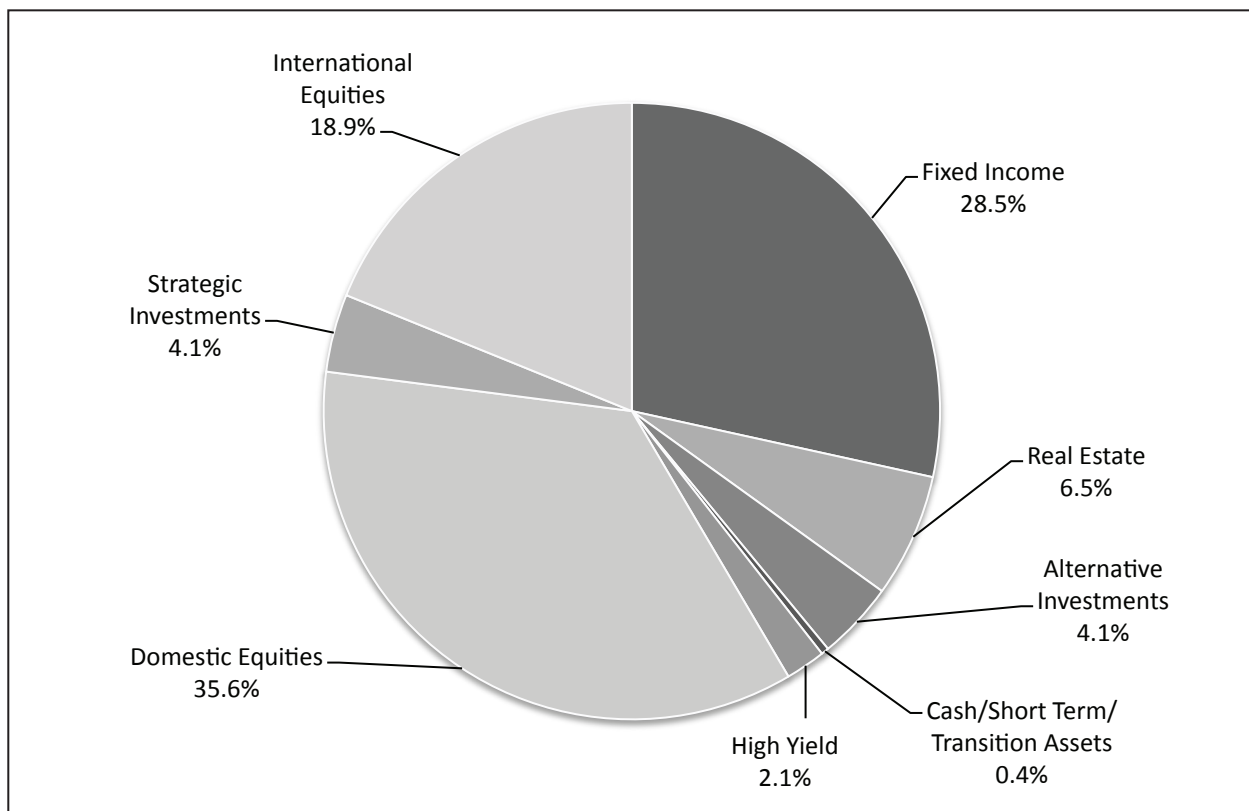


Ashbel C. Williams

## Florida Retirement System Trust Fund

## DISTRIBUTION OF INVESTMENTS\*

as of June 30, 2010



Fund Market Value \$109,344,317,786

## Investments by Asset Class

| Asset Class.....                      | Value as of June 30, 2010 |
|---------------------------------------|---------------------------|
| Domestic Equities .....               | \$38,880,467,517          |
| Strategic Investments .....           | \$4,462,565,037           |
| International Equities .....          | \$20,622,903,630          |
| Fixed Income .....                    | \$31,165,164,092          |
| Real Estate .....                     | \$7,062,391,082           |
| Alternative Investments .....         | \$4,442,905,163           |
| Cash/Short Term/Transition Asset..... | \$460,924,826             |
| High Yield.....                       | \$2,246,996,439           |
| <b>Total .....</b>                    | <b>\$109,344,317,786</b>  |

\* Percentages may not add to 100 percent due to rounding.

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# Actuarial Report



Photo by Toni-Jean Gundersen

In 1856 Blue Spring was settled by Louis Thursby and his family.  
The Thursby house, built in 1872, remains standing today.

December 9, 2010

Members of the Florida Legislature  
and  
Members of the Florida Retirement System

## Statement Regarding Actuarial Valuation as of July 1, 2010

Legislation enacted during the 2000 legislative session requires annual actuarial valuations of the Florida Retirement System (FRS). Prior to this legislation, valuations were required on a biennial schedule, with the last two biennial valuations being as of July 1, 1997 and July 1, 1999. In addition, the Legislature requested a special July 1, 1998 actuarial valuation. Thus, July 1, 2010 marks the thirteenth annual valuation of the FRS.

The funding objective of the plan is to establish contribution rates which over time will remain level as a percentage of payroll. As of July 1, 1998, the FRS was determined to be in a surplus position or “fully funded.” That is, the System’s actuarial value of assets exceeded the actuarial liabilities. Historically, separate amortization bases were established for plan changes, method and assumption changes, and experience gains and losses. Effective July 1, 1998, because of the surplus position, all previous bases were assumed to be fully amortized (paid in full).

The July 1, 2010 actuarial valuation marks the second consecutive valuation where the FRS has had an Unfunded Actuarial Liability (i.e., Actuarial Liabilities exceed the Actuarial Value of Assets.) The re-emergence of the Unfunded Actuarial Liability was primarily attributable to unfavorable investment returns caused by the extreme market downturn between July 1, 2008 and June 30, 2009.

The composite FRS normal cost contribution rate, excluding DROP, decreased from 11.95% as reported in the 2009 valuation to 11.81% as reported in the 2010 valuation. 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.

Actuarial assumptions are needed to estimate the future economic and demographic experience of the System. Any deviations between actual and expected future experience will result in corresponding changes in the on-going costs of the System. The economic assumptions were developed from both external economic forecasts and information and forecasts furnished by the State Board of Administration. The demographic actuarial assumptions were developed both from the experience of the System and from standard actuarial sources. 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 class’s 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

**Milliman**

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.

The assumptions and methods used in performing this valuation meet the parameters set by Government Accounting Standards Board (GASB) Statements No. 25 and 27, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contributions Plans, and Accounting for Pensions by State and Local Governmental Employers*.

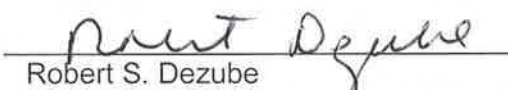
In performing the valuation, we relied without audit upon the financial statements, membership data, and other cost and benefit information furnished by the Division of Retirement. Although membership data was subjected to standard editing procedures and the other information was reviewed for reasonableness, Milliman, Inc. does not assume responsibility for either its accuracy or its completeness.

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 this 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 report has been prepared exclusively for the Florida Department of Management Services, Division of Retirement for a specific and limited purpose. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. 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. 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.

We hereby certify that our valuation report is complete and accurate to the best of our knowledge, and in our opinion the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and Section 14, Article X of the State Constitution. The report was prepared in accordance with generally accepted actuarial principles and practices which reflect the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

Respectfully submitted,

By:   
Robert S. Dezube  
Fellow of the Society of Actuaries  
Member, American Academy of Actuaries  
Enrolled Actuary #08-3397

## STATEMENT OF ACTUARY

An ongoing analysis is made of the various actuarial assumptions used to determine both the financial condition of the Florida Retirement System and also the required employer contributions to place the system on a sound financial basis. Our experience with regard to several of the more consequential assumptions for the past three years ending June 30, 2010, is shown below:

| Trust Fund Performance (Based on fair value)               |           |           |           |
|------------------------------------------------------------|-----------|-----------|-----------|
| Assumption                                                 | 2007/2008 | 2008/2009 | 2009/2010 |
| 7.75%                                                      | (4.7%)    | (19.7%)   | 15.0%     |
| Salary Increases for Regular Class Active Members (Actual) |           |           |           |
| Assumption                                                 | 2007/2008 | 2008/2009 | 2009/2010 |
| 5.85% <sup>1</sup>                                         | 6.0%      | 2.3%      | 1.6%      |
| Payroll Growth (Actual)                                    |           |           |           |
| Assumption                                                 | 2007/2008 | 2008/2009 | 2009/2010 |
| 0.00%                                                      | 2.0%      | (1.6%)    | (3.4%)    |
| Average Age at Retirement (Actual)                         |           |           |           |
|                                                            | 2007/2008 | 2008/2009 | 2009/2010 |
| Regular — Male                                             | 59.5      | 59.6      | 59.9      |
| Regular — Female                                           | 59.1      | 59.3      | 59.3      |
| Special Risk                                               | 53.2      | 53.1      | 53.0      |

<sup>1</sup> Includes individual salary growth of 4.00 percent plus an age- and service-graded merit scale defined by gender and employment class. See Table A-2 of the various actuarial valuation reports for merit scale(s). Note, the 5.85 percent assumption was effective starting with the July 1, 2009, actuarial valuation.

# SUMMARY OF ACCRUED AND UNFUNDED ACTUARIAL LIABILITIES

as of June 30, 2010

(000 Omitted) (Based on the FRS funding method of entry age normal cost)

|              | Accrued<br>Liabilities | Valuation<br>Assets | Funding Ratio<br>(Assets/Liabilities) | Unfunded Actuarial<br>Liability (UAL) | Annualized Payroll<br>(Active Members) | Unfunded<br>Actuarial<br>Liability/Payroll |
|--------------|------------------------|---------------------|---------------------------------------|---------------------------------------|----------------------------------------|--------------------------------------------|
| July 1, 2000 | 74,948,950             | 88,503,838          | 118                                   | (13,554,888)                          | 20,463,403                             | (66)                                       |
| July 1, 2001 | 80,993,718             | 95,517,948          | 118                                   | (14,524,230)                          | 21,360,862                             | (68)                                       |
| July 1, 2002 | 86,469,774             | 99,405,677          | 115                                   | (12,935,903)                          | 22,195,184                             | (58)                                       |
| July 1, 2003 | 89,251,331             | 101,906,724         | 114                                   | (12,655,393)                          | 22,270,807                             | (57)                                       |
| July 1, 2004 | 95,185,433             | 106,707,426         | 112                                   | (11,521,993)                          | 23,115,581                             | (50)                                       |
| July 1, 2005 | 102,529,016            | 111,539,878         | 109                                   | (9,010,862)                           | 24,185,983                             | (37)                                       |
| July 1, 2006 | 109,519,043            | 117,159,615         | 107                                   | (7,640,572)                           | 25,327,922                             | (30)                                       |
| July 1, 2007 | 117,359,375            | 125,584,704         | 107                                   | (8,225,329)                           | 26,385,768                             | (31)                                       |
| July 1, 2008 | 122,532,299            | 130,720,547         | 107                                   | (8,188,248)                           | 26,891,340                             | (30)                                       |
| July 1, 2009 | 134,204,076            | 118,764,692         | 89                                    | 15,439,384                            | 26,573,196                             | 58                                         |
| July 1, 2010 | 137,635,012            | 120,929,666         | 88                                    | 16,705,346                            | 25,765,362                             | 65                                         |

## SOLVENCY TEST

(000 Omitted)

|              | Accrued Liabilities For:              |                                      |                                                    |                     | Portion of<br>Accrued Liabilities<br>Covered by Assets |     |     |
|--------------|---------------------------------------|--------------------------------------|----------------------------------------------------|---------------------|--------------------------------------------------------|-----|-----|
|              | (1)<br>Active Member<br>Contributions | (2)<br>Retirees and<br>Beneficiaries | (3)<br>Active<br>Members<br>(Employer<br>Financed) | Valuation<br>Assets | (1)                                                    | (2) | (3) |
| July 1, 2000 | 120,214                               | 31,748,721                           | 43,080,015                                         | 88,503,838          | 100                                                    | 100 | 131 |
| July 1, 2001 | 112,961                               | 35,129,192                           | 45,751,565                                         | 95,517,948          | 100                                                    | 100 | 132 |
| July 1, 2002 | 87,734                                | 39,015,278                           | 47,366,762                                         | 99,405,677          | 100                                                    | 100 | 127 |
| July 1, 2003 | 75,423                                | 40,007,027                           | 49,168,881                                         | 101,906,724         | 100                                                    | 100 | 126 |
| July 1, 2004 | 74,554                                | 46,016,931                           | 49,093,948                                         | 106,707,426         | 100                                                    | 100 | 123 |
| July 1, 2005 | 64,001                                | 51,214,309                           | 51,250,706                                         | 111,539,878         | 100                                                    | 100 | 118 |
| July 1, 2006 | 57,681                                | 55,534,272                           | 55,385,878                                         | 117,159,615         | 100                                                    | 100 | 111 |
| July 1, 2007 | 65,936                                | 60,328,093                           | 58,476,483                                         | 125,584,704         | 100                                                    | 100 | 111 |
| July 1, 2008 | 44,557                                | 64,310,000                           | 59,732,656                                         | 130,720,547         | 100                                                    | 100 | 111 |
| July 1, 2009 | 38,689                                | 73,780,233                           | 62,556,674                                         | 118,764,692         | 100                                                    | 100 | 72  |
| July 1, 2010 | 33,659                                | 79,404,474                           | 60,214,243                                         | 120,929,666         | 100                                                    | 100 | 69  |

## ASSUMPTIONS

(used in Actuarial Valuations in specified years)

|      | Yield Rate | Salary Scale <sup>1</sup> | Payroll Growth |
|------|------------|---------------------------|----------------|
| 2000 | 8.00       | 6.25                      | 0.00           |
| 2001 | 8.00       | 6.25                      | 0.00           |
| 2002 | 8.00       | 6.25                      | 0.00           |
| 2003 | 8.00       | 6.25                      | 0.00           |
| 2004 | 8.00       | 6.25                      | 0.00           |
| 2005 | 7.75       | 6.25                      | 0.00           |
| 2006 | 7.75       | 6.25                      | 0.00           |
| 2007 | 7.75       | 6.25                      | 0.00           |
| 2008 | 7.75       | 6.25                      | 0.00           |
| 2009 | 7.75       | 5.85                      | 0.00           |
| 2010 | 7.75       | 5.85                      | 0.00           |

<sup>1</sup> Includes individual salary growth of 4.00 percent, plus an age- and service-graded merit scale defined by gender and employment class. See Table A-2 of the various actuarial valuation reports for merit scale(s). Note, the 5.85 percent assumption was effective starting with the July 1, 2009, actuarial valuation.

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# Statistical Tables

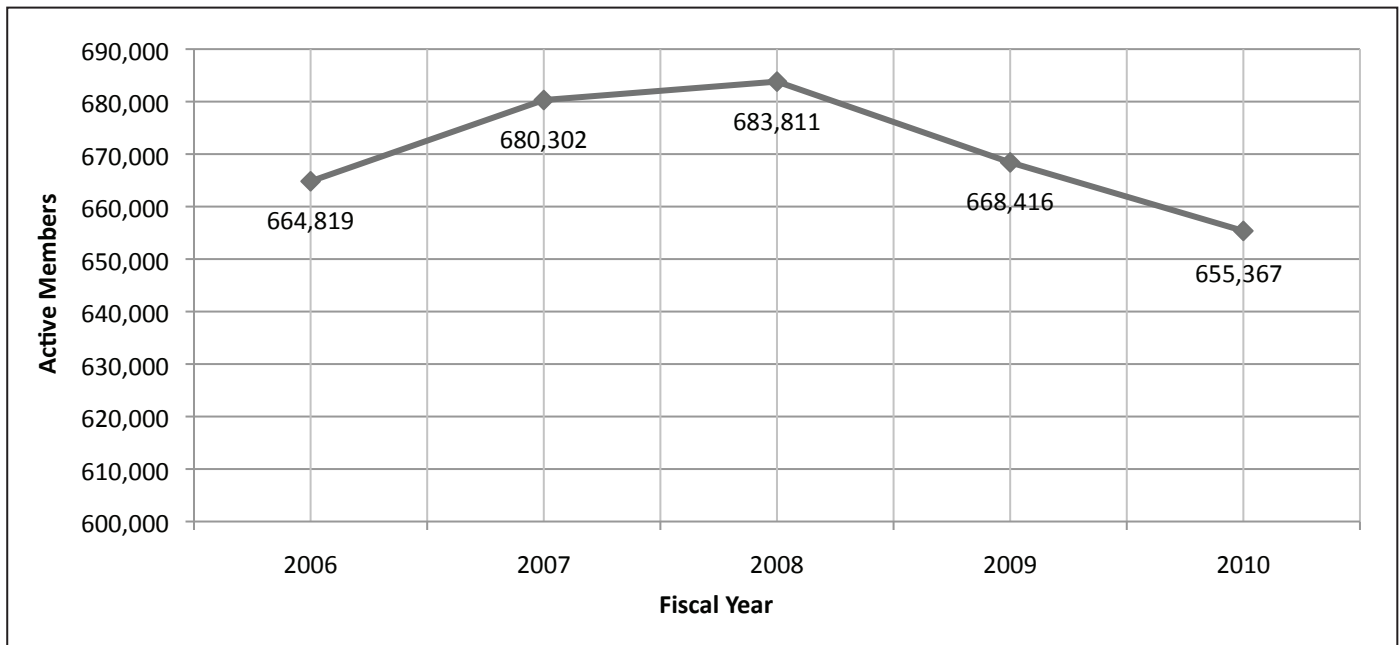


Photo Courtesy of Department of Environmental Protection

The Wesley house in Eden Gardens State Park in Point Washington, Florida,  
was built in 1897 and renovated in 1963.

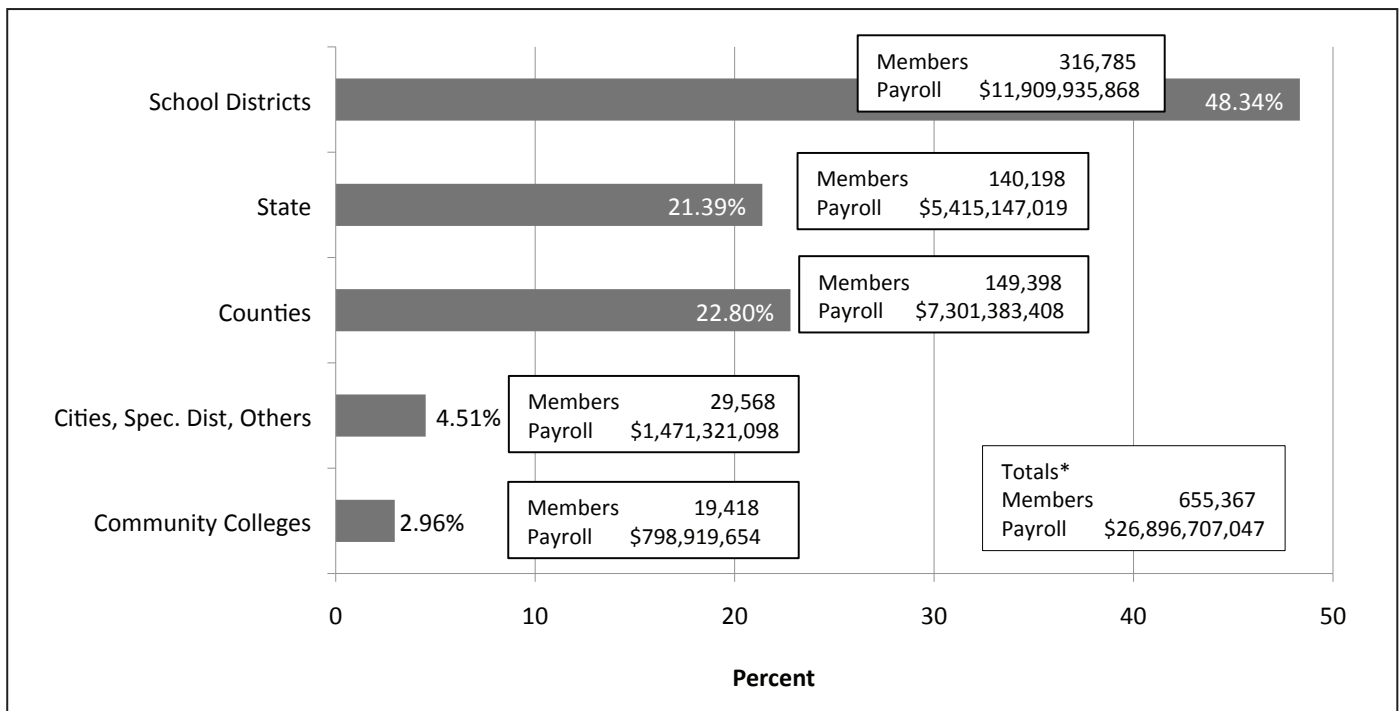
## GROWTH OF ACTIVE MEMBERS 2006-2010\*

as of June 30



## SOURCE OF MEMBERSHIP AND COVERED PAYROLL FOR FISCAL YEAR 2009-2010\*

% = Percent of Total Active Members



\* Includes both FRS Pension Plan and Investment Plan members and excludes DROP participants.



