

# Florida Retirement System

The Actuarial Assumption Estimating Conference  
Including Preliminary July 1, 2008 Actuarial Valuation Results

Presented by:  
Robert Dezube  
Consulting Actuary

September 29, 2008



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# Overview

- Key Economic Assumptions
- Historical Analysis
- 2008 Valuation
- Discussion Points
- Projections
- Appendix

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# Key Assumptions

## Used in 2007 & 2008 Actuarial Valuations

- Investment Earnings 7.75%\*
- General Wage Increase 4.00%\*\*
- Post-Retirement Benefit Increase 3.00%
- Growth in Membership 0.00%

\*Includes a 3.0% inflation assumption

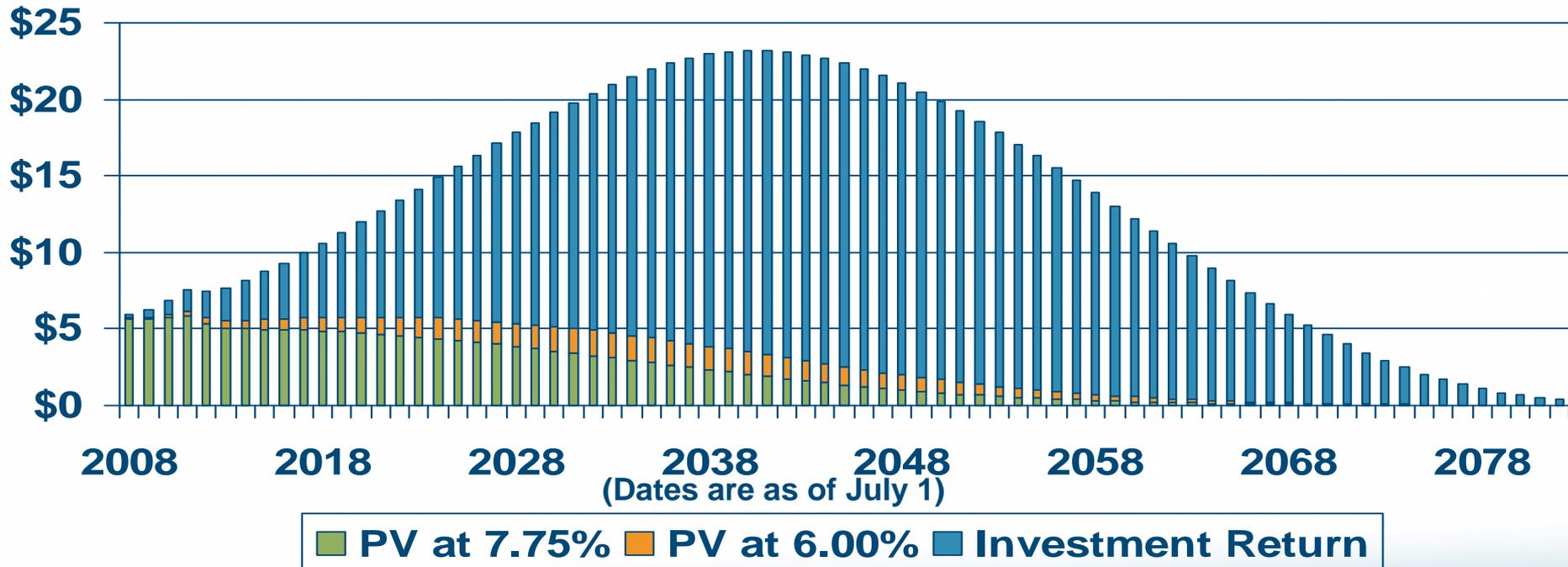
\*\*There are additional salary increases due to promotion and longevity

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# Time-Value of Money: Benefit Payments

The chart represents the effect of the time-value of money on promised benefit payments. In each year, the total bar is equal to expected benefit payments (exclusive of transfers to PEORP). The green portion represents each year's benefit payments, discounted at 7.75% to July 1, 2008 (ie., the value of benefit payments in "today's dollars.") The orange portion is similar to the green, discounted at 6.0%. The blue portion of each bar represents the difference in dollars between the total value to be paid that year less the value in today's dollars.