## ACTIVE MEMBERS BY SYSTEM\*

as of June 30

| System/Class                   | 2006           | 2007           | 2008           | 2009           | 2010           |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| FRS - Regular Class            | 576,520        | 588,204        | 589,544        | 572,899        | 559,714        |
| - Senior Mgmt. Service Class   | 7,154          | 7,562          | 7,668          | 7,493          | 7,480          |
| - Special Risk Class           | 72,078         | 74,224         | 74,939         | 75,640         | 75,066         |
| - Special Risk Adm. Sup. Class | 74             | 74             | 75             | 76             | 71             |
| - Elected Officers' Class      | 2,037          | 2,078          | 2,073          | 2,102          | 2,052          |
| - Renewed Membership           |                |                |                |                |                |
| - Regular Class                | 6,605          | 7,763          | 9,022          | 9,669          | 10,399         |
| - Senior Mgmt. Service Class   | 105            | 146            | 175            | 232            | 268            |
| - Elected Officers' Class      | 158            | 180            | 200            | 202            | 232            |
| <b>Subtotal</b>                | <b>664,731</b> | <b>680,231</b> | <b>683,696</b> | <b>668,313</b> | <b>655,282</b> |
| TRS                            | 81             | 66             | 56             | 49             | 40             |
| SCOERS                         | 7              | 5              | 4              | 4              | 4              |
| IFAS**                         | —              | —              | 55             | 50             | 41             |
| <b>Subtotal</b>                | <b>88</b>      | <b>71</b>      | <b>115</b>     | <b>103</b>     | <b>85</b>      |
| <b>Grand Total</b>             | <b>664,819</b> | <b>680,302</b> | <b>683,811</b> | <b>668,416</b> | <b>655,367</b> |

## ANNUAL PAYROLL BY SYSTEM\*

as of June 30

| System/Class                   | 2006                    | 2007                    | 2008                    | 2009                    | 2010                    |
|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| FRS - Regular Class            | \$20,230,288,043        | \$21,569,638,573        | \$22,573,698,440        | \$22,313,310,527        | \$21,744,817,082        |
| - Senior Mgmt. Service Class   | 525,460,345             | 578,159,579             | 603,863,217             | 599,049,987             | 594,414,137             |
| - Special Risk Class           | 3,483,621,629           | 3,724,839,084           | 3,884,891,971           | 4,025,547,360           | 3,969,877,685           |
| - Special Risk Adm. Sup. Class | 3,232,767               | 3,207,735               | 3,400,694               | 3,418,018               | 3,184,828               |
| - Elected Officers' Class      | 162,709,997             | 168,875,673             | 175,005,339             | 169,013,981             | 164,320,195             |
| - Renewed Membership           |                         |                         |                         |                         |                         |
| - Regular Class                | 202,771,031             | 263,195,299             | 328,353,738             | 357,565,156             | 373,779,595             |
| - Senior Mgmt. Service Class   | 8,412,305               | 12,945,964              | 16,794,880              | 21,188,589              | 24,975,845              |
| - Elected Officers' Class      | 9,745,691               | 11,057,703              | 12,907,056              | 10,903,362              | 14,182,926              |
| <b>Subtotal</b>                | <b>24,626,241,808</b>   | <b>26,331,919,611</b>   | <b>27,598,915,336</b>   | <b>27,499,996,980</b>   | <b>26,889,552,293</b>   |
| TRS                            | 5,715,499               | 5,127,902               | 4,571,420               | 4,061,767               | 3,423,057               |
| SCOERS                         | 225,889                 | 159,602                 | 130,339                 | 131,842                 | 131,421                 |
| IFAS**                         | —                       | —                       | 4,718,027               | 4,425,991               | 3,600,276               |
| <b>Subtotal</b>                | <b>5,941,388</b>        | <b>5,287,504</b>        | <b>9,419,786</b>        | <b>8,619,600</b>        | <b>7,154,754</b>        |
| <b>Grand Total</b>             | <b>\$24,632,183,196</b> | <b>\$26,337,207,115</b> | <b>\$27,608,335,122</b> | <b>\$27,508,616,580</b> | <b>\$26,896,707,047</b> |
| <b>Average</b>                 | <b>\$37,828</b>         | <b>\$39,517</b>         | <b>\$40,948</b>         | <b>\$41,572</b>         | <b>\$41,449</b>         |

\* Excludes DROP Participants.

\*\* Effective July 1, 2007, IFAS was consolidated under the FRS as a closed retirement plan.

## PROFILE OF ALL FRS ACTIVE MEMBERS

as of June 30, 2010

| Years of Service | Total Membership |                |                | State Membership |               |                | Non-State Membership* |                |                |
|------------------|------------------|----------------|----------------|------------------|---------------|----------------|-----------------------|----------------|----------------|
|                  | Females          | Males          | Total          | Females          | Males         | Total          | Females               | Males          | Total          |
| Less Than 1 Year | 15,411           | 11,515         | 26,926         | 5,609            | 4,244         | 9,853          | 9,802                 | 7,271          | 17,073         |
| 1 - 5            | 127,315          | 77,281         | 204,596        | 26,929           | 19,258        | 46,187         | 100,386               | 58,023         | 158,409        |
| 6 - 9            | 77,445           | 44,089         | 121,534        | 12,339           | 8,924         | 21,263         | 65,106                | 35,165         | 100,271        |
| 10 - 19          | 117,725          | 65,453         | 183,178        | 21,121           | 15,408        | 36,529         | 96,604                | 50,045         | 146,649        |
| 20 - 29          | 67,142           | 38,891         | 106,033        | 14,106           | 9,404         | 23,510         | 53,036                | 29,487         | 82,523         |
| 30 or More Years | 8,319            | 4,781          | 13,100         | 1,499            | 1,357         | 2,856          | 6,820                 | 3,424          | 10,244         |
| <b>Total</b>     | <b>413,357</b>   | <b>242,010</b> | <b>655,367</b> | <b>81,603</b>    | <b>58,595</b> | <b>140,198</b> | <b>331,754</b>        | <b>183,415</b> | <b>515,169</b> |

| Age Range    | Females        | Males          | Total          | Females       | Males         | Total          | Females        | Males          | Total          |
|--------------|----------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|
| Less Than 30 | 47,379         | 29,207         | 76,586         | 11,290        | 9,043         | 20,333         | 36,089         | 20,164         | 56,253         |
| 30 - 39      | 88,140         | 51,374         | 139,514        | 17,714        | 12,546        | 30,260         | 70,426         | 38,828         | 109,254        |
| 40 - 49      | 117,865        | 67,660         | 185,525        | 22,723        | 15,260        | 37,983         | 95,142         | 52,400         | 147,542        |
| 50 - 59      | 119,879        | 64,662         | 184,541        | 23,249        | 15,585        | 38,834         | 96,630         | 49,077         | 145,707        |
| 60 - 69      | 36,152         | 24,852         | 61,004         | 6,102         | 5,554         | 11,656         | 30,050         | 19,298         | 49,348         |
| 70 and Over  | 3,942          | 4,255          | 8,197          | 525           | 607           | 1,132          | 3,417          | 3,648          | 7,065          |
| <b>Total</b> | <b>413,357</b> | <b>242,010</b> | <b>655,367</b> | <b>81,603</b> | <b>58,595</b> | <b>140,198</b> | <b>331,754</b> | <b>183,415</b> | <b>515,169</b> |

|                                                                     |          |          |          |
|---------------------------------------------------------------------|----------|----------|----------|
| <b>Decrease since June 30, 2009</b>                                 | -13,049  | -82      | -12,967  |
| <b>Percentage Decrease since June 30, 2009</b>                      | -2.0%    | -0.1%    | -2.5%    |
| <b>Average Age</b>                                                  | 45.05    | 45.24    | 45.12    |
| <b>Average Years of Service</b>                                     | 11.19    | 10.95    | 11.10    |
| <b>Average Annual Salary</b>                                        | \$38,067 | \$47,226 | \$41,449 |
| <b>Percentage (by Gender)</b>                                       | 63.1%    | 36.9%    |          |
| <b>Percentage Entitled to a Benefit if Terminated June 30, 2010</b> | 73.7%    | 71.3%    | 72.8%    |

\* Non-State Membership: School Boards, Counties, Community Colleges, Cities and Special Districts.

# PROFILE OF FRS INVESTMENT PLAN ACTIVE MEMBERS

as of June 30, 2010

| Years of Service | Total Membership |               |               | State Membership |               |               | Non-State Membership* |               |               |
|------------------|------------------|---------------|---------------|------------------|---------------|---------------|-----------------------|---------------|---------------|
|                  | Females          | Males         | Total         | Females          | Males         | Total         | Females               | Males         | Total         |
| Less Than 1 Year | 2,643            | 1,792         | 4,435         | 978              | 714           | 1,692         | 1,665                 | 1,078         | 2,743         |
| 1 - 5            | 34,143           | 19,398        | 53,541        | 7,273            | 5,123         | 12,396        | 26,870                | 14,275        | 41,145        |
| 6 - 9            | 12,553           | 7,189         | 19,742        | 2,417            | 1,800         | 4,217         | 10,136                | 5,389         | 15,525        |
| 10 - 19          | 7,192            | 5,586         | 12,778        | 1,838            | 1,800         | 3,638         | 5,354                 | 3,786         | 9,140         |
| 20 - 29          | 2,966            | 3,006         | 5,972         | 679              | 828           | 1,507         | 2,287                 | 2,178         | 4,465         |
| 30 or More Years | 682              | 632           | 1,314         | 93               | 155           | 248           | 589                   | 477           | 1,066         |
| <b>Total</b>     | <b>60,179</b>    | <b>37,603</b> | <b>97,782</b> | <b>13,278</b>    | <b>10,420</b> | <b>23,698</b> | <b>46,901</b>         | <b>27,183</b> | <b>74,084</b> |

| Age Range    | Total Membership |               |               | State Membership |               |               | Non-State Membership* |               |               |
|--------------|------------------|---------------|---------------|------------------|---------------|---------------|-----------------------|---------------|---------------|
|              | Females          | Males         | Total         | Females          | Males         | Total         | Females               | Males         | Total         |
| Less Than 30 | 9,781            | 4,466         | 14,247        | 2,355            | 1,644         | 3,999         | 7,426                 | 2,822         | 10,248        |
| 30 - 39      | 15,272           | 8,626         | 23,898        | 3,915            | 2,867         | 6,782         | 11,357                | 5,759         | 17,116        |
| 40 - 49      | 15,082           | 9,064         | 24,146        | 3,188            | 2,505         | 5,693         | 11,894                | 6,559         | 18,453        |
| 50 - 59      | 11,845           | 7,981         | 19,826        | 2,478            | 1,990         | 4,468         | 9,367                 | 5,991         | 15,358        |
| 60 - 69      | 7,035            | 6,089         | 13,124        | 1,173            | 1,222         | 2,395         | 5,862                 | 4,867         | 10,729        |
| 70 and Over  | 1,164            | 1,377         | 2,541         | 169              | 192           | 361           | 995                   | 1,185         | 2,180         |
| <b>Total</b> | <b>60,179</b>    | <b>37,603</b> | <b>97,782</b> | <b>13,278</b>    | <b>10,420</b> | <b>23,698</b> | <b>46,901</b>         | <b>27,183</b> | <b>74,084</b> |

|                                                                     |          |          |          |          |          |          |          |          |          |
|---------------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Increase since June 30, 2009</b>                                 |          |          | 2,253    |          |          | 1,071    |          |          | 1,182    |
| <b>Percentage Increase since June 30, 2009</b>                      |          |          | 2.4%     |          |          | 4.7%     |          |          | 1.6%     |
| <b>Average Age</b>                                                  | 43.69    | 46.32    | 44.70    | 42.09    | 43.44    | 42.68    | 44.14    | 47.43    | 45.35    |
| <b>Average Years of Service</b>                                     | 6.75     | 7.82     | 7.16     | 6.65     | 7.85     | 7.18     | 6.77     | 7.80     | 7.15     |
| <b>Average Annual Salary</b>                                        | \$37,190 | \$46,301 | \$40,694 | \$37,795 | \$44,558 | \$40,769 | \$37,019 | \$46,970 | \$40,670 |
| <b>Percentage (by Gender)</b>                                       | 61.5%    | 38.5%    |          | 56.0%    | 44.0%    |          | 63.3%    | 36.7%    |          |
| <b>Percentage Entitled to a Benefit if Terminated June 30, 2010</b> | 95.6%    | 95.2%    | 95.5%    | 92.6%    | 93.1%    | 92.9%    | 96.4%    | 96.0%    | 96.3%    |

\* Non-State Membership: School Boards, Counties, Community Colleges, Cities and Special Districts.

# PROFILE OF FRS PENSION PLAN ACTIVE MEMBERS

as of June 30, 2010

| Total Membership |         |         |         | State Membership |        |         | Non-State Membership* |         |         |
|------------------|---------|---------|---------|------------------|--------|---------|-----------------------|---------|---------|
| Years of Service | Females | Males   | Total   | Females          | Males  | Total   | Females               | Males   | Total   |
| Less Than 1 Year | 12,768  | 9,723   | 22,491  | 4,631            | 3,530  | 8,161   | 8,137                 | 6,193   | 14,330  |
| 1 - 5            | 93,172  | 57,883  | 151,055 | 19,656           | 14,135 | 33,791  | 73,516                | 43,748  | 117,264 |
| 6 - 9            | 64,892  | 36,900  | 101,792 | 9,922            | 7,124  | 17,046  | 54,970                | 29,776  | 84,746  |
| 10 - 19          | 110,533 | 59,867  | 170,400 | 19,283           | 13,608 | 32,891  | 91,250                | 46,259  | 137,509 |
| 20 - 29          | 64,176  | 35,885  | 100,061 | 13,427           | 8,576  | 22,003  | 50,749                | 27,309  | 78,058  |
| 30 or More Years | 7,637   | 4,149   | 11,786  | 1,406            | 1,202  | 2,608   | 6,231                 | 2,947   | 9,178   |
| Total            | 353,178 | 204,407 | 557,585 | 68,325           | 48,175 | 116,500 | 284,853               | 156,232 | 441,085 |

| Age Range    | Females | Males   | Total   | Females | Males  | Total   | Females | Males   | Total   |
|--------------|---------|---------|---------|---------|--------|---------|---------|---------|---------|
| Less Than 30 | 37,598  | 24,741  | 62,339  | 8,935   | 7,399  | 16,334  | 28,663  | 17,342  | 46,005  |
| 30 - 39      | 72,868  | 42,748  | 115,616 | 13,799  | 9,679  | 23,478  | 59,069  | 33,069  | 92,138  |
| 40 - 49      | 102,783 | 58,596  | 161,379 | 19,535  | 12,755 | 32,290  | 83,248  | 45,841  | 129,089 |
| 50 - 59      | 108,034 | 56,681  | 164,715 | 20,771  | 13,595 | 34,366  | 87,263  | 43,086  | 130,349 |
| 60 - 69      | 29,117  | 18,763  | 47,880  | 4,929   | 4,332  | 9,261   | 24,188  | 14,431  | 38,619  |
| 70 and Over  | 2,778   | 2,878   | 5,656   | 356     | 415    | 771     | 2,422   | 2,463   | 4,885   |
| Total        | 353,178 | 204,407 | 557,585 | 68,325  | 48,175 | 116,500 | 284,853 | 156,232 | 441,085 |

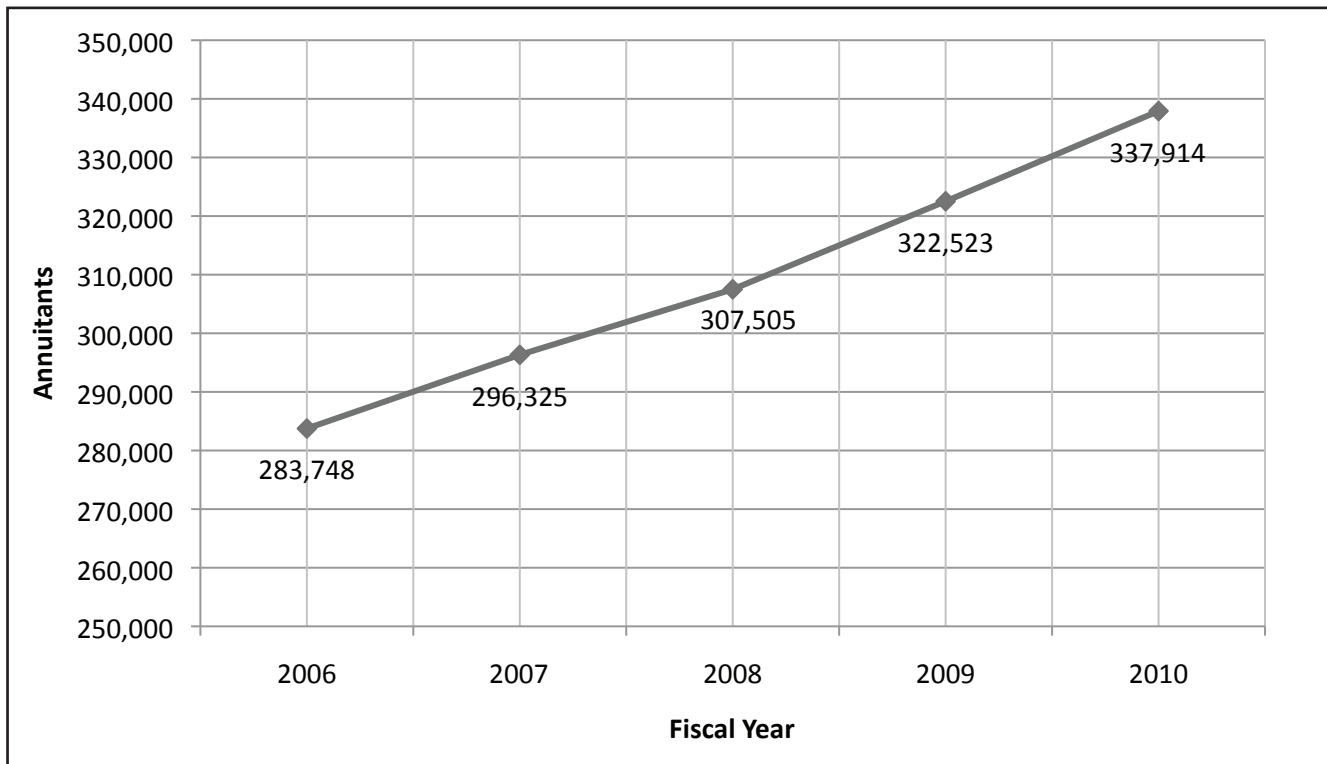
|                                         |  |  |  |         |  |        |  |         |  |
|-----------------------------------------|--|--|--|---------|--|--------|--|---------|--|
| Decrease since June 30, 2009            |  |  |  | -15,302 |  | -1,153 |  | -14,149 |  |
| Percentage Decrease since June 30, 2009 |  |  |  | -2.7%   |  | -1.0%  |  | -3.1%   |  |

|                                                              |          |          |          |          |          |          |          |          |          |
|--------------------------------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Average Age                                                  | 45.28    | 45.04    | 45.19    | 44.53    | 44.29    | 44.43    | 45.46    | 45.27    | 45.39    |
| Average Years of Service                                     | 11.94    | 11.52    | 11.79    | 11.69    | 11.41    | 11.57    | 12.00    | 11.56    | 11.85    |
| Average Annual Salary                                        | \$38,216 | \$47,396 | \$41,582 | \$36,491 | \$43,022 | \$39,192 | \$38,630 | \$48,745 | \$42,213 |
| Percentage (by Gender)                                       | 63.3%    | 36.7%    |          | 58.6%    | 41.4%    |          | 64.6%    | 35.4%    |          |
| Percentage Entitled to a Benefit if Terminated June 30, 2010 | 70.0%    | 66.9%    | 68.9%    | 64.5%    | 63.3%    | 64.0%    | 71.3%    | 63.3%    | 70.2%    |

\* Non-State Membership: School Boards, Counties, Community Colleges, Cities and Special Districts.

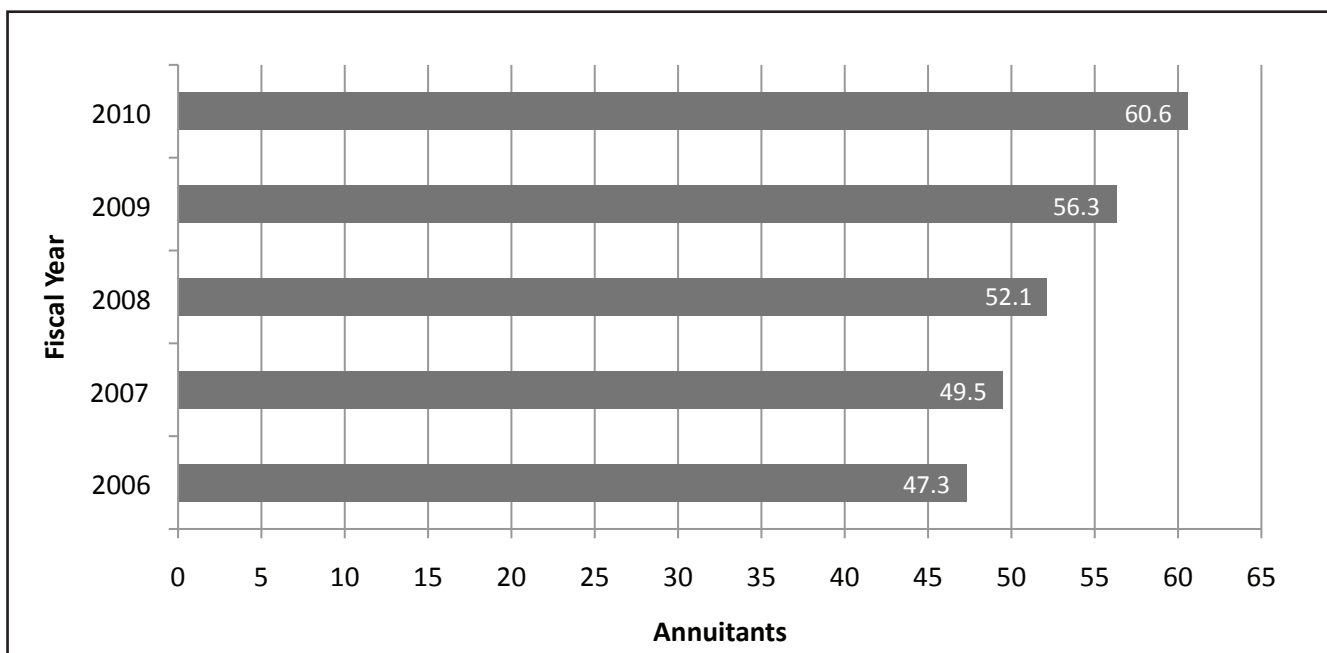
## GROWTH OF ANNUITANTS - ALL SYSTEMS 2006-2010\*

as of June 30



## NUMBER OF ANNUITANTS\* PER 100 ACTIVE PENSION PLAN MEMBERS

as of June 30



\* Includes DROP participants.