(\$ In Billions)



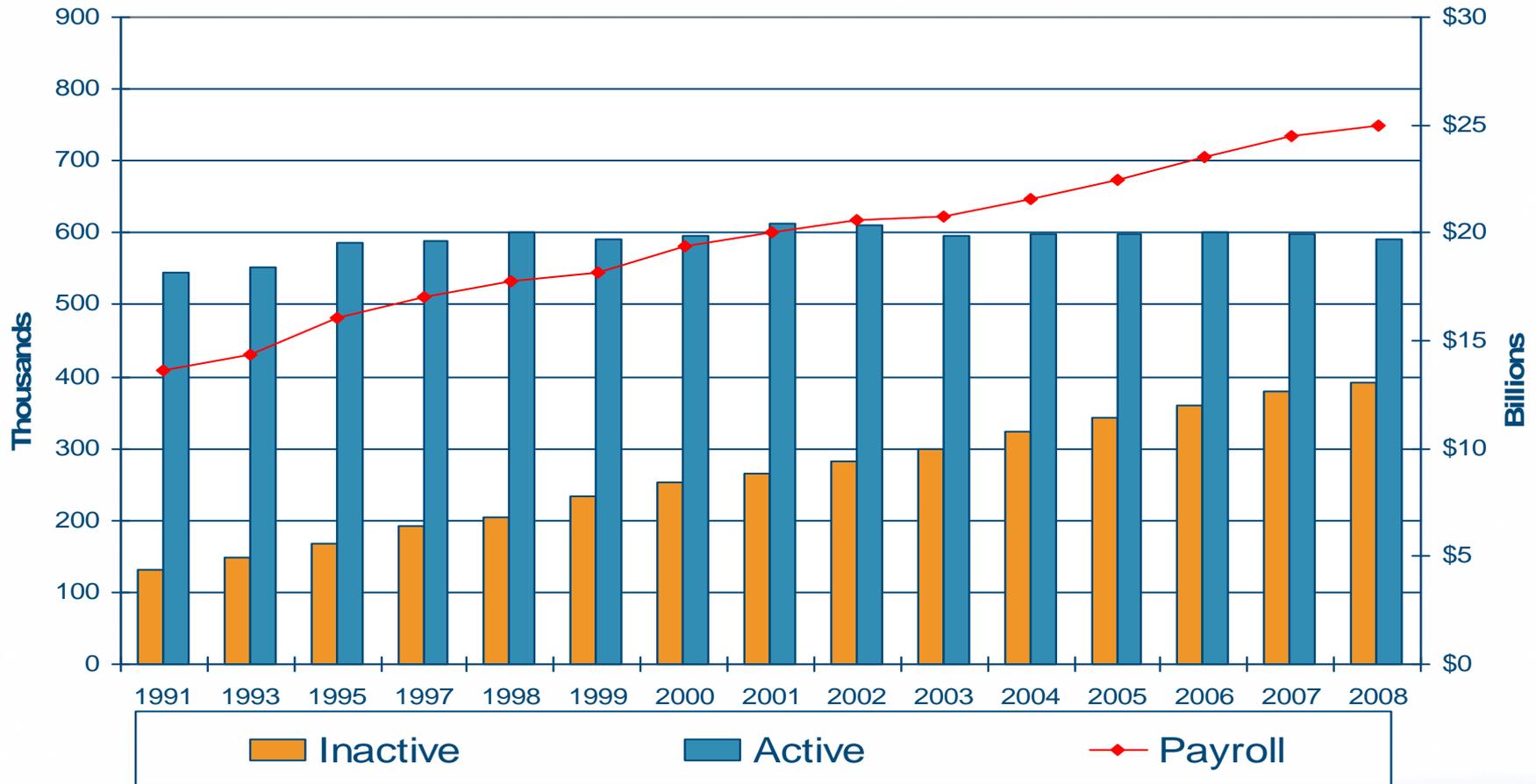
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# Historical Analysis