## ACTIVE DROP PARTICIPANTS BY SYSTEM

as of June 30, 2010

| By System/Class                        | Count         | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|----------------------------------------|---------------|-----------------|-----------------|--------------------------------|--------------------------------|
| FRS - Regular Class                    | 29,659        | 25.48           | \$50,734        | \$20,756                       | \$23,782                       |
| FRS - Senior Management Service Class  | 575           | 28.32           | 98,932          | 45,832                         | 52,414                         |
| FRS - Special Risk Class               | 3,053         | 25.04           | 74,527          | 51,548                         | 58,907                         |
| FRS - Special Risk Admin Support Class | 6             | 23.96           | 50,168          | 25,642                         | 29,283                         |
| FRS - Elected Officers' Class          | 265           | 24.81           | 120,334         | 72,537                         | 82,535                         |
| TRS                                    | 19            | 35.60           | 54,643          | 37,018                         | 42,930                         |
| <b>Total/Average</b>                   | <b>33,577</b> | <b>25.49</b>    | <b>\$54,274</b> | <b>\$24,404</b>                | <b>\$27,941</b>                |

## PROFILE OF ACTIVE DROP PARTICIPANTS

as of June 30, 2010

| By Monthly Benefit Range | Count         | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|--------------------------|---------------|-----------------|-----------------|--------------------------------|--------------------------------|
| Less Than \$50           | 0             | 0.00            | \$0             | \$0                            | \$0                            |
| \$50 - \$99              | 42            | 6.44            | 8,386           | 839                            | 954                            |
| \$100 - \$149            | 121           | 7.41            | 12,636          | 1,351                          | 1,540                          |
| \$150 - \$199            | 199           | 8.11            | 16,293          | 1,861                          | 2,121                          |
| \$200 - \$249            | 262           | 8.46            | 19,921          | 2,371                          | 2,701                          |
| \$250 - \$299            | 287           | 9.56            | 21,789          | 2,898                          | 3,297                          |
| \$300 - \$349            | 317           | 10.84           | 22,578          | 3,428                          | 3,906                          |
| \$350 - \$399            | 331           | 11.53           | 24,865          | 3,946                          | 4,499                          |
| \$400 - \$449            | 335           | 12.31           | 26,562          | 4,481                          | 5,109                          |
| \$450 - \$499            | 339           | 13.74           | 27,093          | 5,010                          | 5,715                          |
| \$500 - \$999            | 4,218         | 17.84           | 32,180          | 7,985                          | 9,119                          |
| \$1,000 - \$1,999        | 9,783         | 25.14           | 43,064          | 15,774                         | 18,035                         |
| \$2,000 - \$2,999        | 9,206         | 29.24           | 57,601          | 25,931                         | 29,741                         |
| \$3,000 - \$3,999        | 4,382         | 30.39           | 72,095          | 35,630                         | 40,852                         |
| \$4,000 - \$4,999        | 1,607         | 29.77           | 87,167          | 46,596                         | 53,313                         |
| \$5,000 or More          | 2,148         | 28.18           | 106,613         | 71,731                         | 81,993                         |
| <b>Total/Average</b>     | <b>33,577</b> | <b>25.49</b>    | <b>\$54,274</b> | <b>\$24,404</b>                | <b>\$27,941</b>                |

### By Option Selection\*

|                                    |               |              |                 |                 |                 |
|------------------------------------|---------------|--------------|-----------------|-----------------|-----------------|
| Lifetime Benefit (1)               | 18,464        | 25.07        | \$52,090        | \$23,894        | \$27,363        |
| Benefit with a Guarantee (2)       | 5,912         | 25.71        | 52,459          | 24,400          | 27,938          |
| Member with a Joint Annuitant (3)  | 8,167         | 26.22        | 58,939          | 24,851          | 28,445          |
| Reduced Benefit on First Death (4) | 1,034         | 25.87        | 66,826          | 30,003          | 34,302          |
| <b>Total/Average</b>               | <b>33,577</b> | <b>25.49</b> | <b>\$54,274</b> | <b>\$24,404</b> | <b>\$27,941</b> |

### By Employer Group

|                              |               |              |                 |                 |                 |
|------------------------------|---------------|--------------|-----------------|-----------------|-----------------|
| State                        | 7,045         | 25.44        | \$50,253        | \$22,839        | \$26,077        |
| State University System      | 1,627         | 26.06        | 55,962          | 22,882          | 26,138          |
| Counties                     | 6,588         | 24.81        | 64,305          | 33,459          | 38,217          |
| School Boards                | 15,971        | 25.79        | 51,031          | 21,485          | 24,684          |
| Community Colleges           | 1,135         | 24.10        | 55,400          | 21,544          | 24,615          |
| Cities and Special Districts | 1,211         | 25.98        | 62,559          | 27,482          | 31,386          |
| <b>Total/Average</b>         | <b>33,577</b> | <b>25.49</b> | <b>\$54,274</b> | <b>\$24,404</b> | <b>\$27,941</b> |

\* Option selections for existing systems have been included in the FRS options outlined even though they are different.

## PROFILE OF ACTIVE DROP PARTICIPANTS

as of June 30, 2010

| By Years of Service | Total Membership |               |               | State Membership |              |              | Non-State Membership* |              |               |
|---------------------|------------------|---------------|---------------|------------------|--------------|--------------|-----------------------|--------------|---------------|
|                     | Females          | Males         | Total         | Females          | Males        | Total        | Females               | Males        | Total         |
| 6 - 9               | 866              | 563           | 1,429         | 221              | 154          | 375          | 645                   | 409          | 1,054         |
| 10 - 14             | 1,608            | 946           | 2,554         | 412              | 308          | 720          | 1,196                 | 638          | 1,834         |
| 15 - 19             | 2,385            | 1,422         | 3,807         | 577              | 446          | 1,023        | 1,808                 | 976          | 2,784         |
| 20 - 24             | 2,964            | 1,373         | 4,337         | 561              | 375          | 936          | 2,403                 | 998          | 3,401         |
| 25 - 29             | 2,484            | 2,411         | 4,895         | 489              | 607          | 1,096        | 1,995                 | 1,804        | 3,799         |
| 30 - 34             | 10,518           | 5,164         | 15,682        | 2,577            | 1,694        | 4,271        | 7,941                 | 3,470        | 11,411        |
| 35 or More Years    | 493              | 380           | 873           | 109              | 142          | 251          | 384                   | 238          | 622           |
| <b>Total</b>        | <b>21,318</b>    | <b>12,259</b> | <b>33,577</b> | <b>4,946</b>     | <b>3,726</b> | <b>8,672</b> | <b>16,372</b>         | <b>8,533</b> | <b>24,905</b> |

| By Age Range | Females       | Males         | Total         | Females      | Males        | Total        | Females       | Males        | Total         |
|--------------|---------------|---------------|---------------|--------------|--------------|--------------|---------------|--------------|---------------|
| Less Than 50 | 123           | 390           | 513           | 49           | 89           | 138          | 74            | 301          | 375           |
| 50 - 54      | 1,775         | 1,601         | 3,376         | 664          | 372          | 1,036        | 1,111         | 1,229        | 2,340         |
| 55 - 59      | 5,847         | 3,750         | 9,597         | 1,443        | 1,198        | 2,641        | 4,404         | 2,552        | 6,956         |
| 60 - 64      | 10,462        | 5,043         | 15,505        | 2,222        | 1,635        | 3,857        | 8,240         | 3,408        | 11,648        |
| 65 - 69      | 3,012         | 1,413         | 4,425         | 558          | 420          | 978          | 2,454         | 993          | 3,447         |
| 70 - 74      | 74            | 44            | 118           | 8            | 10           | 18           | 66            | 34           | 100           |
| 75 - 79      | 20            | 15            | 35            | 2            | 2            | 4            | 18            | 13           | 31            |
| 80 and Over  | 5             | 3             | 8             | 0            | 0            | 0            | 5             | 3            | 8             |
| <b>Total</b> | <b>21,318</b> | <b>12,259</b> | <b>33,577</b> | <b>4,946</b> | <b>3,726</b> | <b>8,672</b> | <b>16,372</b> | <b>8,533</b> | <b>24,905</b> |

|                                |          |          |          |          |          |          |          |          |          |
|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Average Age                    | 60.61    | 59.41    | 60.17    | 59.78    | 59.73    | 59.76    | 60.86    | 59.27    | 60.31    |
| Average Years of Service       | 25.59    | 25.30    | 25.49    | 25.54    | 25.57    | 25.56    | 25.61    | 25.18    | 25.46    |
| Average Annual Salary          | \$47,976 | \$58,306 | \$51,748 | \$40,315 | \$54,105 | \$46,240 | \$50,291 | \$60,141 | \$53,665 |
| Percentage (by Gender)         | 63.5%    | 36.5%    |          | 57.0%    | 43.0%    |          | 65.7%    | 34.3%    |          |
| Average Annual Current Benefit | \$24,305 | \$34,265 | \$27,941 | \$22,059 | \$31,436 | \$26,088 | \$24,983 | \$35,499 | \$28,586 |

## DROP ACCRUED BENEFITS AND INTEREST

as of June 30, 2010

| By System/Class              | Total Membership       |                      |                        | State Membership     |                      |                      | Non-State Membership* |                      |                        |
|------------------------------|------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|------------------------|
|                              | Females                | Males                | Total                  | Females              | Males                | Total                | Females               | Males                | Total                  |
| FRS - EOC                    | \$11,512,012           | \$37,072,785         | \$48,584,797           | \$5,783,475          | \$31,469,149         | \$37,252,624         | \$5,728,537           | \$5,603,635          | \$11,332,172           |
| FRS - Regular                | 1,018,327,602          | 496,785,737          | 1,515,113,339          | 190,452,152          | 144,838,681          | 335,290,833          | 827,875,451           | 351,947,056          | 1,179,822,507          |
| FRS - SMSC                   | 25,043,532             | 35,149,910           | 60,193,442             | 8,490,984            | 17,090,375           | 25,581,359           | 16,552,549            | 18,059,535           | 34,612,084             |
| FRS - Special Risk Adm. Sup. | 77,784                 | 293,282              | 371,066                | 13,822               | 254,525              | 268,347              | 63,962                | 38,757               | 102,719                |
| FRS - Special Risk           | 41,722,700             | 290,934,469          | 332,657,169            | 14,951,410           | 54,914,930           | 69,866,340           | 26,771,289            | 236,019,540          | 262,790,829            |
| SCOERS                       | 0                      | 0                    | 0                      | 0                    | 0                    | 0                    | 0                     | 0                    | 0                      |
| TRS                          | 2,428,743              | 661,691              | 3,090,434              | 131,324              | 0                    | 131,324              | 2,297,419             | 661,691              | 2,959,110              |
| <b>Totals</b>                | <b>\$1,099,112,373</b> | <b>\$860,897,874</b> | <b>\$1,960,010,247</b> | <b>\$219,823,167</b> | <b>\$248,567,660</b> | <b>\$468,390,827</b> | <b>\$879,289,207</b>  | <b>\$612,330,214</b> | <b>\$1,491,619,421</b> |

\* Non-State Membership: School Boards, Counties, Community Colleges, Cities and Special Districts.

## TERMINATED DROP PARTICIPANTS BY SYSTEM\*

from July 1, 2009 - June 30, 2010

| By System/Class                        | Count        | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|----------------------------------------|--------------|-----------------|-----------------|--------------------------------|--------------------------------|
| FRS - Regular Class                    | 8,748        | 25.45           | \$48,318        | \$19,804                       | \$22,064                       |
| FRS - Senior Management Service Class  | 176          | 29.25           | 95,834          | 45,066                         | 49,671                         |
| FRS - Special Risk Class               | 709          | 24.75           | 65,820          | 44,587                         | 49,029                         |
| FRS - Special Risk Admin Support Class | 3            | 28.77           | 45,581          | 24,843                         | 27,313                         |
| FRS - Elected Officers' Class          | 19           | 26.91           | 124,692         | 87,028                         | 97,058                         |
| TRS                                    | 20           | 36.15           | 56,109          | 38,380                         | 44,101                         |
| SCOERS                                 | 0            | 0.00            | 0               | 0                              | 0                              |
| <b>Total/Average</b>                   | <b>9,675</b> | <b>25.50</b>    | <b>\$50,630</b> | <b>\$22,252</b>                | <b>\$24,737</b>                |

## PROFILE OF TERMINATED DROP PARTICIPANTS\*

from July 1, 2009 - June 30, 2010

| By Monthly Benefit Range | Count        | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|--------------------------|--------------|-----------------|-----------------|--------------------------------|--------------------------------|
| Less than \$50           | 0            | 0.00            | \$0             | \$0                            | \$0                            |
| \$50 - \$99              | 22           | 6.76            | 8,426           | 903                            | 992                            |
| \$100 - \$149            | 37           | 7.23            | 13,450          | 1,421                          | 1,540                          |
| \$150 - \$199            | 73           | 7.92            | 17,393          | 1,940                          | 2,124                          |
| \$200 - \$249            | 88           | 8.99            | 19,633          | 2,510                          | 2,722                          |
| \$250 - \$299            | 100          | 9.77            | 22,373          | 3,022                          | 3,315                          |
| \$300 - \$349            | 98           | 11.03           | 23,474          | 3,584                          | 3,883                          |
| \$350 - \$399            | 125          | 12.34           | 24,397          | 4,096                          | 4,515                          |
| \$400 - \$449            | 108          | 13.05           | 26,001          | 4,687                          | 5,098                          |
| \$450 - \$499            | 119          | 13.57           | 28,632          | 5,202                          | 5,728                          |
| \$500 - \$999            | 1,352        | 18.62           | 31,705          | 8,255                          | 9,032                          |
| \$1,000 - \$1,999        | 2,951        | 25.82           | 42,853          | 16,282                         | 17,940                         |
| \$2,000 - \$2,999        | 2,823        | 29.63           | 56,724          | 26,168                         | 29,310                         |
| \$3,000 - \$3,999        | 1,098        | 30.44           | 72,601          | 36,453                         | 40,835                         |
| \$4,000 - \$4,999        | 358          | 29.69           | 84,778          | 48,076                         | 53,278                         |
| \$5,000 or more          | 323          | 28.48           | 101,667         | 68,855                         | 75,975                         |
| <b>Total/Average</b>     | <b>9,675</b> | <b>25.50</b>    | <b>\$50,630</b> | <b>\$22,252</b>                | <b>\$24,737</b>                |

### By Option Selection\*\*

|                                    |              |              |                 |                 |                 |
|------------------------------------|--------------|--------------|-----------------|-----------------|-----------------|
| Lifetime Benefit (1)               | 5,296        | 25.01        | \$48,868        | \$21,906        | \$24,296        |
| Benefit with a Guarantee (2)       | 1,949        | 25.87        | 49,482          | 22,498          | 25,135          |
| Member with a Joint Annuitant (3)  | 2,119        | 26.29        | 54,800          | 22,511          | 25,042          |
| Reduced Benefit on First Death (4) | 311          | 26.11        | 59,409          | 24,826          | 27,656          |
| <b>Total/Average</b>               | <b>9,675</b> | <b>25.50</b> | <b>\$50,630</b> | <b>\$22,252</b> | <b>\$24,737</b> |

### By Employer Group

|                              |              |              |                 |                 |                 |
|------------------------------|--------------|--------------|-----------------|-----------------|-----------------|
| State                        | 1,821        | 25.19        | \$46,419        | \$20,555        | \$22,849        |
| State University System      | 438          | 26.05        | 52,672          | 21,782          | 24,348          |
| Counties                     | 1,704        | 23.91        | 57,180          | 27,779          | 30,402          |
| School Boards                | 5,049        | 26.20        | 49,251          | 20,999          | 23,537          |
| Community Colleges           | 305          | 23.94        | 55,427          | 22,014          | 24,369          |
| Cities and Special Districts | 358          | 25.45        | 53,728          | 23,022          | 25,076          |
| <b>Total/Average</b>         | <b>9,675</b> | <b>25.50</b> | <b>\$50,630</b> | <b>\$22,252</b> | <b>\$24,737</b> |

\* Terminated DROP participants are also included with the statistics of all annuitants on pages 52 to 57.

\*\* Option selections for existing systems have been included in the FRS options outlined even though they can offer different payment options.



# PROFILE OF TERMINATED DROP PARTICIPANTS\*

from July 1, 2009 - June 30, 2010

| By Years of Service  | Count        | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|----------------------|--------------|-----------------|-----------------|--------------------------------|--------------------------------|
| 6 - 9                | 437          | 7.65            | \$29,084        | \$3,590                        | \$3,914                        |
| 10 - 14              | 727          | 12.62           | 36,929          | 7,474                          | 8,208                          |
| 15 - 19              | 1,101        | 17.52           | 41,874          | 11,754                         | 12,914                         |
| 20 - 24              | 1,075        | 22.44           | 49,109          | 18,257                         | 19,949                         |
| 25 - 29              | 1,352        | 27.06           | 56,747          | 30,144                         | 32,939                         |
| 30 - 34              | 4,825        | 30.76           | 54,991          | 26,800                         | 30,067                         |
| 35 or More Years     | 158          | 36.39           | 59,091          | 35,777                         | 40,376                         |
| <b>Total/Average</b> | <b>9,675</b> | <b>25.50</b>    | <b>\$50,630</b> | <b>\$22,252</b>                | <b>\$24,737</b>                |

| By Age Range         |              |              |                 |                 |                 |
|----------------------|--------------|--------------|-----------------|-----------------|-----------------|
| Less than 50         | 47           | 26.17        | \$69,386        | \$49,179        | \$50,820        |
| 50 - 54              | 451          | 28.87        | 59,845          | 36,360          | 39,056          |
| 55 - 59              | 2,107        | 29.94        | 56,001          | 28,685          | 31,997          |
| 60 - 64              | 3,832        | 27.18        | 52,333          | 23,319          | 25,876          |
| 65 - 69              | 3,110        | 20.38        | 43,821          | 14,646          | 16,508          |
| 70 - 74              | 104          | 13.85        | 38,507          | 9,532           | 10,903          |
| 75 - 79              | 20           | 12.61        | 32,512          | 7,784           | 8,630           |
| 80 and Over          | 4            | 29.42        | 29,747          | 20,816          | 25,103          |
| <b>Total/Average</b> | <b>9,675</b> | <b>25.50</b> | <b>\$50,630</b> | <b>\$22,252</b> | <b>\$24,737</b> |

| By Gender            |              |              |                 |                 |                 |
|----------------------|--------------|--------------|-----------------|-----------------|-----------------|
| Female               | 3,511        | 25.65        | \$46,745        | \$20,029        | \$22,280        |
| Male                 | 6,164        | 25.23        | 57,450          | 26,154          | 29,049          |
| <b>Total/Average</b> | <b>9,675</b> | <b>25.50</b> | <b>\$50,630</b> | <b>\$22,252</b> | <b>\$24,737</b> |

| By Cause of Termination |              |              |                 |                 |                 |
|-------------------------|--------------|--------------|-----------------|-----------------|-----------------|
| Deceased                | 74           | 22.90        | \$50,672        | \$19,851        | \$21,102        |
| Termination             | 9,601        | 25.52        | 50,629          | 22,270          | 24,765          |
| <b>Total/Average</b>    | <b>9,675</b> | <b>25.50</b> | <b>\$50,630</b> | <b>\$22,252</b> | <b>\$24,737</b> |

Average length of participation - 3.11 years

\* Terminated DROP participants are also included with the statistics of all annuitants on pages 52 to 57.

## TOTAL ANNUITANTS BY SYSTEM\*

as of June 30

| System/Class                      | 2006           | 2007           | 2008           | 2009           | 2010           |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| FRS - Regular Class               | 220,679        | 231,911        | 242,022        | 253,872        | 267,301        |
| - Senior Mgmt. Service Class      | 1,288          | 1,505          | 1,711          | 2,007          | 2,267          |
| - Special Risk Class              | 19,575         | 21,071         | 22,542         | 23,896         | 25,248         |
| - Special Risk Adm. Supp. Class   | 152            | 154            | 166            | 164            | 165            |
| - Elected Officers' Class         | <u>1,771</u>   | <u>1,860</u>   | <u>1,891</u>   | <u>2,048</u>   | <u>2,050</u>   |
| <b>Subtotal</b>                   | <u>243,465</u> | <u>256,501</u> | <u>268,332</u> | <u>281,987</u> | <u>297,031</u> |
| TRS                               | 5,728          | 5,509          | 5,346          | 5,154          | 4,967          |
| TRS-SB                            | 713            | 685            | 653            | 613            | 571            |
| SCOERS                            | 1,229          | 1,119          | 965            | 867            | 769            |
| Hwy. Patrol                       | 63             | 61             | 57             | 53             | 47             |
| JRS                               | 11             | 8              | 8              | 8              | 6              |
| IFAS**                            | —              | —              | 134            | 147            | 158            |
| <b>Subtotal</b>                   | <u>7,744</u>   | <u>7,382</u>   | <u>7,163</u>   | <u>6,842</u>   | <u>6,518</u>   |
| <b>Total</b>                      | <u>251,209</u> | <u>263,883</u> | <u>275,495</u> | <u>288,829</u> | <u>303,549</u> |
| <b>General Revenue and IFAS**</b> |                |                |                |                |                |
| Noncontributory (112.05, F.S.)    | 89             | 84             | 69             | 60             | 51             |
| IFAS**                            | 115            | 127            | —              | —              | —              |
| National Guard                    | 636            | 659            | 679            | 704            | 727            |
| Judicial Retirement               | 9              | 8              | 8              | 8              | 9              |
| Teachers (238.171, F.S.)          | 1              | 1              | 1              | 1              | 1              |
| Special Pensions                  | <u>1</u>       | <u>1</u>       | <u>—</u>       | <u>—</u>       | <u>—</u>       |
| <b>Total</b>                      | <u>851</u>     | <u>880</u>     | <u>757</u>     | <u>773</u>     | <u>788</u>     |
| <b>Grand Total</b>                | <u>252,060</u> | <u>264,763</u> | <u>276,252</u> | <u>289,602</u> | <u>304,337</u> |

## AVERAGE ANNUALIZED BENEFITS TO TOTAL ANNUITANTS BY SYSTEM\*

as of June 30

| System/Class                      | 2006                   | 2007                   | 2008                   | 2009                   | 2010                   |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| FRS - Regular Class               | \$13,633               | \$14,067               | \$14,553               | \$15,036               | \$15,567               |
| - Senior Mgmt. Service Class      | 38,981                 | 39,421                 | 40,267                 | 40,918                 | 41,975                 |
| - Special Risk Class              | 26,385                 | 27,644                 | 28,928                 | 30,203                 | 31,536                 |
| - Special Risk Adm. Supp. Class   | 28,891                 | 30,539                 | 31,803                 | 32,626                 | 33,153                 |
| - Elected Officers' Class         | 37,429                 | 38,211                 | 39,431                 | 40,863                 | 42,414                 |
| TRS                               | 23,648                 | 24,985                 | 26,383                 | 27,820                 | 29,215                 |
| TRS-SB                            | 1,875                  | 1,876                  | 1,876                  | 1,879                  | 1,882                  |
| SCOERS                            | 7,443                  | 7,834                  | 8,314                  | 8,713                  | 9,111                  |
| Hwy. Patrol                       | 17,143                 | 16,881                 | 17,747                 | 18,107                 | 18,238                 |
| JRS                               | 21,439                 | 20,452                 | 21,066                 | 21,698                 | 20,130                 |
| IFAS**                            | —                      | —                      | 9,300                  | 9,756                  | 10,155                 |
| <b>Average</b>                    | <b>\$15,100</b>        | <b>\$15,682</b>        | <b>\$16,246</b>        | <b>\$16,843</b>        | <b>\$17,462</b>        |
| <b>General Revenue and IFAS**</b> |                        |                        |                        |                        |                        |
| Noncontributory (112.05, F.S.)    | \$12,857               | \$13,266               | \$13,873               | \$14,144               | \$14,324               |
| IFAS**                            | 9,024                  | 9,117                  | —                      | —                      | —                      |
| National Guard                    | 15,118                 | 16,120                 | 16,854                 | 17,103                 | 18,049                 |
| Judicial Retirement               | 63,885                 | 67,011                 | 69,021                 | 71,092                 | 75,023                 |
| Teachers (238.171, F.S.)          | 1,870                  | 1,926                  | 1,984                  | 2,044                  | 2,105                  |
| Special Pensions                  | <u>3,861</u>           | <u>3,861</u>           | <u>—</u>               | <u>—</u>               | <u>—</u>               |
| <b>Average</b>                    | <u><b>\$14,545</b></u> | <u><b>\$15,270</b></u> | <u><b>\$17,114</b></u> | <u><b>\$17,413</b></u> | <u><b>\$18,438</b></u> |
| <b>Average All Annuitants</b>     | <u><b>\$15,098</b></u> | <u><b>\$15,645</b></u> | <u><b>\$16,248</b></u> | <u><b>\$16,845</b></u> | <u><b>\$17,465</b></u> |

\* Total annuitants include General Revenue and TRS-SB annuitants and exclude DROP participants.

\*\* Effective July 1, 2007, IFAS was consolidated under the FRS as a closed retirement plan.

## ANNUALIZED BENEFITS TO TOTAL ANNUITANTS BY SYSTEM\*

as of June 30

| <u>System/Class</u>             | <u>2006</u>                   | <u>2007</u>                   | <u>2008</u>                   | <u>2009</u>                   | <u>2010</u>                   |
|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| FRS - Regular Class             | \$3,008,509,309               | \$3,262,328,600               | \$3,522,147,170               | \$3,817,225,411               | \$4,161,037,611               |
| - Senior Mgmt. Service Class    | 50,207,682                    | 59,328,434                    | 68,897,259                    | 82,123,428                    | 95,157,331                    |
| - Special Risk Class            | 516,492,857                   | 582,481,020                   | 652,093,960                   | 721,722,186                   | 796,227,945                   |
| - Special Risk Adm. Supp. Class | 4,391,395                     | 4,702,954                     | 5,279,294                     | 5,350,629                     | 5,470,267                     |
| - Elected Officers' Class       | <u>66,287,146</u>             | <u>71,073,245</u>             | <u>74,564,688</u>             | <u>83,687,182</u>             | <u>86,947,886</u>             |
| <b>Subtotal</b>                 | <u>3,645,888,390</u>          | <u>3,979,914,253</u>          | <u>4,322,982,371</u>          | <u>4,710,108,836</u>          | <u>5,144,841,040</u>          |
| TRS                             | 135,455,474                   | 137,643,171                   | 141,041,078                   | 143,384,889                   | 145,110,979                   |
| TRS-SB                          | 1,336,886                     | 1,285,106                     | 1,225,226                     | 1,151,960                     | 1,074,560                     |
| SCOERS                          | 9,147,218                     | 8,766,227                     | 8,023,328                     | 7,554,301                     | 7,006,123                     |
| Hwy. Patrol                     | 1,080,022                     | 1,029,755                     | 1,011,592                     | 959,676                       | 857,183                       |
| JRS                             | 235,826                       | 163,619                       | 168,528                       | 173,584                       | 120,779                       |
| IFAS**                          | —                             | —                             | <u>1,246,172</u>              | <u>1,434,103</u>              | <u>1,604,541</u>              |
| <b>Subtotal</b>                 | <u>147,255,426</u>            | <u>148,887,878</u>            | <u>152,715,925</u>            | <u>154,658,513</u>            | <u>155,774,165</u>            |
| <b>Total</b>                    | <b><u>\$3,793,143,816</u></b> | <b><u>\$4,128,802,131</u></b> | <b><u>\$4,475,698,296</u></b> | <b><u>\$4,864,767,349</u></b> | <b><u>\$5,300,615,205</u></b> |
| <b>General Revenue</b>          |                               |                               |                               |                               |                               |
| Noncontributory (112.05, F.S.)  | \$1,144,278                   | \$1,114,332                   | \$957,265                     | \$848,668                     | \$730,502                     |
| IFAS**                          | 1,037,716                     | 1,157,805                     | —                             | —                             | —                             |
| National Guard                  | 9,614,758                     | 10,623,318                    | 11,443,871                    | 12,040,773                    | 13,121,383                    |
| Judicial Retirement             | 574,969                       | 536,085                       | 552,167                       | 568,732                       | 675,206                       |
| Teachers (238.171, F.S.)        | 1,870                         | 1,926                         | 1,984                         | 2,044                         | 2,105                         |
| Special Pensions                | 3,861                         | 3,861                         | —                             | —                             | —                             |
| <b>Total</b>                    | <u>12,377,453</u>             | <u>13,437,327</u>             | <u>12,955,287</u>             | <u>13,460,217</u>             | <u>14,529,196</u>             |
| <b>Grand Total</b>              | <b><u>\$3,805,521,269</u></b> | <b><u>\$4,142,239,458</u></b> | <b><u>\$4,488,653,653</u></b> | <b><u>\$4,878,227,566</u></b> | <b><u>\$5,315,144,401</u></b> |
| <b>Average All Annuitants</b>   | <b>\$15,098</b>               | <b>\$15,645</b>               | <b>\$16,248</b>               | <b>\$16,845</b>               | <b>\$17,465</b>               |

## COMPARISON OF TOTAL DISABILITY BENEFITS BY SYSTEM\*

as of June 30

| <u>System/Class</u>             | <u>Number of Retirees</u> |                      | <u>Annualized Benefits</u>  |                             | <u>Average Annual Benefits</u> |                        |
|---------------------------------|---------------------------|----------------------|-----------------------------|-----------------------------|--------------------------------|------------------------|
|                                 | <u>2009</u>               | <u>2010</u>          | <u>2009</u>                 | <u>2010</u>                 | <u>2009</u>                    | <u>2010</u>            |
| FRS - Regular Class             | 13,337                    | 13,619               | \$142,134,359               | \$149,435,002               | \$10,657                       | \$10,973               |
| - Senior Mgmt. Service Class    | 28                        | 37                   | 701,537                     | 982,138                     | 25,055                         | 26,544                 |
| - Special Risk Class            | 1,391                     | 1,461                | 30,645,055                  | 33,458,970                  | 22,031                         | 22,901                 |
| - Special Risk Adm. Supp. Class | 3                         | 4                    | 62,873                      | 105,029                     | 20,958                         | 26,257                 |
| - Elected Officers' Class       | 9                         | 9                    | 204,831                     | 350,068                     | 22,759                         | 38,896                 |
| TRS                             | 176                       | 161                  | 2,242,157                   | 2,158,745                   | 12,740                         | 13,408                 |
| SCOERS                          | 40                        | 38                   | 305,685                     | 303,744                     | 7,642                          | 7,993                  |
| Hwy. Patrol                     | 2                         | 2                    | 21,646                      | 22,295                      | 10,823                         | 11,148                 |
| General Revenue                 | 8                         | 9                    | 568,732                     | 675,206                     | 71,092                         | 75,023                 |
| <b>Total/Average</b>            | <b><u>14,994</u></b>      | <b><u>15,340</u></b> | <b><u>\$176,886,875</u></b> | <b><u>\$187,491,197</u></b> | <b><u>\$11,797</u></b>         | <b><u>\$12,222</u></b> |

\* Total annuitants include General Revenue and TRS-SB annuitants and exclude DROP participants.

\*\* Effective July 1, 2007, IFAS was consolidated under the FRS as a closed retirement plan.

## TOTAL ANNUITANTS BY SYSTEM\*

as of June 30, 2010

| By System/Plan/Class                               | Count          | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|----------------------------------------------------|----------------|-----------------|-----------------|--------------------------------|--------------------------------|
| FRS Investment Plan - Regular Class**              | 96             | 15.97           | \$36,886        | \$11,451                       | \$12,389                       |
| FRS Investment Plan - Special Risk Admin Support** | 1              | 32.91           | 49,487          | 39,288                         | 40,270                         |
| FRS Investment Plan - Special Risk Class**         | 33             | 16.11           | 49,056          | 28,548                         | 30,511                         |
| FRS Pension Plan - Regular Class                   | 267,205        | 20.96           | 33,382          | 11,514                         | 15,568                         |
| FRS Pension Plan - SMSC                            | 2,267          | 24.30           | 89,264          | 34,233                         | 41,975                         |
| FRS Pension Plan - Special Risk Class              | 25,215         | 20.46           | 45,045          | 23,826                         | 31,538                         |
| FRS Pension Plan - Special Risk Admin Support      | 164            | 25.36           | 47,396          | 23,424                         | 33,110                         |
| FRS Pension Plan - Elected Officers' Class         | 2,050          | 20.73           | 59,379          | 31,882                         | 42,414                         |
| Existing Systems - TRS                             | 4,967          | 28.55           | 33,056          | 19,211                         | 29,215                         |
| Existing Systems - TRS-SB                          | 571            | 0.00            | 0               | 2,054                          | 1,882                          |
| Existing Systems - Judicial Retirement System      | 6              | 15.85           | 23,379          | 9,534                          | 20,130                         |
| Existing Systems - Highway Patrol                  | 47             | 25.26           | 15,963          | 13,454                         | 18,238                         |
| Existing Systems - SCOERS                          | 769            | 21.43           | 10,959          | 4,709                          | 9,111                          |
| Existing Systems - IFAS                            | 158            | 0.00            | 0               | 8,031                          | 10,155                         |
| General Revenue                                    | 788            | 32.70           | 1,939           | 10,865                         | 18,438                         |
| <b>Total/Average</b>                               | <b>304,337</b> | <b>21.04</b>    | <b>\$34,724</b> | <b>\$12,937</b>                | <b>\$17,465</b>                |

## PROFILE OF FRS ANNUITANTS\*\*\*

as of June 30, 2010

| By Years of Service  | Count          | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|----------------------|----------------|-----------------|-----------------|--------------------------------|--------------------------------|
| 40 or More Years     | 2,240          | 42.31           | \$45,393        | \$32,056                       | \$47,675                       |
| 35 - 39              | 9,136          | 36.89           | 42,853          | 26,981                         | 40,464                         |
| 30 - 34              | 66,346         | 31.02           | 45,838          | 23,195                         | 31,141                         |
| 25 - 29              | 36,084         | 27.00           | 41,993          | 19,959                         | 26,491                         |
| 20 - 24              | 43,835         | 22.25           | 34,899          | 11,792                         | 15,802                         |
| 15 - 19              | 52,211         | 17.34           | 30,788          | 7,992                          | 10,672                         |
| 10 - 14              | 72,375         | 12.09           | 25,275          | 4,672                          | 6,323                          |
| 5 - 9                | 20,238         | 7.79            | 26,863          | 3,624                          | 4,317                          |
| Less Than 5 Years    | 513            | 2.15            | 12,510          | 8,340                          | 12,191                         |
| <b>Total/Average</b> | <b>302,978</b> | <b>21.05</b>    | <b>\$34,875</b> | <b>\$12,962</b>                | <b>\$17,492</b>                |

| By Age Range                      | Count          | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|-----------------------------------|----------------|-----------------|-----------------|--------------------------------|--------------------------------|
| Under 40                          | 1,737          | 18.40           | \$35,484        | \$6,769                        | \$8,029                        |
| 40 - 44                           | 873            | 16.23           | 34,825          | 9,553                          | 10,627                         |
| 45 - 49                           | 2,646          | 16.60           | 36,977          | 12,010                         | 12,933                         |
| 50 - 54                           | 8,536          | 19.27           | 39,828          | 15,266                         | 16,753                         |
| 55 - 59                           | 26,739         | 21.55           | 41,523          | 16,227                         | 18,937                         |
| 60 - 64                           | 57,619         | 22.14           | 41,689          | 16,048                         | 19,724                         |
| 65 - 69                           | 66,392         | 21.06           | 38,124          | 13,801                         | 17,824                         |
| 70 - 74                           | 51,159         | 20.41           | 33,584          | 11,919                         | 16,740                         |
| 75 - 79                           | 38,343         | 20.99           | 29,986          | 11,192                         | 17,187                         |
| 80 - 84                           | 27,053         | 21.04           | 25,887          | 9,899                          | 16,566                         |
| 85 and Older                      | 21,753         | 20.87           | 19,440          | 7,503                          | 14,169                         |
| Option 2 Payees - Member Deceased | 128            | 19.39           | 14,271          | 3,455                          | 8,273                          |
| <b>Total/Average</b>              | <b>302,978</b> | <b>21.05</b>    | <b>\$34,875</b> | <b>\$12,962</b>                | <b>\$17,492</b>                |

\* Total annuitants include General Revenue and TRS-SB annuitants and exclude DROP participants.

\*\* Investment Plan Disability retirees.

\*\*\* FRS annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

# PROFILE OF FRS ANNUITANTS\*

as of June 30, 2010

| By Option Selection**              | Count          | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|------------------------------------|----------------|-----------------|-----------------|--------------------------------|--------------------------------|
| Lifetime Benefit (1)               | 174,857        | 20.29           | \$32,806        | \$12,230                       | \$16,513                       |
| Benefit with a Guarantee (2)       | 53,255         | 22.12           | 35,897          | 14,185                         | 19,336                         |
| Member with a Joint Annuitant (3)  | 62,281         | 21.85           | 38,459          | 13,194                         | 17,874                         |
| Reduced Benefit on First Death (4) | 12,585         | 23.22           | 41,558          | 16,820                         | 21,396                         |
| <b>Total/Average</b>               | <b>302,978</b> | <b>21.05</b>    | <b>\$34,875</b> | <b>\$12,962</b>                | <b>\$17,492</b>                |

| By Monthly Benefit Amount |                |              |                 |                 |                 |
|---------------------------|----------------|--------------|-----------------|-----------------|-----------------|
| Less Than \$50            | 697            | 9.98         | \$12,417        | \$416           | \$414           |
| \$50 - \$99               | 3,191          | 9.78         | 11,003          | 838             | 942             |
| \$100 - \$149             | 5,633          | 10.47        | 13,109          | 1,297           | 1,517           |
| \$150 - \$199             | 7,464          | 11.15        | 15,544          | 1,763           | 2,110           |
| \$200 - \$249             | 8,933          | 11.47        | 17,261          | 2,211           | 2,706           |
| \$250 - \$299             | 10,664         | 11.91        | 17,551          | 2,455           | 3,298           |
| \$300 - \$349             | 10,686         | 12.69        | 19,221          | 2,914           | 3,897           |
| \$350 - \$399             | 10,418         | 13.47        | 20,674          | 3,395           | 4,498           |
| \$400 - \$449             | 10,074         | 14.08        | 22,024          | 3,858           | 5,098           |
| \$450 - \$499             | 9,576          | 14.77        | 23,274          | 4,342           | 5,695           |
| \$500 - \$999             | 70,505         | 17.40        | 27,938          | 6,604           | 8,717           |
| \$1000 - \$1999           | 73,925         | 23.71        | 36,993          | 12,944          | 17,264          |
| \$2000 - \$2999           | 45,906         | 29.07        | 46,764          | 21,724          | 29,397          |
| \$3000 - \$3999           | 20,468         | 30.87        | 56,915          | 29,755          | 41,103          |
| \$4000 - \$4999           | 8,210          | 31.33        | 66,219          | 38,288          | 53,112          |
| \$5000 or more            | 6,628          | 31.20        | 85,378          | 55,506          | 75,512          |
| <b>Total/Average</b>      | <b>302,978</b> | <b>21.05</b> | <b>\$34,875</b> | <b>\$12,962</b> | <b>\$17,492</b> |

| By Benefit Recipient |                |              |                 |                 |                 |
|----------------------|----------------|--------------|-----------------|-----------------|-----------------|
| Member Deceased      | 25,431         | 20.21        | \$31,886        | \$10,390        | \$13,292        |
| Member Living        | 277,547        | 21.13        | 35,148          | 13,198          | 17,876          |
| <b>Total/Average</b> | <b>302,978</b> | <b>21.05</b> | <b>\$34,875</b> | <b>\$12,962</b> | <b>\$17,492</b> |

| By Retirement Date   |                |              |                 |                 |                 |
|----------------------|----------------|--------------|-----------------|-----------------|-----------------|
| Before 12/1970       | 327            | 22.16        | \$6,837         | \$2,526         | \$8,274         |
| 12/1970 - 6/1985     | 15,886         | 21.29        | 15,733          | 6,192           | 13,217          |
| 7/1985 - 6/1995      | 53,989         | 21.93        | 27,024          | 10,455          | 17,798          |
| 7/1995 - 6/2000      | 72,785         | 22.91        | 36,133          | 14,594          | 21,048          |
| 7/2000 - 6/2005      | 95,470         | 21.17        | 38,956          | 14,787          | 18,286          |
| 7/2005 - 6/2006      | 15,237         | 19.00        | 38,044          | 12,540          | 14,221          |
| 7/2006 - 6/2007      | 13,265         | 18.24        | 38,406          | 12,364          | 13,585          |
| 7/2007 - 6/2008      | 11,762         | 17.92        | 39,180          | 12,345          | 13,193          |
| 7/2008 - 6/2009      | 12,618         | 17.43        | 39,188          | 11,934          | 12,406          |
| 7/2009 - 6/2010      | 11,639         | 17.09        | 39,660          | 11,933          | 12,001          |
| <b>Total/Average</b> | <b>302,978</b> | <b>21.05</b> | <b>\$34,875</b> | <b>\$12,962</b> | <b>\$17,492</b> |

| By Employer                  |                |              |                 |                 |                 |
|------------------------------|----------------|--------------|-----------------|-----------------|-----------------|
| State                        | 62,841         | 20.83        | \$33,069        | \$12,136        | \$16,264        |
| State University System      | 14,958         | 22.37        | 40,440          | 15,048          | 20,269          |
| Counties                     | 66,334         | 18.80        | 38,036          | 13,912          | 18,177          |
| School Boards                | 140,028        | 22.18        | 33,120          | 12,590          | 17,354          |
| Community Colleges           | 10,173         | 21.33        | 39,431          | 14,430          | 19,775          |
| Cities and Special Districts | 8,644          | 19.12        | 37,177          | 12,381          | 15,878          |
| <b>Total/Average</b>         | <b>302,978</b> | <b>21.05</b> | <b>\$34,875</b> | <b>\$12,962</b> | <b>\$17,492</b> |

\* FRS annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

\*\* Option selections for existing systems have been included in the FRS options outlined even though they are different.

## PROFILE OF FRS ANNUITANTS\*

as of June 30, 2010

| By Gender            | Count          | Average Service | Average AFC     | Average Annual Initial Benefit | Average Annual Current Benefit |
|----------------------|----------------|-----------------|-----------------|--------------------------------|--------------------------------|
| Female               | 188,828        | 21.00           | \$31,258        | \$11,331                       | \$15,145                       |
| Male                 | 114,150        | 21.14           | 40,858          | 15,661                         | 21,373                         |
| <b>Total/Average</b> | <b>302,978</b> | <b>21.05</b>    | <b>\$34,875</b> | <b>\$12,962</b>                | <b>\$17,492</b>                |

| By Type of Retirement       |                |              |                 |                 |                 |
|-----------------------------|----------------|--------------|-----------------|-----------------|-----------------|
| Line of Duty Death          | 358            | 9.92         | \$29,753        | \$14,709        | \$23,073        |
| Not Line of Duty Death      | 8,411          | 18.39        | 32,360          | 6,831           | 9,976           |
| Line of Duty Disability     | 3,486          | 14.43        | 27,285          | 12,366          | 16,443          |
| Not Line of Duty Disability | 11,845         | 17.46        | 28,328          | 8,418           | 10,932          |
| Early                       | 80,671         | 17.12        | 30,544          | 7,621           | 10,073          |
| Normal                      | 198,207        | 23.12        | 37,278          | 15,676          | 21,230          |
| <b>Total/Average</b>        | <b>302,978</b> | <b>21.05</b> | <b>\$34,875</b> | <b>\$12,962</b> | <b>\$17,492</b> |

| By Duration of Benefit Payments to Date |                |              |                 |                 |                 |
|-----------------------------------------|----------------|--------------|-----------------|-----------------|-----------------|
| Less Than 5 Years                       | 64,521         | 18.00        | \$38,841        | \$12,240        | \$13,147        |
| 5 - 10                                  | 95,470         | 21.17        | 38,956          | 14,787          | 18,286          |
| 10 - 15                                 | 72,785         | 22.91        | 36,133          | 14,594          | 21,048          |
| 15 - 20                                 | 34,410         | 22.04        | 29,376          | 11,362          | 18,595          |
| 20 - 25                                 | 19,579         | 21.75        | 22,891          | 8,862           | 16,397          |
| 25 - 30                                 | 11,065         | 21.47        | 17,434          | 6,893           | 14,191          |
| 30 - 35                                 | 3,784          | 21.04        | 12,554          | 4,933           | 11,418          |
| 35 - 40                                 | 1,094          | 20.45        | 9,126           | 3,321           | 9,387           |
| 40 or More Years                        | 270            | 21.81        | 6,567           | 2,301           | 7,997           |
| <b>Total/Average</b>                    | <b>302,978</b> | <b>21.05</b> | <b>\$34,875</b> | <b>\$12,962</b> | <b>\$17,492</b> |

Average duration of benefit payments in years - 10.28 years

| By Duration of Benefit Payments - Deaths in Current Year |              |              |                 |                 |                 |
|----------------------------------------------------------|--------------|--------------|-----------------|-----------------|-----------------|
| Less Than 1 Year                                         | 397          | 17.15        | \$43,887        | \$10,037        | \$10,332        |
| 1 - 2                                                    | 185          | 18.35        | 41,222          | 10,884          | 11,482          |
| 2 - 3                                                    | 95           | 16.81        | 40,509          | 11,752          | 13,476          |
| 3 - 4                                                    | 134          | 17.29        | 36,214          | 10,429          | 11,317          |
| 4 - 5                                                    | 150          | 17.52        | 31,700          | 9,190           | 10,000          |
| 5 - 10                                                   | 830          | 19.79        | 36,788          | 12,985          | 14,695          |
| 10 - 15                                                  | 510          | 22.37        | 40,689          | 16,404          | 19,367          |
| 15 - 20                                                  | 318          | 22.73        | 35,547          | 15,975          | 19,564          |
| 20 - 25                                                  | 247          | 23.00        | 28,306          | 13,470          | 17,512          |
| 25 - 30                                                  | 130          | 24.09        | 21,402          | 11,931          | 15,991          |
| 30 - 35                                                  | 41           | 25.92        | 17,793          | 11,670          | 15,299          |
| 35 - 40                                                  | 13           | 21.28        | 10,948          | 7,323           | 9,745           |
| 40 or More Years                                         | 2            | 21.46        | 4,494           | 2,689           | 6,191           |
| <b>Total/Average</b>                                     | <b>3,052</b> | <b>20.32</b> | <b>\$36,615</b> | <b>\$12,966</b> | <b>\$15,068</b> |

Average duration of benefit payments in years - 9.61 years

\* FRS annuitants exclude General Revenue and TRS-SB annuitants and exclude DROP participants.