- Membership & Employer Payroll
- Market & Actuarial Value of Assets
- Liabilities
- Funding Target
- Contributions
- Plan Cash Flows
- Historic Asset Returns

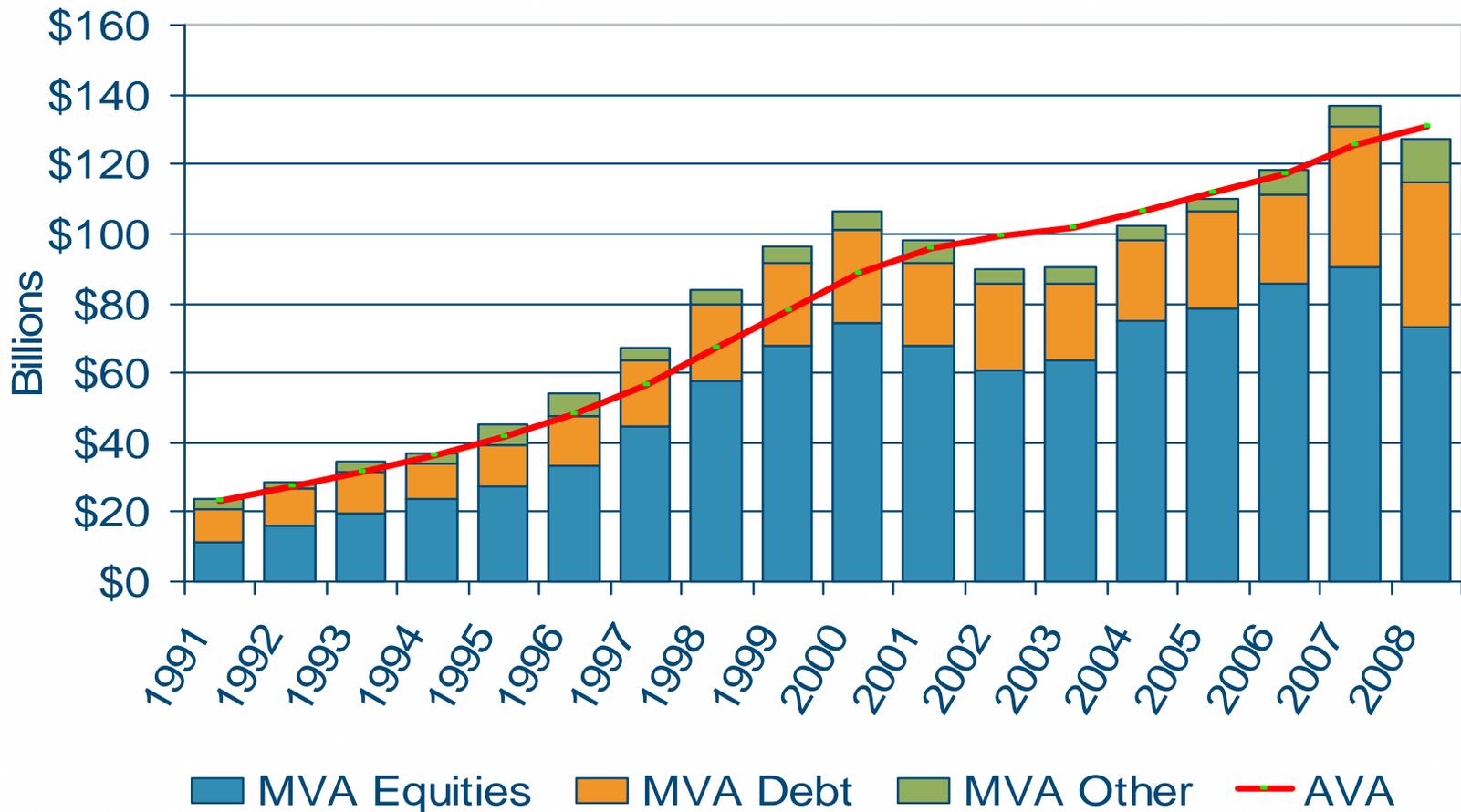
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# Membership & Employer Payroll