## FRS RETIREES AND JOINT ANNUITANTS<sup>\*</sup> BY AGES AT RETIREMENT

as of June 30, 2010

| By Retirement Age | Retirees       | Retirees'<br>Annualized Benefits | Joint Annuityants | Joint Annuityants'<br>Annualized Benefits |
|-------------------|----------------|----------------------------------|-------------------|-------------------------------------------|
| Under 40          | 909            | \$9,993,425                      | 307               | \$4,148,947                               |
| 40 - 44           | 2,564          | 33,366,899                       | 672               | 5,685,952                                 |
| 45 - 49           | 11,902         | 239,668,927                      | 2,042             | 19,008,623                                |
| 50 - 54           | 47,333         | 1,109,137,416                    | 4,115             | 53,288,238                                |
| 55 - 59           | 69,980         | 1,402,262,620                    | 5,656             | 81,781,602                                |
| 60 - 64           | 104,401        | 1,618,458,326                    | 7,684             | 109,147,070                               |
| 65 - 69           | 30,790         | 442,680,125                      | 3,548             | 49,717,159                                |
| 70 - 74           | 6,961          | 84,010,899                       | 948               | 11,688,135                                |
| 75 - 79           | 2,097          | 18,359,309                       | 330               | 2,725,018                                 |
| 80 - 84           | 508            | 3,035,882                        | 100               | 728,963                                   |
| 85 and Older      | 102            | 526,144                          | 29                | 120,965                                   |
| <b>Total</b>      | <b>277,547</b> | <b>\$4,961,499,972</b>           | <b>25,431</b>     | <b>\$338,040,672</b>                      |

## FRS RETIREES AND JOINT ANNUITANTS<sup>\*</sup> BY YEARS OF SERVICE AT RETIREMENT

as of June 30, 2010

| By Years of Service | Retirees       | Retirees'<br>Annualized Benefits | Joint Annuityants | Joint Annuityants'<br>Annualized Benefits |
|---------------------|----------------|----------------------------------|-------------------|-------------------------------------------|
| Less Than 5 Years   | 370            | \$4,055,303                      | 143               | \$2,198,581                               |
| 5 - 9               | 18,714         | 80,230,028                       | 1,524             | 7,145,472                                 |
| 10 - 14             | 65,614         | 421,204,363                      | 6,761             | 36,438,826                                |
| 15 - 19             | 47,028         | 509,970,638                      | 5,183             | 47,226,632                                |
| 20 - 24             | 39,613         | 636,057,931                      | 4,222             | 56,601,172                                |
| 25 - 29             | 32,950         | 892,066,675                      | 3,134             | 63,823,746                                |
| 30 - 34             | 63,207         | 1,986,404,168                    | 3,139             | 79,646,353                                |
| 35 - 39             | 8,133          | 337,202,136                      | 1,003             | 32,475,818                                |
| 40 or More Years    | 1,918          | 94,308,730                       | 322               | 12,484,072                                |
| <b>Total</b>        | <b>277,547</b> | <b>\$4,961,499,972</b>           | <b>25,431</b>     | <b>\$338,040,672</b>                      |

## FRS RETIREES<sup>\*</sup> RETIRED BETWEEN JULY 1, 2009, and JUNE 30, 2010

| By Plan ID                 | Count         | Average<br>Age | Average<br>Service | Average<br>AFC  | Average Annual<br>Initial Benefit | Average Annual<br>Current Benefit |
|----------------------------|---------------|----------------|--------------------|-----------------|-----------------------------------|-----------------------------------|
| FRS - Regular Class Male   | 3,847         | 61.76          | 16.52              | \$42,146        | \$10,807                          | \$10,989                          |
| FRS - Regular Class Female | 6,649         | 60.72          | 17.19              | 34,725          | 9,642                             | 9,757                             |
| FRS - Special Risk Class   | 938           | 54.06          | 18.31              | 54,525          | 28,620                            | 27,885                            |
| Other                      | 205           | 60.80          | 19.02              | 85,050          | 31,013                            | 31,092                            |
| <b>Total/Average</b>       | <b>11,639</b> | <b>60.53</b>   | <b>17.09</b>       | <b>\$39,660</b> | <b>\$11,933</b>                   | <b>\$12,001</b>                   |

<sup>\*</sup> FRS retirees and annuitants exclude General Revenue and TRS-SB retirees and annuitants and exclude DROP participants.

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# Summary Plan Description and Chronology



Photo Courtesy of Department of Environmental Protection

Bill Baggs Cape Florida State Park is the home of a historic lighthouse built in 1825 and reconstructed in 1846, which is the oldest standing structure in Miami-Dade County.

## Summary Plan Description

*The following summary briefly describes the Florida Retirement System Pension Plan as of June 30, 2010.*

*Part I of chapter 121, Florida Statutes, and chapter 60S of the Florida Administrative Code, are used to determine questions of interpretation.*

### Creation

Created December 1, 1970, with consolidation of the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund, the Florida Retirement System (FRS) provides a program offering retirement, disability, and survivor benefits for participating public employees. Social Security coverage is also required for all members. In 1972, the Judicial Retirement System was consolidated into the FRS. In 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.

### Membership

Membership in the FRS is required for all full-time and part-time employees working in regularly established positions for state agencies, county governments, district school boards, state universities, and state community colleges; or cities, independent special districts, metropolitan planning districts, and public charter schools that make an irrevocable election to participate. Certain members, including elected officials and local government senior managers, may elect to not participate in the system. Members of the Elected Officers' Class may elect to participate in the Senior Management Service Class in lieu of the Elected Officers' Class or to withdraw from the FRS altogether. The following members may elect to participate in various optional retirement programs instead of the FRS Pension Plan:

- Most Pension Plan members (including renewed members), Senior Management Service Optional Annuity Program (SMSOAP) participants, and State Community College Optional Retirement Program participants may elect to participate in the Public Employee Optional Retirement Program (FRS Investment Plan). FRS Pension Plan members who retired and chose to participate in the Deferred Retirement Option Program (DROP) are not eligible to become members of the FRS Investment Plan.
- Senior Management Service Class (SMSC) members who are state employees (including state-level Elected Officers' Class members who choose to participate in the SMSC) may elect to participate in the Senior Management Service Optional Annuity Program, while locally designated members of the SMSC may elect to opt out of the system altogether. Assistant state attorneys, assistant public defenders, assistant attorneys general, and assistant statewide prosecutors cannot participate in the SMSOAP.
- State University System faculty, executive service employees, and administrative and professional employees may elect to participate in the State University System Optional Retirement Program (SUSORP), except for faculty at colleges of a state university with a faculty practice plan. These faculty members are mandatory SUSORP participants.
- State Community College System faculty and certain administrators may elect to participate in a State Community College Optional Retirement Program, if the college offers an optional retirement program.

### Classes of Membership

**Regular Class** — Members of the FRS who do not qualify for membership in the Special Risk, Special Risk Administrative Support, Elected Officers', or Senior Management Service Classes.

**Special Risk Class** — Members who meet the Florida Law and Rules criteria to qualify for this class, and are employed as:

- Law enforcement officers;
- Firefighters (including fire prevention and firefighter training positions, and aerial firefighting surveillance pilots for the Department of Agriculture and Consumer Services);
- Correctional officers or community-based correctional probation officers;
- Paramedics or emergency medical technicians whose primary duty and responsibility includes on-the-scene emergency medical care and who are employed with a licensed Advance Life Support (ALS) or Basic Life Support (BLS) employer;
- Professional health care workers in specified positions within the Department of Corrections or the Department of Children

and Family Services who spend at least 75 percent of their time performing duties that involve contact with patients or inmates in a correctional or forensic facility or institution;

- Youth custody officers with the Department of Juvenile Justice; or
- Forensic employees employed by a law enforcement agency or medical examiner's office.

*Special Risk Administrative Support Class* — Certain former Special Risk Class members who are transferred or reassigned to non-special risk law enforcement, firefighting, correctional or emergency services administrative support positions within FRS special risk employing agencies and meet the criteria set forth in Florida law.

*Elected Officers' Class (EOC)* — Members who hold specified elective offices in either state or local government:

- State officers include: Governor, Lieutenant Governor, Cabinet Officer, Legislator, Supreme Court Justice, district court of appeal judge, circuit judge, county court judge, state attorney, and public defender.
- County officers include: Sheriff, tax collector, property appraiser, supervisor of elections, school board member, school board superintendent, clerk of circuit court, county commissioner and other elected officials with countywide authority.
- City or special district officers include: Elected officials in cities and special districts that have chosen to place their elected officials in the EOC instead of the Regular Class.

*Senior Management Service Class (SMSC)* —

- Members of the Senior Management Service of the State Personnel System:
- 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;
- Capital collateral regional counsels and assistant capital collateral regional counsels;
- Assistant state attorneys;
- Assistant public defenders;
- Assistant statewide prosecutors or assistant attorneys general;
- Elected officials who chose to join the SMSC in lieu of the EOC;
- Nonelective managerial positions designated for SMSC membership by local government agencies;
- Chief Deputy Court Administrator;
- Adjutant General, Assistant Adjutant General-Army, Assistant Adjutant General-Air, State Quartermaster, Director of Military Personnel, Director of Administration, and selected managerial staff of the Department of Military Affairs; and
- County Health Department directors and administrators of the Department of Health.

## Contributions

The Florida Retirement System (FRS) does not require employee contributions to establish service credit for work performed in a regularly established position; employers pay all required contributions. Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the Florida Retirement System (FRS), covering both the FRS Pension Plan and the FRS

Investment Plan. Including the fee of 0.05 percent for administration of the FRS Investment Plan and provision of educational tools for both plans, the uniform rates for FY 2009/10 are as follows:

| Class                                                                                                                                                                                                                                                  | Rate   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Regular .....                                                                                                                                                                                                                                          | 8.74%  |
| Special Risk.....                                                                                                                                                                                                                                      | 19.81% |
| Special Risk Administrative Support.....                                                                                                                                                                                                               | 11.44% |
| Elected Officers                                                                                                                                                                                                                                       |        |
| Judges.....                                                                                                                                                                                                                                            | 18.45% |
| Governor, Lt. Governor, Cabinet, Legislators,<br>State Attorneys and Public Defenders.....                                                                                                                                                             | 13.37% |
| Elected County, City and Special District Officials .....                                                                                                                                                                                              | 15.42% |
| Senior Management Service .....                                                                                                                                                                                                                        | 12.01% |
| DROP .....                                                                                                                                                                                                                                             | 9.80%  |
| <b>Note:</b> To offset the rates shown above, a portion of the normal cost has been prefunded from surplus actuarial assets for all rates. These rates do not include the separate 1.11 percent contribution for the Retiree Health Insurance Subsidy. |        |

Any member who terminates employment with an FRS employer may receive a refund of any retirement contributions personally made to the system (and lose the associated retirement credit), or may leave these personal contributions in the system and keep all creditable service earned through the date of termination.

## Creditable Service

Members receive one month of service credit for each month in which any salary is reported for work performed up to their work period during the plan year. Members may also purchase additional credit to increase their retirement benefits under the FRS Pension Plan. Credit may be purchased for past service, prior service (including refunded service credit), certain military service (up to four years), approved leaves of absence (up to two years), out-of-state public service (including federal service), non-FRS public service and non-public service in certain schools or colleges in Florida (up to five years total, including both in-state and out-of-state service), and in some cases credit for periods of disability retirement. To purchase this service credit, members must meet certain requirements. Members may include the purchase of past service and prior service in the creditable years of service needed to vest (*see next section*). All other types of service credit purchases become creditable service only after a member is vested based on his/her other service.

## Vesting

Since July 1, 2001, the FRS has required six years of creditable service for vesting of benefits. Members not actively working in a position covered by the FRS on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001.

## Service Retirement

Members become eligible for normal retirement or unreduced retirement based on their age and/or service when they first meet one of the minimum requirements listed in the following section. Early retirement or reduced retirement may be taken after a member has vested and is within 20 years of his/her normal retirement age; however, there is a 5 percent benefit reduction for each year remaining from a member's retirement age to his/her normal retirement age.

### Normal Retirement Requirements

|                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regular Class,<br/>Elected Officers'<br/>Class and Senior<br/>Management<br/>Service Class</b> | Vested with six years of service and age 62; or<br>The age after 62 that the member becomes vested; or 30 years of service, regardless of age.                                                                                                                                                                                                                                                              |
| <b>Special Risk Class</b>                                                                         | Vested with six years of special risk service and age 55; or<br>The age after 55 that the member becomes vested; or<br>Twenty-five total years of service, consisting of both special risk service and up to four years of wartime military service, and age 52; or<br>Twenty-five total years of special risk service, regardless of age; or<br>Thirty years of any creditable service, regardless of age. |
| <b>Special Risk<br/>Administrative<br/>Support Class</b>                                          | Special Risk Class normal retirement requirements apply to service in this class if member has six years actual special risk service; otherwise Regular Class requirements apply.                                                                                                                                                                                                                           |

## Benefit Calculation

Service retirement benefits are computed on the basis of age and/or years of service, average final compensation (AFC), and service credit. Credit for each year of service is expressed as a percentage of the AFC (the average of the five highest fiscal years' earnings). The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The following chart shows the percentage value for each year of service credit earned:

| <i>Retirement Plan</i>                                                                                                                                                                                                               | <i>% Value<br/>(per year of service)</i> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| State and County Officers' and Employees' Retirement System (SCOERS)                                                                                                                                                                 |                                          |
| Division A (no Social Security) .....                                                                                                                                                                                                | 2.00%                                    |
| Division B (with Social Security) .....                                                                                                                                                                                              | 1.50%                                    |
| Teachers' Retirement System (TRS)                                                                                                                                                                                                    |                                          |
| Plan E .....                                                                                                                                                                                                                         | 2.00%                                    |
| Florida Retirement System (FRS)                                                                                                                                                                                                      |                                          |
| <i>Regular Class</i>                                                                                                                                                                                                                 |                                          |
| Retirement up to age 62 or up to 30 years of service .....                                                                                                                                                                           | 1.60%                                    |
| Retirement at age 63 or with 31 years of service .....                                                                                                                                                                               | 1.63%                                    |
| Retirement at age 64 or with 32 years of service .....                                                                                                                                                                               | 1.65%                                    |
| Retirement at age 65 or with 33 or more years of service .....                                                                                                                                                                       | 1.68%                                    |
| <i>Special Risk Class</i>                                                                                                                                                                                                            |                                          |
| Service from 12/1/70 through 9/30/74 .....                                                                                                                                                                                           | 2.00%                                    |
| Service on and after 10/1/74 .....                                                                                                                                                                                                   | 3.00%                                    |
| <i>Special Risk Administrative Support Class</i>                                                                                                                                                                                     |                                          |
| (With six years of special risk service, the service in this class counts towards special risk normal retirement; otherwise, Regular Class requirements apply.)                                                                      |                                          |
| Retirement up to age 55; or up to 25 total years special risk service; or at age 52 with 25 years (if total service includes wartime military service) .....                                                                         | 1.60%                                    |
| Retirement at age 56; or with 26 total years special risk service; or at age 53 with 26 years (if total service includes wartime military service) .....                                                                             | 1.63%                                    |
| Retirement at age 57; or with 27 total years special risk service; or at age 54 with 27 years (if total service includes wartime military service) .....                                                                             | 1.65%                                    |
| Retirement at age 58; or with 28 total years special risk service; or at age 55 with 28 years (if total service includes wartime military service) .....                                                                             | 1.68%                                    |
| <i>Elected Officers' Class</i>                                                                                                                                                                                                       |                                          |
| Service as supreme court justice, district court of appeal judge, circuit court judge, or county court judge .....                                                                                                                   | 3.33%                                    |
| Service as governor, lt. governor, cabinet officer, legislator, state attorney, public defender, elected county officer, or elected official of a city or special district that chose EOC membership for its elected officials ..... | 3.00%                                    |
| <i>Senior Management Service Class</i>                                                                                                                                                                                               | 2.00%                                    |

There are three steps in computing an annual retirement benefit:

- Step 1. Determine the member's retirement plan(s) and class(es) of membership, years of creditable service in each, and the total percentage value earned.
- Step 2. Calculate the AFC.
- Step 3. Multiply the figures obtained in Steps 1 and 2 to determine the annual normal retirement benefit. (If you elect to retire early, your benefit will be reduced by five percent for each year remaining before you would reach your normal retirement age. Your benefit may also be reduced if you elect to provide a continuing benefit to a beneficiary.)



## Benefit Options

Members must select one of the following four benefit options at retirement:

- Option 1 Member receives a benefit for life with no continuing survivor benefit at death.
- Option 2 Member receives a reduced benefit for life. If member dies anytime within 10 years after retiring, the beneficiary will receive the benefit for the remainder of the 10-year period from the member's retirement date or DROP begin date. No survivor benefits are paid if the member dies 10 or more years after his/her effective retirement date.
- Option 3 Member receives a reduced benefit for life. Upon the member's death, the joint annuitant, if living, will receive the same benefit for the remainder of his or her life. A joint annuitant who is under age 25 and is the member's child or other dependent for whom the member has guardianship will receive the member's option one benefit, but only until age 25, or, if disabled, until he or she is no longer disabled.
- Option 4 Member receives a reduced benefit for life. Upon the death of either the member **or** the joint annuitant, the survivor will receive a lifetime benefit equal to two-thirds of the benefit the member was receiving when both were living. A joint annuitant who is under age 25 and is the member's child or other dependent for whom the member has guardianship will receive the member's option one benefit, but only until age 25, or, if disabled, until he or she is no longer disabled.

## Termination

Members whose DROP termination dates or non-DROP retirement dates are effective **before** July 1, 2010, must end all employment with all FRS employers for one calendar month to complete their retirement process, in addition to meeting all other requirements and be eligible to receive monthly benefits payable under the FRS Pension Plan. For FRS members employed by an agency that withdrew from the FRS effective January 1, 1996, new employees must remain unemployed by that agency and all other FRS-covered employers for one complete calendar month. (Special DROP termination provisions may apply as described in the following section.)

Members whose DROP termination dates or non-DROP retirement dates are effective **on or after** July 1, 2010, must end all employment with all FRS employers for the first six calendar months after termination, in addition to meeting all other requirements, to complete their retirement process and be eligible to receive monthly benefits payable under the FRS Pension Plan. FRS members employed by an agency that withdrew from the FRS effective January 1, 1996, for new employees must remain unemployed by that agency and all other FRS-covered employers for first six calendar months of retirement or after DROP termination.

## Deferred Retirement Option Program

DROP is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. DROP allows a member to retire while continuing employment for up to 60 months. While in DROP, the member's retirement benefits accumulate in the FRS Trust Fund (increased by a cost-of-living adjustment each July) and earn monthly interest equivalent to an annual rate of 6.50 percent.

The election to participate in DROP must be made within 12 months of the member's normal retirement date, unless the member is eligible to defer the election. To participate for the maximum DROP period, the member must enter DROP upon first reaching eligibility for normal retirement, or upon reaching an eligible deferral date as described below:

- A Special Risk Class member who reaches his or her normal retirement date based upon years of service before reaching age 52 may defer DROP entry up to age 52 and still participate for 60 months. Also, a member of the Special Risk Administrative Support Class with six years of Special Risk Class service who reaches his or her normal retirement date based upon years of service before reaching age 52 may defer DROP entry up to age 52 and still participate for 60 months.
- A member of the Regular Class, Elected Officers' Class or the Senior Management Service Class who reaches his or her normal retirement date before reaching age 57 may defer DROP entry until age 57 and still participate for 60 months. A member of the Special Risk Administrative Support Class who does not have six years of Special Risk Class service would be subject to these deferral requirements.
- A member of the Elected Officers' Class who reaches his or her normal retirement date during a term of office may defer the DROP election until the next succeeding term in that office and still participate for up to 60 months or until the end of that succeeding term, whichever is less.
- A member who is employed as K-12 instructional personnel as defined in s. 1012.01(2), F.S., may elect to participate in DROP

at any time after reaching his or her normal retirement date and still participate for 60 months.

Upon termination, the member receives a lump sum DROP payment, as a direct payment, a rollover, or a combination partial lump sum payment and rollover, and monthly benefits are paid to the member in the amount as calculated upon entry into DROP, plus cost-of-living adjustments for intervening years.

In most cases, the DROP participant must cease employment after a maximum of 60 months in DROP, must satisfy the termination requirements for retirement and must comply with applicable reemployment restrictions thereafter. However, certain exceptions apply:

- Effective July 1, 2002, through June 30, 2010, a DROP participant who holds an elective office covered by the Elected Officers' Class may end DROP participation and postpone compliance with termination requirements and reemployment limitations until he or she no longer holds the elective office (including consecutive terms in the same office). For the period between the end of DROP participation and termination, no retirement credit is earned and the member's DROP accumulation accrues no additional monthly benefits (but continues to earn interest).<sup>1</sup> If DROP participation begins on or after July 1, 2010, interest is not earned during the period after DROP participation ends and termination begins.
- Since June 1, 2003, K-12 instructional personnel employed with a district school board or the Florida School for the Deaf and the Blind may be allowed to extend their DROP participation for up to an additional 36 months beyond their initial 60-month DROP participation period. To qualify for the extension, the DROP participant must receive authorization from the district school superintendent or the Board of Trustees of the School for the Deaf and the Blind, as appropriate, and be approved by the division. If authorized to extend DROP participation, a participant must remain employed in an eligible position during the period of DROP extension.
- Since June 23, 2004, K-12 instructional personnel employed by a developmental research school may be allowed to extend DROP participation up to an additional 36 months beyond their initial 60-month DROP participation period. To qualify for the extension, the DROP participant must receive authorization from the developmental research school's director (or principal if there is no director), as appropriate, and be approved by the Division of Retirement. If authorized to extend DROP participation under this provision, a participant must remain employed in an eligible position during the period of DROP extension.

## Disability Benefits

Two types of disability retirement are available under the FRS: In-line-of-duty disability retirement and regular disability retirement. To qualify for either type of disability retirement, members must be totally and permanently disabled to the extent that they are unable to work in any job for any employer. In-line-of-duty disability benefits are available to members on their first day of employment. The minimum Option 1 benefit for in-line-of-duty disability retirement is 42 percent of their AFC for all members except those in the Special Risk Class, who receive a minimum Option 1 in-line-of-duty disability benefit of 65 percent of their AFC. To be eligible for regular disability retirement, members must complete eight years of creditable service. The minimum Option 1 benefit under regular disability retirement is 25 percent of AFC. If a disabled member's service benefit would be higher than the minimum disability benefit, the member may elect to receive the higher benefit.

## Survivor Benefits

If an active member dies in the line of duty, his/her spouse will receive a monthly benefit equal to one-half of the member's monthly salary at death, payable for the spouse's lifetime. If the spouse dies, the benefit will continue to be paid on behalf of the member's dependent children until the youngest child reaches age 18 or is married, if earlier.

If an active member dies before becoming vested and his/her death was not suffered in the line of duty, the designated beneficiary will receive a refund of any member-paid retirement contributions.

However, if the active member dies within one year of vesting, the member's joint annuitant may use the deceased member's accumulated leave on an hour-by-hour basis, or the member's eligible in-state or out-of-state service, to purchase enough service credit to vest the deceased member and receive monthly benefits.

If the member was vested at death, the beneficiary may receive a refund of any contributions that may have been paid by the

<sup>1</sup> Notwithstanding these provisions, any elected officer whose position is covered by the Elected Officers' Class who entered DROP on or before June 30, 2002, is subject to prior provisions of law and may end DROP without terminating employment and be automatically enrolled as a renewed member of the Elected Officers' Class. Elected officials who begin DROP participation on or after July 1, 2010, and delay termination past their DROP end date do not earn interest after their DROP participation ends.

member or, if the beneficiary qualifies as a joint annuitant, he or she may receive a lifetime monthly benefit calculated as though the member had retired on the month following the date of death and had chosen Option 3. If the joint annuitant is the member's child or other dependent for whom the member has guardianship who is under age 25, he or she will receive the member's maximum benefit until age 25, or, if disabled, until no longer disabled. A deceased member's joint annuitant may buy any service credit that could have been claimed by the member at the time of death if the member's termination of employment was due to death.

### **Cost-of-Living Adjustments**

The benefits received by retirees and beneficiaries are increased by a 3 percent cost-of-living adjustment (COLA) each July based on their June benefit amounts (excluding the Retiree Health Insurance Subsidy benefit). For retirees who have been retired for less than 12 months on July 1, the first COLA increase is prorated. The COLA applies to all continuing monthly retirement benefits paid under the FRS Pension Plan (i.e., normal and early service retirement benefits and benefits accruing in participant accounts under DROP, disability retirement benefits and survivor benefits).

### **Reemployment after Retirement**

After retirement or DROP termination, retired FRS members may be employed by any private employer or any public employer not participating in the FRS without affecting his/her FRS benefits; however, restrictions apply to reemployment with an FRS employer. Any retired FRS member who is reemployed by an FRS employer before meeting the definition of termination is not considered to have retired. His/her active membership is reinstated. Members retiring from FRS employer that withdrew for new employees effective January 1, 1996, must meet the definition of termination in order to finalize retirement.

Upon meeting termination requirements, FRS retirees reemployed by FRS employers may not receive both salary and retirement benefits for the rest of the first 12 calendar months after retirement or the end of their DROP participation. They must also forfeit retirement benefits for the months employed unless working in a position with an exception.

Members whose DROP termination dates or non-DROP retirement dates are effective before July 1, 2010, have exceptions to the reemployment restrictions that allow them to be reemployed in specified positions during the 2nd through 12th calendar months of retirement or following termination from DROP participation without forfeiting benefits. After being retired for one calendar month, retirees may be reemployed without further limitation in specified positions with district school boards, the Florida School for the Deaf and the Blind, developmental research schools, and participating charter schools. Retirees may also be reemployed for up to 780 hours in specified positions by a state community college or a university in the State University System. Finally, retired judges called to temporary duty and retirees appointed to or voted into elective office are exempt from reemployment limitations after being retired for one calendar month.

Members whose DROP termination dates or non-DROP retirement dates are effective on or after July 1, 2010, and who meet the definition of termination (first six calendar months), have no reemployment exceptions for the 7th through 12th calendar months after retirement or DROP termination. During this period the member must suspend his/her retirement benefit if employed in any capacity by an FRS employer.

### **Renewed Membership**

Retirees of the FRS who are reemployed in regularly established positions will have renewed membership in the Regular Class, the Senior Management Service Class, or the Elected Officers' Class and earn credit toward a second-career benefit based on requirements for their classes of membership if renewed membership is established by June 30, 2010. Having a break in service or not being employed on July 1, 2010, does not change a renewed member's status. Once retirees have established renewed membership in the system, they have the same opportunities to elect to participate in alternative retirement programs, or to withdraw from the system altogether, as do similarly situated newly hired members of that membership class until they retire. Renewed members are subject to the same vesting requirements and other limitations as apply to other active members; however, renewed members are not eligible to participate in the Special Risk Class, the Deferred Retirement Option Program, or to retire under disability retirement provisions.

If FRS retirees are initially reemployed by a participating employer on or after July 1, 2010, they are not eligible for renewed membership. In addition to FRS Pension and Investment Plan retirees, this restriction includes retirees of the State University System Optional Retirement Program, the State Community College System Optional Retirement Program, the Senior Management Service Optional Annuity Programs, and local governments whose senior management positions allowed them to withdraw from the FRS.



## Appeals Procedure

Whenever the division makes a decision that will reduce, suspend or terminate a member's retirement benefits, the member may petition the division for a hearing. Section 28-106.201, F.A.C., outlines the requirements for filing a petition. After the division reviews the petition, the state retirement director may ask a hearing officer from the Division of Administrative Hearings to conduct the hearing, or in some cases the Department of Management Services may conduct the hearing. If the outcome of the hearing is not in the member's favor, the member will be informed of the time period during which he or she can appeal the decision to the District Court of Appeal.

## Forfeiture of Benefits

If, before retirement, a member commits a felony specified by law and is found guilty of or enters a plea of no contest to such crime, or their employment was terminated due to admission of committing, aiding, or abetting a specified crime, the member's retirement rights and benefits are forfeited (except for a refund of personal retirement contributions, if any). The forfeiture of benefits provision applies in the case of any job-related felony offense as outlined below:

- Committing, aiding or abetting an embezzlement of public funds or any grand theft from the employer;
- Committing bribery in connection with employment;
- Committing any other felony specified in chapter 838, F.S., (bribery and misuse of public office), except ss. 838.15 and 838.16, F.S., (commercial bribes);
- Committing any felony with intent to defraud the public or the employer of the right to receive the faithful performance of duty, or receiving or attempting to receive profit or advantage for the member or another person through the use of his or her position; or
- Committing an impeachable offense (applies to elected officials only); or
- Committing certain felony offenses against a minor through the use or attempted use of rights, privileges, duties or position of public employment or office.

In addition to the crimes stated above, if a court of competent jurisdiction finds the member guilty of violating any state law against strikes by public employees, the member's benefits are forfeited.

If the member's designated beneficiary is found guilty of intentionally killing or procuring the death of the member, the beneficiary forfeits all rights to retirement benefits. Any benefits payable would then be paid as if the beneficiary died before the member.

The clerk of the court, the secretary of the Florida Senate or the employer, as appropriate, must notify the Commission on Ethics if the member is found guilty, impeached or terminated prior to retirement due to any of the above offenses. The Commission on Ethics will notify the Division of Retirement. The member's benefits will be suspended subject to a hearing held by a hearing officer of the Division of Administrative Hearings. The hearing officer's decision may be appealed to the District Court of Appeal.

(See s. 112.3173, F.S., and Article II, Section 8, of the Florida Constitution for more information.)

## Assignment, Execution or Attachment

Retirement benefits and accumulated contributions accrued under the FRS Pension Plan are not subject to assignment, execution, attachment or any other legal process with the exception of qualified domestic relations orders, certain income deduction orders (see s. 61.1301, F.S.), and federal income tax levies.

## CHRONOLOGICAL HIGHLIGHTS OF STATE-ADMINISTERED RETIREMENT AND PENSION SYSTEMS

| Year | Event                                                                                                                                                                                       | Year | Event                                                                                                                                                                                               |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1885 | Created the Confederate Pension Fund to pay benefits to Confederate soldiers and sailors who were unfit for manual labor as a result of wounds received during the Civil War.               | 1963 | Split the Supreme Court Justices and Circuit Court Judges' Retirement System into three Divisions: closed Divisions A and B to new members and Divisions B and C provided Social Security coverage. |
| 1923 | Created the Supreme Court Justices' Pension Fund to provide pensions for members of the Judiciary of Florida.                                                                               | —    | Added the High Hazard Classification to the State and County Officers and Employees' Retirement System.                                                                                             |
| 1927 | Created the Noncontributory Retirement Plan for State Employees to provide pensions for all state employees.                                                                                | 1970 | Created the Florida Retirement System (FRS) — a defined benefit plan —, consisting of the Regular Class and Special Risk Class.                                                                     |
| 1931 | Created the Incapacitated Teachers' Special Pension to provide pensions for incapacitated teachers who had taught at least 20 years.                                                        | —    | Closed the Teachers' Retirement System to new members.                                                                                                                                              |
| 1939 | Created the Teachers' Retirement System to provide pensions for teachers.                                                                                                                   | —    | Closed the State and County Officers and Employees' Retirement System to new members.                                                                                                               |
| 1941 | Established the National Guard Pension Fund for guardsmen serving in the organized militia of the State.                                                                                    | —    | Closed the Highway Patrol Pension Fund to new members.                                                                                                                                              |
| 1945 | Created the State Officers and Employees' Retirement System.                                                                                                                                | 1972 | Created the Elected State Officers' Class as part of the FRS.                                                                                                                                       |
| —    | Created the County Officers and Employees' Retirement System.                                                                                                                               | 1974 | Expanded the Elected State Officers' Class to include County Court Judges.                                                                                                                          |
| —    | Established the Highway Patrol Pension Fund.                                                                                                                                                | —    | Increased Special Risk Class annual retirement credit from 2 percent to 3 percent, effective October 1, 1974.                                                                                       |
| —    | Added the Teachers' Retirement System added Plans B and C.                                                                                                                                  | 1975 | The FRS became employee-noncontributory for regular and special risk members.                                                                                                                       |
| 1947 | Added Plan D to the Teachers' Retirement System.                                                                                                                                            | —    | Created the State Retirement Commission.                                                                                                                                                            |
| 1953 | Closed the Noncontributory Retirement Plan for State Employees to new members.                                                                                                              | 1977 | Expanded the Elected State Officers' Class to include Public Defenders.                                                                                                                             |
| 1955 | Combined the Supreme Court Justices' Pension Fund and the Circuit Judges' Retirement Fund to create the Supreme Court Justices and Circuit Court Judges' Retirement System.                 | 1978 | Enacted the FRS 30-year retirement plan.                                                                                                                                                            |
| —    | Combined the State Officers and Employees' Retirement System and County Officers and Employees' Retirement System to create the State and County Officers and Employees' Retirement System. | —    | Reduced the Special Risk annual retirement credit from 3 percent to 2 percent.                                                                                                                      |
| —    | The Teachers' Retirement System added Plan E and closed Plans A, B, C and D to new members.                                                                                                 | 1979 | Removed Public Service Commissioners from the Elected State Officers' Class to become regular members.                                                                                              |
| 1957 | Expanded the Supreme Court Justices and Circuit Court Judges' Retirement System to include District Court of Appeal Judges.                                                                 | —    | The Elected State Officers' Class became employee-noncontributory for judges, state attorneys and public defenders.                                                                                 |
| —    | Added survivor benefits provisions to the Teachers' Retirement System.                                                                                                                      | 1980 | Provided annual cost-of-living adjustments to all retirees upon retirement equal to the cost-of-living index (but no more than 3 percent).                                                          |
| —    | Split the State and County Officers and Employees' Retirement System into two divisions: Division A (closed to new members) and Division B (with Social Security coverage).                 | —    | Increased the minimum service credit requirement for regular disability retirement eligibility from five to 10 years.                                                                               |
|      |                                                                                                                                                                                             | 1981 | Gave elected county officers the option to transfer to the Elected State Officers' Class.                                                                                                           |
|      |                                                                                                                                                                                             | —    | Granted certain retirees a supplemental cost-of-living adjustment based on years of service and years retired.                                                                                      |

## CHRONOLOGICAL HIGHLIGHTS OF STATE-ADMINISTERED RETIREMENT AND PENSION SYSTEMS

| Year | Event                                                                                                                                                                                            | Year | Event                                                                                                                                                                                                                             |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1982 | — Created the Special Risk Administrative Support Class.                                                                                                                                         |      | an opportunity to designate their elected officials for membership in the Elected Officers' Class.                                                                                                                                |
| 1983 | — Created the State University System Optional Retirement Program (a defined contribution plan), effective July 1, 1984.                                                                         | —    | Members became eligible to purchase service credit for in-state, non-FRS public service, effective January 1, 1998.                                                                                                               |
| 1984 | — Granted certain retirees a supplemental cost-of-living adjustment based on years of service and years retired.                                                                                 | 1999 | — Established the FRS Preservation of Benefits Plan, effective July 1, 1999.                                                                                                                                                      |
|      | — Created a supplemental retirement plan for the Institute of Food and Agricultural Sciences (IFAS), effective July 1, 1985.                                                                     | 2000 | — Established the Public Employee Optional Retirement Program (also referred to as the FRS Investment Plan) to be implemented in 2002.                                                                                            |
| 1985 | — Excluded FRS members first entering covered employment on or after January 1, 1987, from provisions of law allowing purchase of wartime military service at special rates.                     | —    | Upgraded Special Risk annual retirement credit to 3 percent for all years between October 1, 1978, and January 1, 1993, for members retiring on and after July 1, 2000.                                                           |
| 1986 | — Created the Senior Management Service Class and the Senior Management Service Optional Annuity Program (a defined contribution plan), effective February 1, 1987.                              | —    | Increased minimum special risk in-line-of-duty disability benefits from 42 percent to 65 percent, effective July 1, 2000.                                                                                                         |
| 1987 | — Established the Health Insurance Subsidy for all eligible retirees.                                                                                                                            | —    | Reduced the vesting requirement to six years for all FRS membership classes, beginning July 1, 2001.                                                                                                                              |
|      | — Set the annual cost-of-living adjustment at 3 percent per year.                                                                                                                                | —    | Reduced the vesting requirement for regular disability retirement to eight years, beginning July 1, 2001.                                                                                                                         |
| 1989 | — Increased Special Risk annual retirement credit from 2 percent to 3 percent, phased in over a five-year period (1989-1993).                                                                    | 2001 | — Provided a one-time special 12 percent benefit increase, effective January 1, 2002, for FRS retirees with special risk service between October 1, 1978, and December 31, 1992, for members retiring before July 1, 2000.        |
| 1990 | — Established renewed membership for reemployed retirees, effective July 1, 1990, for elected officers covered by the Elected Officers' Class and effective July 1, 1991, for all other members. | —    | Gave cities and special districts already participating in the FRS for their elected officials a second opportunity to designate their elected officials for membership in the Elected Officers' Class.                           |
| 1994 | — Members became eligible to purchase service credit for out-of-state public service, effective January 1, 1995.                                                                                 | 2002 | — Created a uniform employer contribution rate structure effective July 1, 2002, for members of the defined benefit plan (FRS Pension Plan) and members of the Public Employee Optional Retirement Program (FRS Investment Plan). |
| 1995 | — Gave cities, special districts and hospitals a one-time opportunity to withdraw from the FRS for future employees, effective January 1, 1996.                                                  | —    | Provided a 90-day window to allow members to convert their Senior Management Service Optional Annuity Program service to creditable service under the FRS Pension Plan.                                                           |
|      | — Created an Optional Retirement Program (a defined contribution plan) for the State Community College System, effective January 1, 1996.                                                        | 2003 | — Provided participants of the Community College Optional Retirement Program a one-time opportunity to transfer to the FRS.                                                                                                       |
| 1996 | — Adapted federal maximum compensation limits, effective July 1, 1996.                                                                                                                           | 2005 | — Gave local government service managers who withdrew from the FRS a one-time opportunity to transfer to the FRS between January 1, 2006, and June 30, 2006.                                                                      |
|      | — Granted certain retirees without Social Security a supplemental cost-of-living adjustment based on their years of service and years retired.                                                   |      |                                                                                                                                                                                                                                   |
| 1997 | — Established the Deferred Retirement Option Program (DROP), to be implemented effective July 1, 1998.                                                                                           |      |                                                                                                                                                                                                                                   |
|      | — Gave cities and special districts already participating in the FRS for their elected officials                                                                                                 |      |                                                                                                                                                                                                                                   |

## CHRONOLOGICAL HIGHLIGHTS OF STATE-ADMINISTERED RETIREMENT AND PENSION SYSTEMS

| Year          | Event                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2007</b> — | Provided participants of the State University System Optional Retirement Program a one-time opportunity to transfer to the FRS between January 1, 2008, and December 31, 2008.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| —             | Consolidated the Institute of Food and Agricultural Sciences Supplemental Retirement Program as a closed-retirement system under the Regular Class of the FRS, effective July 1, 2007.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>2009</b> — | Changed the definition of termination from one calendar month to six calendar months for FRS Pension Plan members whose Deferred Retirement Option Program (DROP) termination dates or non-DROP retirements are effective on or after July 1, 2010.                                                                                                                                                                                                                                                                                                                                                                                                                   |
| —             | For FRS Pension Plan members whose DROP termination dates or non-DROP retirements are effective on or after July 1, 2010, changed the reemployment limitation period to six calendar months after meeting the definition of termination.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| —             | Closed all exceptions to employment with FRS-covered employers during the reemployment limitation period to Pension Plan members whose DROP termination dates are on or after July 1, 2010, or who non-DROP retirements are effective July 1, 2010. Investment Plan members and participants in the State University System Optional Retirement Program, Senior Management Service Optional Annuity Program, State Community College Optional Retirement Program, and withdrawn local senior managers who received a distribution in June 2010 or after no longer have exceptions to employment with FRS-covered employers during the reemployment limitation period. |
| —             | Closed renewed membership to retirees of a state-administered retirement system initially reemployed by a FRS participating employer on or after July 1, 2010.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>2010</b> — | Continued Special Risk Class participation for employment in a non-special risk position is provided for members suffering specified in-line-of-duty injuries and who reach maximum medical improvement on or after August 1, 2008, for as long as employed by the same employer at the time of injury.                                                                                                                                                                                                                                                                                                                                                               |



## Social Security Coverage



Photo Courtesy of Department of Environmental Protection

Gamble Plantation Historic State Park in Manatee County is home to the only surviving plantation house in South Florida. The antebellum mansion was home to Major Robert Gamble and headquarters of an extensive sugar plantation.

## SOCIAL SECURITY COVERAGE

The Division of Retirement is responsible for administering the Social Security Coverage Program for public employees in Florida. Public employees are provided Social Security coverage through a federal-state agreement with various modifications applicable to specific political subdivisions. As of June 30, 2010, there were 621 modifications to the initial 1951 agreement. Existing modifications provide Social Security coverage for most state, county and district school board employees, and employees of a number of cities and special districts. Social Security coverage is required for employees who participate in state-administered retirement systems, except for members of the Teachers' Retirement System. Retirees of any state-administered retirement system who fill temporary positions are excluded from mandatory Social Security coverage provisions.

For the 2010 calendar year, the combined Social Security contribution rate for employees and employers totaled 15.3 percent (12.4 percent for Old Age, Survivors and Disability Insurance (OASDI) and 2.9 percent for Medicare). The maximum taxable wage base on which OASDI contributions were paid remained at \$106,800. There is no limitation on Medicare wages.





# State University System Optional Retirement Program



Photo Courtesy of Department of Environmental Protection

Fort Clinch in Fernandina Beach, Florida, is one of the most well-preserved 19<sup>th</sup> century forts in the country. Although no battles were fought here, troops were stationed there during both the Civil and Spanish-American wars.

## STATE UNIVERSITY SYSTEM OPTIONAL RETIREMENT PROGRAM

The 1983 Florida Legislature created the State University System Optional Retirement Program (SUSORP) effective July 1, 1984. Initially only eligible State University System faculty and administrators could participate. The legislature expanded SUSORP in 1988 to include the State University System Executive Service and in 1999 to include administrative and professional positions exempt from career service. SUSORP is designed to help the university system recruit employees by offering more portability to those employees who do not expect to remain in the Florida Retirement System (FRS) long enough to become vested in the FRS defined benefit plan and is a defined contribution plan alternative to membership in the FRS defined contribution plan (the Public Employee Optional Retirement Program) except for employees in certain positions.

The SUSORP provides full and immediate vesting of all contributions submitted to provider companies on the participant's behalf. Eligible employees are automatically SUSORP participants, unless they choose FRS membership. This program provides retirement and death benefits through contracts with designated insurance carriers and investment provider companies. The employing university contributes the percentage of the participant's salary designated by law on the participant's behalf. Since October 1, 1987, this employer contribution also includes a Health Insurance Subsidy (HIS) contribution. The participant selects the investment products offered by the provider companies where the 10.42 percent of the employer contribution is invested; 0.01 percent of the employer contribution is retained in the SUSORP Trust Fund for administrative expenses. The participant may contribute, by salary reduction, an amount not to exceed the percentage contributed by the university to the participant's account. When the FRS has an unfunded actuarial liability (UAL) the university pays a UAL contribution to the FRS Trust Fund as a percentage of the participant's salary. There were 16,322 participants during the 2009-10 fiscal year.

The five approved participating companies with which participants must invest their funds are ING, TIAA-CREF (Teachers Insurance and Annuity Association – College Retirement Equities Fund), Variable Annuity Life Insurance Company, Jefferson National Life Insurance Company and MetLife Investors USA Insurance Company. These companies provide quarterly reports to the participants.

### CONTRIBUTION RATES

|                                                          | 2009<br>July 1, 2008 – June 30, 2009 | 2010<br>July 1, 2009 – June 30, 2010 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Total Contribution Rate</b><br>(Includes HIS portion) | 10.43%                               | 10.43%                               |
| Annuity Contracts                                        | 10.42%                               | 10.42%                               |
| UAL                                                      | —                                    | —                                    |
| Fee for Administrative Expense                           | 0.01%                                | 0.01%                                |

### RECEIPTS AND EXPENSES

|                               | 2009           | 2010           |
|-------------------------------|----------------|----------------|
| <b>Receipts</b>               |                |                |
| Contributions – Employee      | \$ 61,838,920  | \$ 63,097,250  |
| Employer                      | \$ 137,093,883 | \$ 139,387,909 |
| Total                         | \$ 198,932,803 | \$ 202,485,159 |
| Investment and Other Earnings | \$ 70,311      | \$ 64,572      |
| <b>Expenses</b>               |                |                |
| Payments to Annuity Companies | \$ 199,160,199 | \$ 201,948,982 |
| UAL (Paid to FRS Trust Fund)  | \$ 119         | —              |
| Administrative Expenses       | \$ 147,932     | \$ 151,530     |





# Senior Management Service Optional Annuity Program



Photo Courtesy of Department of Environmental Protection

Built in 1838 by Thomas Orman, this antebellum home overlooks the Apalachicola River in Orman House Historic State Park.

## SENIOR MANAGEMENT SERVICE OPTIONAL ANNUITY PROGRAM

The 1986 Florida Legislature created the Senior Management Service Optional Annuity Program (SMSOAP) effective February 1, 1987. Initially only Senior Management Service employees of executive branch agencies could participate. The legislature expanded SMSOAP to include selected managerial staff of the Legislature, the Auditor General and his managerial staff, and the Executive Director of the Ethics Commission (all effective January 1, 1990), senior-level managers of the State Board of Administration (effective January 1, 1991), selected managerial staff with the Judicial Branch (effective January 1, 1994, and June 1, 2002), and selected managerial staff with Department of Military Affairs (effective July 1, 1996). This program is designed to help state government recruit senior managers by offering more portable retirement benefits to those who do not expect to remain in public service long enough to vest in the Florida Retirement System (FRS) defined benefit plan and is a defined contribution plan alternative to membership in the FRS defined contribution plan (the Public Employee Optional Retirement Program).

SMSOAP provides full and immediate vesting of all contributions submitted to participating companies on behalf of the participant. Employees in eligible positions may irrevocably elect to participate in the SMSOAP rather than the FRS Senior Management Service Class. This program provides retirement and death benefits through contracts with a designated insurance carrier and an investment provider company. The employer contributes on behalf of the participant the percentage of the participant's salary designated by law. Effective October 1, 1987, this contribution also includes a Health Insurance Subsidy (HIS) contribution. The participant selects the investment products offered by the provider companies where contributions are invested. The participant may contribute, by salary deduction, an amount not to exceed the percentage contributed by the employer to the participant's account. When the FRS has an unfunded actuarial liability (UAL) the employer pays a UAL contribution to the FRS Trust Fund as a percentage of the participant's salary. There were 43 participants during the 2009-10 fiscal year.

The two approved provider companies for participants to invest their funds are ING and Great West Life Annuity Insurance Company. These companies provide quarterly reports to the participants.

### CONTRIBUTION RATES

|                                | 2009<br>July 1, 2008 – June 30, 2009 | 2010<br>July 1, 2009 – June 30, 2010 |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>Total Contribution Rate</b> | 12.49%                               | 12.49%                               |
| (Includes HIS portion)         |                                      |                                      |
| Annuity Contracts              | 12.49%                               | 12.49%                               |
| UAL                            | —                                    | —                                    |
| Fee for Administrative Expense | —                                    | —                                    |

### RECEIPTS AND EXPENSES

|                               | 2009       | 2010       |
|-------------------------------|------------|------------|
| <b>Receipts</b>               |            |            |
| Contributions – Employee      | \$ 631     | \$ 7,077   |
| Employer                      | \$ 667,237 | \$ 558,682 |
| Total                         | \$ 667,868 | \$ 565,759 |
| Investment and Other Earnings | \$ 425     | \$ 566     |
| <b>Expenses</b>               |            |            |
| Payments to Annuity Companies | \$ 632,679 | \$ 594,035 |
| UAL (Paid to FRS Trust Fund)  | —          | —          |
| Administrative Expenses       | —          | —          |



# Retiree Health Insurance Subsidy



Photo Courtesy of Department of Environmental Protection

The historically restored Ribault Club on Fort George in Jacksonville, Florida, was established in 1928.





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January 25, 2011

Members of the Florida Legislature  
and  
Recipients of Health Insurance Subsidy Benefits

#### Statement Regarding Actuarial Valuation of Health Insurance Subsidy as of July 1, 2010

Milliman completed the July 1, 2010 actuarial valuation of the Health Insurance Subsidy (HIS) Program. The first actuarial valuation of the HIS Program as a defined benefit plan was completed July 1, 2006, and the second was completed July 1, 2008. There was no actuarial valuation performed as of July 1, 2007, or July 1, 2009. It is anticipated that future valuations will be prepared on a biennial basis with the next valuation scheduled for July 1, 2012. The valuation was prepared to comply with the Government Accounting Standard Board's Statement No. 27 (GASB 27) the purpose of which is to require accrual accounting for pension benefits.

As of July 1, 2010 the unfunded actuarial liability of the Program was \$8.2 billion. The GASB annual required contribution (ARC) calculated in the July 1, 2010 actuarial valuation for the fiscal year ending June 30, 2011 is 1.28% of active payroll (including DROP payroll). The State's funding policy requires a contribution rate that is different from the GASB computed ARC, which is an accounting disclosure. To the extent the contribution rate required to fund the HIS Program is different from the computed ARC, adjustments in the Net Pension Obligation (NPO) will occur from year to year. It is our understanding that the State's current funding policy is pay-as-you-go with a legislated contribution rate of 1.11% for FY 2010-11.

The GASB 27 Statement became effective in 1996. The July 1, 2006 valuation represented the first year that HIS was determined to be a pension benefit and thus covered by GASB 27. Nevertheless, it has been indicated that there will be no retroactive application (i.e. no preparing valuations) back to the 1996 effective date of the Statement. Thus, as of July 1, 2006 the NPO was \$0, and the Annual Pension Cost was equal to the ARC. As of June 30, 2010, the Annual Pension Cost is \$413,074,000 and the total employer contribution was actually \$332,023,000. Therefore, if GASB 27 applies, the State's CAFR must reflect a Net Pension Obligation of \$231,978,000 as compared to an NPO of \$150,927,000 as of the prior year.

Actuarial assumptions are needed to estimate the future economic and demographic experience of the Program. Any deviations between actual and expected future experience will result in corresponding changes in the on-going costs of the Program. The actuarial valuation of the HIS Program uses the same economic and demographic assumptions, other than the discount rate, as the actuarial valuation of the Florida Retirement System defined benefit program. These include the retirement assumptions which were modified to reflect the Assumption Conference's decision on funding DROP in the FRS. Each class's retirement rates do not explicitly recognize the probability of a member electing DROP participation. For this valuation, use of these assumptions has the impact of overvaluing members who elect DROP participation versus normal retirement without DROP participation, but undervaluing members who elect normal retirement without DROP participation. We used the same assumptions for PEORP members that were used for FRS DB members in the same membership class. The economic assumptions were developed from both external economic forecasts and information and forecasts furnished by the Division of Retirement and the State Board of Administration. The demographic actuarial assumptions were developed both from the experience of the Florida Retirement System and from standard actuarial sources. We believe these assumptions are reasonable (other than the retirement assumptions noted previously) and have used them for purposes of GASB Statement No. 27. 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.

The assumptions and methods used in performing this valuation meet the parameters set by Government Accounting Standards Board (GASB) Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*

The GASB statements require the use of an investment return assumption that is the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. We understand that other than a relatively small pool of assets equal to a few months of benefit payments, this program is not prefunded. Our use of a 4.00% recognizes that the program is not funded on a long term basis.

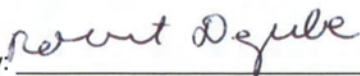
In performing the valuation, we relied without audit upon the financial statements, membership data, and other cost and benefit information furnished by the Division of Retirement. Although membership data was subjected to standard editing procedures and the other information was reviewed for reasonableness, Milliman, Inc. does not assume responsibility for either its accuracy or its completeness.

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 this 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 report has been prepared exclusively for the Florida Department of Management Services, Division of Retirement for a specific and limited purpose. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. 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. 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.

We hereby certify that our valuation report is complete and accurate to the best of our knowledge, and in our opinion the techniques and assumptions used are reasonable. The report was prepared in accordance with generally accepted actuarial principles and practices which reflect the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

Respectfully submitted,

By: 

Robert S. Dezube  
Fellow of the Society of Actuaries  
Member, American Academy of Actuaries  
Enrolled Actuary #08-3397

## SUMMARY OF ACCRUED AND UNFUNDED ACTUARIAL LIABILITIES

(000 Omitted)

|              | <u>Accrued<br/>Liabilities</u>   | <u>Valuation<br/>Assets</u> | <u>Funding Ratio<br/>(Assets/<br/>Liabilities)</u> | <u>Unfunded<br/>Actuarial Liability<br/>(UAL)</u> | <u>Annualized<br/>Payroll<br/>(Active Members)</u> | <u>Unfunded<br/>Actuarial<br/>Liability<br/>Payroll</u> |
|--------------|----------------------------------|-----------------------------|----------------------------------------------------|---------------------------------------------------|----------------------------------------------------|---------------------------------------------------------|
| July 1, 2006 | \$4,667,058                      | \$192,808                   | 4%                                                 | \$4,474,250                                       | \$27,712,320                                       | 16%                                                     |
| July 1, 2007 | Actuarial valuation not prepared |                             |                                                    |                                                   |                                                    |                                                         |
| July 1, 2008 | \$5,109,683                      | \$275,139                   | 5%                                                 | \$4,834,544                                       | \$30,665,477                                       | 16%                                                     |
| July 1, 2009 | Actuarial valuation not prepared |                             |                                                    |                                                   |                                                    |                                                         |
| July 1, 2010 | \$8,464,530                      | \$291,459                   | 3%                                                 | \$8,173,071                                       | \$31,717,281                                       | 26%                                                     |

## SOLVENCY TEST

(000 Omitted)

|              | <u>Accrued Liabilities for:</u>                |                                               |                                                       |                             | <u>Portion of Accrued Liabilities<br/>Covered by Assets</u> |            |            |
|--------------|------------------------------------------------|-----------------------------------------------|-------------------------------------------------------|-----------------------------|-------------------------------------------------------------|------------|------------|
|              | <u>(1)<br/>Active Member<br/>Contributions</u> | <u>(2)<br/>Retirees and<br/>Beneficiaries</u> | <u>(3)<br/>Active Members<br/>(Employer Financed)</u> | <u>Valuation<br/>Assets</u> | <u>(1)</u>                                                  | <u>(2)</u> | <u>(3)</u> |
| July 1, 2006 | \$0                                            | \$2,953,537                                   | \$1,713,512                                           | \$192,808                   | 100%                                                        | 7%         | 0%         |
| July 1, 2007 | Actuarial valuation not prepared               |                                               |                                                       |                             |                                                             |            |            |
| July 1, 2008 | \$0                                            | \$3,247,635                                   | \$1,862,048                                           | \$275,139                   | 100%                                                        | 8%         | 0%         |
| July 1, 2009 | Actuarial valuation not prepared               |                                               |                                                       |                             |                                                             |            |            |
| July 1, 2010 | \$0                                            | \$5,532,886                                   | \$2,931,644                                           | \$291,459                   | 100%                                                        | 5%         | 0%         |

## ASSUMPTIONS

(Used in Actuarial Valuations in specified years)

|      | <u>Yield Rate</u>                | <u>Salary Scale<sup>1</sup></u> | <u>Payroll Growth</u> |
|------|----------------------------------|---------------------------------|-----------------------|
| 2006 | 7.75%                            | 6.25%                           | 0.00%                 |
| 2007 | Actuarial valuation not prepared |                                 |                       |
| 2008 | 7.75%                            | 6.25%                           | 0.00%                 |
| 2009 | Actuarial valuation not prepared |                                 |                       |
| 2010 | 4.00%                            | 5.85%                           | 0.00%                 |

<sup>1</sup> Includes individual salary growth of 4.00 percent plus an age- and service-graded merit scale defined by gender and employment class. Salary scale assumptions were changed effective with the July 1, 2009, valuation based on the system's most recent experience study. See Table A-2 of the actuarial valuation reports in applicable years for merit scale(s).

## RETIREE HEALTH INSURANCE SUBSIDY

The Florida Legislature established the Retiree Health Insurance Subsidy (HIS) in 1987 to assist retirees of all state-administered defined benefit retirement systems in paying health insurance costs (s. 112.363, Florida Statutes). The HIS payment amount has increased three times since 1987. Eligible retirees currently receive an extra \$5 per month for each year of creditable service completed at retirement, with a minimum monthly payment of \$30 and a maximum monthly payment of \$150.

To be eligible to receive the HIS, a retiree under any state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Any spouse or financial dependent who receives a monthly retirement benefit may also receive the HIS benefit. The law excludes retirees who receive free health insurance coverage from the state under a 1985 law, Medicaid, Medically Needy Programs, Health of the Brotherhood and certain other groups that receive supplemental or nonservice-based retirement benefits.

The HIS program receives funds from required contributions from Florida Retirement System (FRS) participating employers. Each employer contributes a percentage of payroll for all active employees covered by the FRS, the Teachers' Retirement System and the State and County Officers and Employees' Retirement System. The required contribution rate increased from 0.24 percent in 1987 to the current rate of 1.11 percent of payroll. Employers add this contribution to the amount submitted for retirement contributions, but FRS deposits it in a separate trust fund (The Retiree Health Insurance Subsidy Trust Fund) from which Health Insurance Subsidy benefit payments are authorized. The HIS program is not a guaranteed benefit and is subject to annual legislative appropriation. If pay-as-you-go funding of this program or the annual appropriation fail to provide full subsidy benefits to all participants, the Legislature may reduce or cancel the subsidy payments.

### PARTICIPANTS, CONTRIBUTIONS AND SUBSIDY PAYMENTS

|                                                | 2009          | 2010           |
|------------------------------------------------|---------------|----------------|
| <b>HIS Recipients as of June 30</b>            | 256,452       | 269,999        |
| <b>Total Annual HIS Employer Contributions</b> | \$341,568,560 | \$ 332,023,129 |
| <b>Contribution Rate</b>                       | 1.11%         | 1.11%          |
| <b>Total Annual HIS Payments</b>               | \$321,742,432 | \$338,891,598  |
| <b>Average June HIS Payment</b>                | \$105.76      | \$106.26       |

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# Police Officers and Firefighters' Premium Tax Trust Fund



Photo Courtesy of Department of Environmental Protection

Opened in 1937, the 27-room Wakulla Springs Lodge sits at the center of the 6,000-acre Edward Ball Wakulla Springs State Park.

## POLICE OFFICERS AND FIREFIGHTERS' PREMIUM TAX TRUST FUND

The Division of Retirement's Municipal Police Officers and Firefighters' Retirement Trust Funds Office is responsible for the administrative oversight and monitoring of local police and fire pension funds in the State of Florida that participate under Chapters 175 and 185, Florida Statutes. Chapter 175 refers to the firefighters' plans and Chapter 185 refers to the police officers' plans.

These statutes require defined benefit plans for police officers and firefighters and establish the minimum benefits and standards they must provide. Two types of plans operate under these statutes:

- **Chapter Plans** – plans that meet the minimum provisions of the Florida Statutes.
- **Local Law Plans** – plans that are created by a special act, local ordinance or fire district resolution that must meet the minimums, but may provide benefits in excess of the chapter provisions.

For both types of plans, the respective boards of trustees created at the local level are responsible for the day-to-day operational control of the individual trust funds and subject to regulatory oversight by the Division of Retirement.

Participating cities and special fire control districts are eligible to receive annual distributions of state premium tax collections on property and casualty insurance policies written within the city limits or special fire district boundaries of the participating plan. The amount of premium taxes collected under Chapter 175 is equal to 1.85 percent of all property insurance written within the city limits or special fire district boundaries of the participating plan. Chapter 185 levies a 0.85 percent tax on all casualty insurance premiums written within the city limits of the participating plan. The Department of Revenue collects these amounts via the DR-908 tax form, and transfers them to the Police Officers and Firefighters' Premium Tax Trust Fund. These funds are then available for distribution to the participating pension plans on an annual basis, once the plan has demonstrated compliance with all applicable statutory requirements.

Additional sources of funding for these plans are provided by employee contributions, employer contributions and other revenue sources. The city or special fire district sponsoring the pension plan is required to meet any contribution funding deficiency shown by the plan's actuarial valuation.



## Participating Employers



Photo Courtesy of VISIT FLORIDA

Author Marjorie Kinnan Rawlings' 1930s Cracker-style home and farm in Cross Creek, Florida. She lived and worked in the small community for 25 years and wrote her Pulitzer prize-winning novel, *The Yearling*.

## STATE AGENCIES

### EXECUTIVE BRANCH

Agency for Health Care Administration  
 Agency for Persons with Disabilities  
 Agency for Workforce Innovation  
 Department of Agriculture and Consumer Services  
 Department of Business and Professional Regulation  
 Department of Children and Families  
 Department of Citrus  
 Department of Community Affairs  
 Department of Corrections  
 Department of Education  
 Department of Elder Affairs  
 Department of Environmental Protection  
 Department of Financial Services  
 Department of Health  
 Department of Highway Safety & Motor Vehicles  
 Department of Juvenile Justice  
 Department of Law Enforcement  
 Department of Legal Affairs  
 Department of Lottery  
 Department of Management Services  
 Department of Military Affairs  
 Department of Revenue  
 Department of State  
 Department of Transportation  
 Department of Veterans' Affairs  
 Executive Office of the Governor  
 Fish & Wildlife Conservation Commission  
 Parole & Probation Commission  
 State Board of Administration  
 Vending Facilities Operators

### LEGISLATIVE BRANCH

Auditor General  
 Commission on Ethics  
 The Legislature  
 Public Service Commission

### JUDICIAL BRANCH

Capital Collateral Regional Counsels  
 Florida Board of Bar Examiners  
 Guardian Ad Litem  
 Public Defenders  
 State Attorneys  
 State Courts - Circuit Courts  
 State Courts - County Courts  
 State Courts - District Courts of Appeal  
 State Courts - Supreme Court

### STATE UNIVERSITY SYSTEM

Florida A&M University  
 Florida Atlantic University  
 Florida Gulf Coast University  
 Florida International University  
 Florida State University  
 New College

University of Central Florida  
 University of Florida  
 University of North Florida  
 University of South Florida  
 University of West Florida

## LOCAL AGENCIES

### ALACHUA COUNTY

Alachua County Library District <sup>4</sup>  
 Board of County Commissioners  
*Caring & Sharing Learning School*  
*City of Alachua* <sup>1,4</sup>  
 City of Gainesville <sup>3</sup>  
 City of High Springs <sup>1,2,4</sup>  
 City of Newberry <sup>2,4</sup>  
 Clerk of Circuit Court  
 Genesis Preparatory School of Gainesville, Inc.  
 Micanopy Middle School, Inc.  
 Property Appraiser  
 Santa Fe College  
 School Board  
 Sheriff  
 SIATech Gainesville  
 Sweetwater Branch Academy  
 Supervisor of Elections  
 Tax Collector

### BAKER COUNTY

Board of County Commissioners  
 City of MacClenny <sup>3,4</sup>  
 Clerk of Circuit Court  
 New River Solid Waste Association  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Glen St Mary <sup>3,4</sup>

### BAY COUNTY

Beach Mosquito Control District  
 Board of County Commissioners  
 Chautauqua Learn & Serve Charter School  
 City of Callaway <sup>2,3,4</sup>  
 City of Mexico Beach <sup>1,4</sup>  
 City of Panama City  
 City of Parker  
 City of Springfield  
 Clerk of Circuit Court  
 Gulf Coast Community College  
 Panama City Port Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Cedar Grove <sup>1,4</sup>

### BRADFORD COUNTY

Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
*Tax Collector*

### BREVARD COUNTY

Board of County Commissioners  
 Brevard Community College  
 Canaveral Port Authority  
 City of Cocoa <sup>4</sup>  
 City of Indian Harbour Beach <sup>4</sup>  
 City of Melbourne <sup>1,3,4</sup>  
 City of Palm Bay <sup>3</sup>  
 City of West Melbourne <sup>4</sup>  
 Clerk of Circuit Court  
 Merritt Island Public Library Tax District  
 Property Appraiser  
 School Board  
 Sebastian Inlet District  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Malabar  
 Town of Melbourne Beach <sup>4</sup>

### BROWARD COUNTY

Board of County Commissioners  
 Broward Community Charter Middle School  
 Broward Community Charter School  
 Broward Community Charter School West  
 Broward College  
 Broward County Housing Authority  
 Broward Metropolitan Planning Organization  
 Central Broward Water Control District  
 Central Charter School  
 Charter School of Excellence  
 Charter School of Excellence at Davie  
 Charter School of Excellence Riverland Campus  
 Charter School of Excellence Tamarac 1 Campus  
 Charter School of Excellence Tamarac 2 Campus  
 Children's Services Council of Broward  
 City of Coconut Creek  
 City of Deerfield Beach <sup>3</sup>  
 City of Hollywood <sup>3</sup>  
*City of Lauderdale Lakes*  
 City of Margate  
 City of Miramar <sup>3</sup>  
 City of North Lauderdale <sup>2</sup>  
 City of Oakland Park <sup>4</sup>  
 City of Pembroke Pines Charter Elementary School  
 City of Pembroke Pines FSU Charter School  
 City of Pembroke Pines Charter High School  
 City of Pembroke Pines Charter Middle School

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City of Pompano Beach <sup>3</sup>  
 City of Weston <sup>3</sup>  
*City of West Park* <sup>3,4</sup>  
*City of Wilton Manors* <sup>1,3,4</sup>  
 Clerk of Circuit & County Courts  
 Dayspring Elementary Charter School  
 Discovery Middle Charter School  
 Fort Lauderdale Downtown Development Authority  
 Hillsborough Inlet Improvement & Maintenance  
 North Broward Hospital District  
 Old Plantation Water Control District  
 Paragon Elementary Charter School  
 Plantation Acres Improvement District  
 Property Appraiser  
 School Board  
 Sheriff  
 Smart School, Inc.  
 South Broward Drainage District  
 South Florida Regional Planning Council  
 Sunrise Community Charter School  
 Sunshine Elementary Charter School  
 Supervisor of Elections  
 Tax Collector  
 Town of Hillsboro Beach <sup>1,4</sup>  
 Town of Lauderdale-by-the-Sea <sup>3,4</sup>  
 Town of Pembroke Park <sup>4</sup>  
 Tri-County Commuter Rail

#### **CALHOUN COUNTY**

Apalachee Regional Planning Council  
 Board of County Commissioners  
 City of Blountstown <sup>1,2,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Altha <sup>1,4</sup>

#### **CHARLOTTE COUNTY**

Board of County Commissioners  
 Charlotte County Airport Authority  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **CITRUS COUNTY**

Board of County Commissioners  
 Citrus County Mosquito Control District  
 City of Crystal River  
 City of Inverness <sup>3,4</sup>  
 Clerk of Circuit Court  
 Homosassa Special Water District  
 Property Appraiser  
 School Board

Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **CLAY COUNTY**

Board of County Commissioners  
*City of Green Cove Springs* <sup>3,4</sup>  
 Clay County Utility Authority  
 Clerk of Circuit Court  
 First Coast Workforce Consortium  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **COLLIER COUNTY**

Big Corkscrew Island Fire Control & Rescue District  
 Board of County Commissioners  
 City of Marco Island  
 Clerk of Circuit Court  
 Collier County Soil & Water Conservation District  
 Collier Mosquito Control District  
 East Naples Fire Control District  
 Golden Gate Fire Control District  
 Immokalee Fire Control District  
 Marco Island Charter Middle School  
 Marco Island Fire Control District  
 North Naples Fire Control & Rescue District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **COLUMBIA COUNTY**

Board of County Commissioners  
 City of Lake City <sup>3,4</sup>  
 Clerk of Circuit Court  
 Lake City Community College  
 Lake Shore Hospital Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **DADE COUNTY**

See Miami-Dade County

#### **DE SOTO COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Joshua Water Control District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **DIXIE COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Three Rivers Regional Library System  
 Town of Cross City

#### **DUVAL COUNTY**

Florida State College at Jacksonville  
 Jacksonville Aviation Authority  
 Jacksonville Seaport Authority  
 Jacksonville Transportation Authority  
 Northeast Florida Regional Planning Council  
 River City Science Academy  
 School Board  
 SIATech Jacksonville

#### **ESCAMBIA COUNTY**

Board of County Commissioners  
 Byrnesville Elementary School, Inc.  
 Clerk of Circuit & County Courts  
*City of Pensacola* <sup>3,4</sup>  
*Emerald Coast Utility Authority*  
 Pensacola Beach Elementary School  
 Pensacola Junior College  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 West Florida Regional Planning Council

#### **FLAGLER COUNTY**

Board of County Commissioners  
 City of Bunnell  
 Clerk of Circuit Court  
 East Flagler Mosquito Control District  
 Flagler County Housing Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **FRANKLIN COUNTY**

Apalachicola Housing Authority  
 Board of County Commissioners  
 City of Apalachicola <sup>1,4</sup>  
 City of Carrabelle <sup>1,3,4</sup>  
 Clerk of Circuit Court  
 Eastpoint Water & Sewer District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

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## GADSDEN COUNTY

Board of County Commissioners  
City of Chattahoochee <sup>1,3,4</sup>  
City of Gretna  
Clerk of Circuit Court  
Northwest Florida Water Management District  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector  
Town of Greensboro <sup>1,4</sup>  
Town of Havana <sup>1,4</sup>

## GILCHRIST COUNTY

Board of County Commissioners  
City of Trenton <sup>1,4</sup>  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

## GLADES COUNTY

Board of County Commissioners  
City of Moore Haven <sup>4</sup>  
Clerk of Circuit Court  
Pemayetv Emahakv, Inc.  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

## GULF COUNTY

Board of County Commissioners  
City of Port Saint Joe  
Clerk of Circuit Court  
Port Saint Joe Port Authority  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

## HAMILTON COUNTY

Board of County Commissioners  
City of Jasper  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

## HARDEE COUNTY

Board of County Commissioners  
Clerk of Circuit Court

Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

## HENDRY COUNTY

Barron Water Control District  
Board of County Commissioners  
Central County Water Control District <sup>4</sup>  
City of Clewiston <sup>1</sup>  
City of La Belle <sup>3,4</sup>  
Clerk of Circuit Court  
Hendry County Hospital Authority  
Port La Belle Community Development District  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

## HERNANDO COUNTY

Board of County Commissioners  
City of Brooksville <sup>3,4</sup>  
Clerk of Circuit Court  
Hernando County Housing Authority  
Property Appraiser  
School Board  
Sheriff  
Southwest Florida Water Management District  
Spring Hill Fire Rescue District and Emergency  
Medical Services  
Supervisor of Elections  
Tax Collector

## HIGHLANDS COUNTY

Board of County Commissioners  
City of Avon Park  
City of Lake Placid <sup>1,3,4</sup>  
City of Sebring <sup>4</sup>  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sebring Airport Authority  
Sheriff  
South Florida Community College  
Supervisor of Elections  
Tax Collector

## HILLSBOROUGH COUNTY

Board of County Commissioners  
Children's Board of Hillsborough County  
City of Temple Terrace  
Clerk of Circuit Court  
Hillsborough Area Regional Transit  
Hillsborough Community College  
Hillsborough County Aviation Authority  
Hillsborough County Public Transportation  
Commission

Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tampa Bay Estuary Program  
Tampa-Hillsborough County Expressway Authority  
Tampa Port Authority  
Tampa Sports Authority  
Tax Collector

## HOLMES COUNTY

Board of County Commissioners  
Clerk of Circuit Court  
Holmes County Housing Authority  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

## INDIAN RIVER COUNTY

Board of County Commissioners  
Clerk of Circuit Court  
Fellsmere Water Control District  
Indian River Farms Water Control District  
Indian River Mosquito Control District  
Property Appraiser  
Saint Johns Water Control District  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

## JACKSON COUNTY

Board of County Commissioners  
Challenge for Success Charter School  
Chipola College  
City of Graceville <sup>1,4</sup>  
City of Marianna <sup>4</sup>  
Clerk of Circuit Court  
Jackson Hospital  
Northwest Florida Regional Housing Authority  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector  
Town of Alford <sup>4</sup>  
Town of Grand Ridge <sup>4</sup>  
Town of Sneads <sup>1,4</sup>

## JEFFERSON COUNTY

Board of County Commissioners  
Clerk of Circuit Court  
Property Appraiser  
School Board  
Sheriff  
Supervisor of Elections  
Tax Collector

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**LAFAYETTE COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Mayo <sup>3,4</sup>

**LAKE COUNTY**

Board of County Commissioners  
 City of Eustis  
 City of Minneola <sup>2,4</sup>  
 City of Tavares <sup>4</sup>  
 City of Umatilla <sup>4</sup>  
 Clerk of Circuit Court  
 Lake-Sumter Community College  
 Oklawaha Basin Recreation & Water Conservation District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Astatula  
 Town of Montverde <sup>4</sup>

**LEE COUNTY**

Alva Fire & Rescue Service District  
 Bayshore Fire Protection and Rescue Service District  
 Board of County Commissioners  
 Bonita Springs Fire & Rescue  
 Cape Coral Charter School  
 Captiva Erosion Prevention District  
 Captiva Fire Control District  
 City of Bonita Springs  
 Clerk of Circuit Court  
 East County Water Control District  
 Edison State College  
 Fort Myers Beach Fire Control District  
 Fort Myers Beach Library District  
 Fort Myers Beach Mosquito Control  
 Fort Myers Shores Fire Department  
 Goodwill Academies of Southwest Florida, Inc.  
 Hyacinth Control District  
 Iona McGregor Fire Protection and Rescue Service  
 Lee County Mosquito Control District  
 Lee Soil and Water Conservation District  
 Lehigh Acres Fire Control & Rescue District  
 Matlacha-Pine Fire District  
 North Fort Myers Fire Control District  
 Property Appraiser  
 Public Risk Management of Florida  
 San Carlos Fire Protection & Rescue District  
 Sanibel Fire Control District  
 School Board  
 Sheriff

South Trail Protection & Rescue Service District  
 Southwest Florida Expressway Authority <sup>4</sup>  
 Southwest Florida Regional Planning Council  
 Supervisor of Elections  
 Tax Collector  
 Tice Fire & Rescue District

**LEON COUNTY**

Board of County Commissioners  
 CK Steele-Leroy Collins Community Charter Middle School  
 Clerk of Circuit Court  
 Florida Clerk of Court Operations Corporation  
 Property Appraiser  
 The School of Arts & Sciences Foundation, Inc.  
 School Board  
 Sheriff  
 Stars Middle School  
 Supervisor of Elections  
 Tallahassee Community College  
 Tallahassee Housing Authority  
 Tallahassee-Leon County Civic Center  
 Tax Collector

**LEVY COUNTY**

Board of County Commissioners  
 City of Cedar Key <sup>1</sup>  
 City of Chiefland  
 City of Fanning Springs  
 Clerk of Circuit Court  
 Levy County Housing Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Inglis <sup>1,4</sup>  
 Town of Yankeetown <sup>4</sup>  
 Whispering Winds Charter School

**LIBERTY COUNTY**

Board of County Commissioners  
 City of Bristol <sup>4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**MADISON COUNTY**

Aucilla Area Solid Waste Administration  
 Board of County Commissioners  
 Clerk of Circuit Court  
 North Florida Community College  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections

Tax Collector  
 Town of Greenville <sup>4</sup>

**MANATEE COUNTY**

Board of County Commissioners  
 Braden River Fire Control & Rescue  
 Bradenton Downtown Development  
 Cedar Hammock Fire Control District  
 City of Anna Maria  
 City of Bradenton <sup>3,4</sup>  
 City of Holmes Beach <sup>4</sup>  
 Clerk of Circuit Court  
 Manatee County Housing Authority  
 Manatee County Mosquito Control District  
 Myakka City Fire Department  
 Parrish Fire Control District  
 Peace River/Manasota Regional Water Supply Authority  
 Property Appraiser  
 School Board  
 Sheriff  
 State College of Florida, Manatee-Sarasota  
 Supervisor of Elections  
 Tax Collector  
 West Manatee Fire and Rescue District

**MARION COUNTY**

Board of County Commissioners  
 Central Florida Community College  
 City of Dunnellon  
 Clerk of Circuit Court  
 Francis Marion Military Academy  
 Marion Charter School  
 Property Appraiser  
 Rainbow Lakes Municipal Service  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

**MARTIN COUNTY**

Board of County Commissioners  
 City of Stuart  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax collector

**MIAMI - DADE COUNTY**

The Children's Trust  
 City of Doral <sup>1</sup>  
 City of Florida City <sup>1,4</sup>  
 City of Miami Gardens <sup>1,3,4</sup>  
 City of North Bay Village <sup>1,4</sup>  
 City of North Miami <sup>3</sup>  
 City of North Miami Beach <sup>3</sup>  
 City of Opa-Locka <sup>1,4</sup>

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City of Sunny Isles Beach  
 City of West Miami <sup>1,4</sup>  
 Clerk of Circuit Court  
 Coral Reef Montessori Charter School  
 Miami Beach Housing Authority  
 Miami-Dade College  
 Miami-Dade County  
 Miami-Dade County Expressway Authority  
 Miami-Dade Police Department  
 Property Appraiser  
 Public Health Trust Jackson Memorial  
 School Board  
 SIATech Miami-Dade  
 Supervisor of Elections  
 Tax Collector  
 Town of Cutler Bay  
 Town of Miami Lakes <sup>1,3,4</sup>  
 Village of Biscayne Park <sup>1,4</sup>  
 Village of El Portal <sup>1,4</sup>

## MONROE COUNTY

Board of County Commissioners  
 City of Key Colony Beach <sup>1,4</sup>  
 City of Marathon <sup>3</sup>  
 Clerk of Circuit Court  
 Florida Keys Aqueduct Authority  
 Florida Keys Community College  
 Florida Keys Mosquito Control District  
 Islamorada, Village of Islands  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

## NASSAU COUNTY

Amelia Island Mosquito Control  
 Board of County Commissioners  
 City of Fernandina Beach <sup>3</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Callahan <sup>3,4</sup>  
 Town of Hilliard <sup>3,4</sup>

## OKALOOSA COUNTY

Board of County Commissioners  
*City of Niceville* <sup>1,2,4</sup>  
 City of Valparaiso  
 Clerk of Circuit Court  
 Liza Jackson Preparatory School  
 Northwest Florida State College  
*Okaloosa County Gas District*  
 Property Appraiser  
 School Board

Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Shalimar

## OKEECHOBEE COUNTY

Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

## ORANGE COUNTY

Board of County Commissioners  
 Central Florida Regional Transit Authority  
 City of Edgewood  
 City of Maitland  
 Clerk of Circuit Court  
 Florida Virtual High School  
 Greater Orlando Aviation Authority  
 Lake Apopka Natural Gas District  
 Nap Ford Community School  
 Office of the Comptroller  
 Orlando-Orange County Expressway Authority  
 Orlando Science Middle/High School  
 Property Appraiser  
 Reedy Creek Improvement District  
 Rio Grand Charter School of Excellence  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Valencia Community College

## OSCEOLA COUNTY

Board of County Commissioners  
 Clerk of Circuit Court  
 Harmony Neighborhood School, Inc.  
 New Dimensions High School  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

## PALM BEACH COUNTY

Acme Improvement District  
 Board of County Commissioners  
 City of Atlantis <sup>1,4</sup>  
 City of Boca Raton <sup>3</sup>  
 City of Boynton Beach <sup>3,4</sup>  
*City of Greenacres*  
*City of Pahokee*  
 City of Palm Beach Gardens <sup>3,4</sup>  
 Clerk of Circuit Court  
 Day Star Academy of Excellence

Florida Inland Navigation District  
 Good Schools for All Leadership Academy  
 G-STAR School of the Arts for Motion Pictures & Television  
 Gulf Stream Goodwill Academies, Inc.  
 Indian Trail Improvement District  
 Inlet Grove Community High School, Inc.  
 Lake Worth Drainage District  
 Loxahatchee Groves Water Control District  
 Palm Beach Community College  
 Palm Beach County Solid Waste Authority  
 Palm Beach Soil & Water Conservation  
 Palm Beach Workforce Development Consortium  
 Port of Palm Beach  
 Property Appraiser  
 Riviera Beach Maritime Academy  
 School Board  
 Shawano Drainage District  
 Sheriff  
 South Florida Conservancy  
 South Florida Water Management District  
 South Indian River Water Control District  
 South Tech Charter Academy, Inc.  
 Supervisor of Elections  
 Survivors Charter School  
 Tax Collector  
 Town of Haverhill <sup>4</sup>  
 Town of Highland Beach <sup>1,3,4</sup>  
 Town of Juno Beach <sup>1,4</sup>  
 Town of Jupiter <sup>3,4</sup>  
 Town of Ocean Ridge <sup>1,3,4</sup>  
*Town of Palm Beach Shores* <sup>1,4</sup>  
*Town of South Palm Beach* <sup>1,4</sup>  
*Village of Tequesta*  
 Village of Wellington <sup>3,4</sup>  
 Western Academy Charter School

## PASCO COUNTY

Board of County Commissioners  
*City of Dade City*  
*City of New Port Richey* <sup>4</sup>  
 City of Port Richey  
 City of San Antonio <sup>4</sup>  
 City of Zephyrhills <sup>1,2,4</sup>  
 Clerk of Circuit Court  
*Pasco County Housing Authority*  
 Pasco County Mosquito Control District  
 Pasco-Hernando Community College  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

## PINELLAS COUNTY

Board of County Commissioners  
*City of Belleair Beach*  
*City of Dunedin*

Note: Italicized agencies withdrew from the FRS effective January 1, 1996, and, new employees hired on or after this date do not participate in the FRS.

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<sup>3</sup>This agency participates in the FRS for its elected officials.

<sup>2</sup>This agency participates in the FRS for its fire employees.

<sup>4</sup>This agency participates in the FRS for its general employees.



*City of Indian Rocks Beach*  
*City of Madeira Beach* <sup>2,4</sup>  
*City of Oldsmar*  
*City of Safety Harbor*  
*City of Seminole* <sup>3,4</sup>  
*City of South Pasadena*  
*City of Treasure Island* <sup>1,2</sup>  
 Clerk of Court  
 Juvenile Welfare Board  
 Lealman Special Fire Control District  
 Palm Harbor Special Fire Control District <sup>3,4</sup>  
 Pinellas County Planning Council  
 Pinellas Housing Authority  
 Pinellas Park Water Management District  
 Pinellas Suncoast Fire & Rescue District  
 Pinellas-Suncoast Transit Authority  
 Property Appraiser  
 Saint Petersburg College  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tampa Bay Regional Planning Council  
 Tampa Bay Water  
 Tax Collector  
 Town of Indian Shores <sup>3</sup>  
 Town of Kenneth City <sup>1</sup>  
*Town of North Redington Beach* <sup>4</sup>  
*Town of Redington Beach*  
 Town of Redington Shores <sup>3,4</sup>

#### **POLK COUNTY**

Berkley Accelerated Middle School  
 Berkley Charter School  
 Board of County Commissioners  
 Clerk of Circuit Court  
 Compass Charter Middle School  
 Dale R. Fair Babson Park Elementary School  
 Discovery Academy of Lake Alfred  
 Edward W. Bok Academy, Inc.  
 Hillcrest Elementary School  
 Janie Howard Wilson Elementary School  
 Lake Wales Charter School, Inc.  
 Lake Wales Senior High School  
 McKeel Academy of Technology  
 McKeel Elementary Academy, Inc.  
 Oaks Middle Academy  
 Polk Avenue Elementary School  
 Polk State College  
 Property Appraiser  
 Ridgeview Global Studies Academy  
 School Board  
 Sheriff  
 South McKeel Elementary Academy, Inc.  
 Supervisor of Elections  
 Tax Collector  
 Town of Polk City <sup>4</sup>  
 Village of Highland Park <sup>4</sup>

#### **PUTNAM COUNTY**

Board of County Commissioners  
 Clerk of Circuit Court  
 Property Appraiser  
 Saint Johns River Community College  
 Saint Johns River Water Management District  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **SAINT JOHNS COUNTY**

Able School, Inc.  
 Anastasia Mosquito Control District  
 Board of County Commissioners  
 City of Saint Augustine Beach  
 Clerk of Circuit Court  
 Property Appraiser  
 Saint Augustine-Saint Johns County Airport  
 Authority  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Hastings <sup>4</sup>

#### **SAINT LUCIE COUNTY**

Board of County Commissioners  
 Children's Service Council of Saint Lucie  
 City of Port Saint Lucie <sup>3</sup>  
 Clerk of Circuit Court  
 Indian River State College  
 North Saint Lucie River Water Management District  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **SANTA ROSA COUNTY**

Avalon Fire Rescue District <sup>2</sup>  
 Board of County Commissioners  
 City of Gulf Breeze  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Jay <sup>3,4</sup>

#### **SARASOTA COUNTY**

Board of County Commissioners  
*City of North Port* <sup>4</sup>  
*City of Venice* <sup>3,4</sup>  
 Clerk of Circuit Court  
 Englewood Area Fire Control District  
 Englewood Water District

Goodwill Manasota Academy, Inc.  
 Property Appraiser  
 Sarasota Bay Estuary Program  
 Sarasota-Manatee Metropolitan Planning  
 Organization  
 Sarasota Military Academy  
 School Board  
 Sheriff  
 Student Leadership Academy of Venice, Inc.  
 Supervisor of Elections  
 Tax Collector  
 West Coast Inland Navigation District

#### **SEMINOLE COUNTY**

Board of County Commissioners  
*City of Altamonte Springs*  
*City of Casselberry*  
*City of Longwood*  
 City of Sanford <sup>3,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Seminole Community College  
*Sheriff*  
*South Seminole-North Orange Wastewater*  
*Authority*  
 Supervisor of Elections  
 Tax Collector

#### **SUMTER COUNTY**

Board of County Commissioners  
*City of Bushnell*  
 City of Center Hill <sup>1,4</sup>  
 City of Coleman <sup>1,3,4</sup>  
 City of Webster <sup>1,3,4</sup>  
 City of Wildwood  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector

#### **SUWANNEE COUNTY**

Board of County Commissioners  
 City of Live Oak  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Suwannee River Water Management District  
 Suwannee Valley Transit Authority  
 Tax Collector

#### **TAYLOR COUNTY**

Big Bend Water Authority  
 Board of County Commissioners

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<sup>4</sup>This agency participates in the FRS for its general employees.

City of Perry <sup>3,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Taylor Coastal Water & Sewer District  
 Taylor County Development Authority

## UNION COUNTY

Board of County Commissioners  
 City of Lake Butler <sup>3,4</sup>  
 Clerk of Circuit Court  
 New River Library Cooperative  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Union County Housing Authority

## VOLUSIA COUNTY

Board of County Commissioners  
*City of Daytona Beach* <sup>3,4</sup>  
*City of Daytona Beach Shores* <sup>1</sup>  
 City of Deltona <sup>4</sup>  
 City of Holly Hill <sup>4</sup>  
 City of Lake Helen  
*City of New Smyrna Beach* <sup>3</sup>  
 City of Oak Hill <sup>1,4</sup>  
 City of Orange City  
 City of South Daytona <sup>3</sup>  
 Clerk of Circuit Court  
 Daytona State College  
*New Smyrna Beach Utilities Commission*  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Pierson <sup>4</sup>  
 Town of Ponce Inlet <sup>1,2,4</sup>  
 Volusia County Law Library  
 Volusia County Metropolitan Planning Organization  
 Volusia Soil & Water Conservation District

## WAKULLA COUNTY

Board of County Commissioners  
 City of Sopchoppy <sup>4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Seaside Neighborhood Charter School  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Wilderness Coast Libraries

## WALTON COUNTY

Board of County Commissioners  
 City of DeFuniak Springs  
 City of Freeport <sup>2,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 South Walton Mosquito Control District  
 Supervisor of Elections  
 Tax Collector  
 Walton Academy

## WASHINGTON COUNTY

Board of County Commissioners  
 City of Chipley  
 City of Vernon <sup>3,4</sup>  
 Clerk of Circuit Court  
 Property Appraiser  
 School Board  
 Sheriff  
 Supervisor of Elections  
 Tax Collector  
 Town of Wausau <sup>3,4</sup>

## SUMMARY

|                       |               |
|-----------------------|---------------|
| State                 | 55            |
| County Agencies       | 396           |
| School Boards         | 67            |
| Community Colleges    | 28            |
| Cities                | 182 *         |
| Independent Hospitals | 5 *           |
| Special Districts     | 231 *         |
| Other                 | 12            |
| Total                 | <u>976 **</u> |

\* These totals include the 26 cities, five independent hospitals, and 12 independent special districts that are closed to new FRS members as of January 1, 1996.

\*\* This schedule lists all local agency employers as defined in s. 121.021(42)(a) and (b), F.S. Dependent special districts are not listed as separate entities.

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People First

FIN **SUNCOM** PRIVATE PRISONS

*Fleet* State Group Insurance

*Human Resource Management*

*Office of Supplier Diversity*