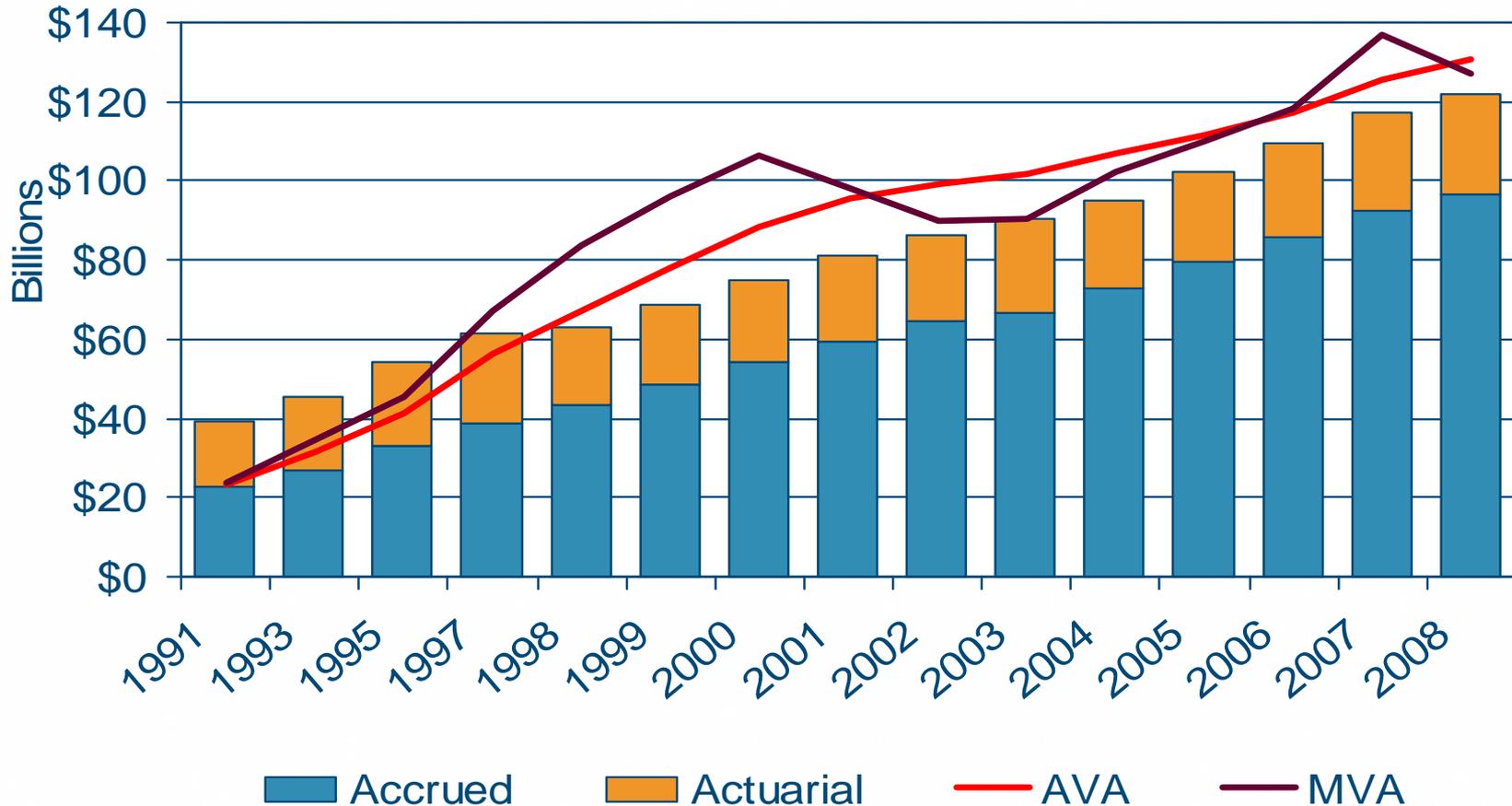
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# Market & Actuarial Value of Assets



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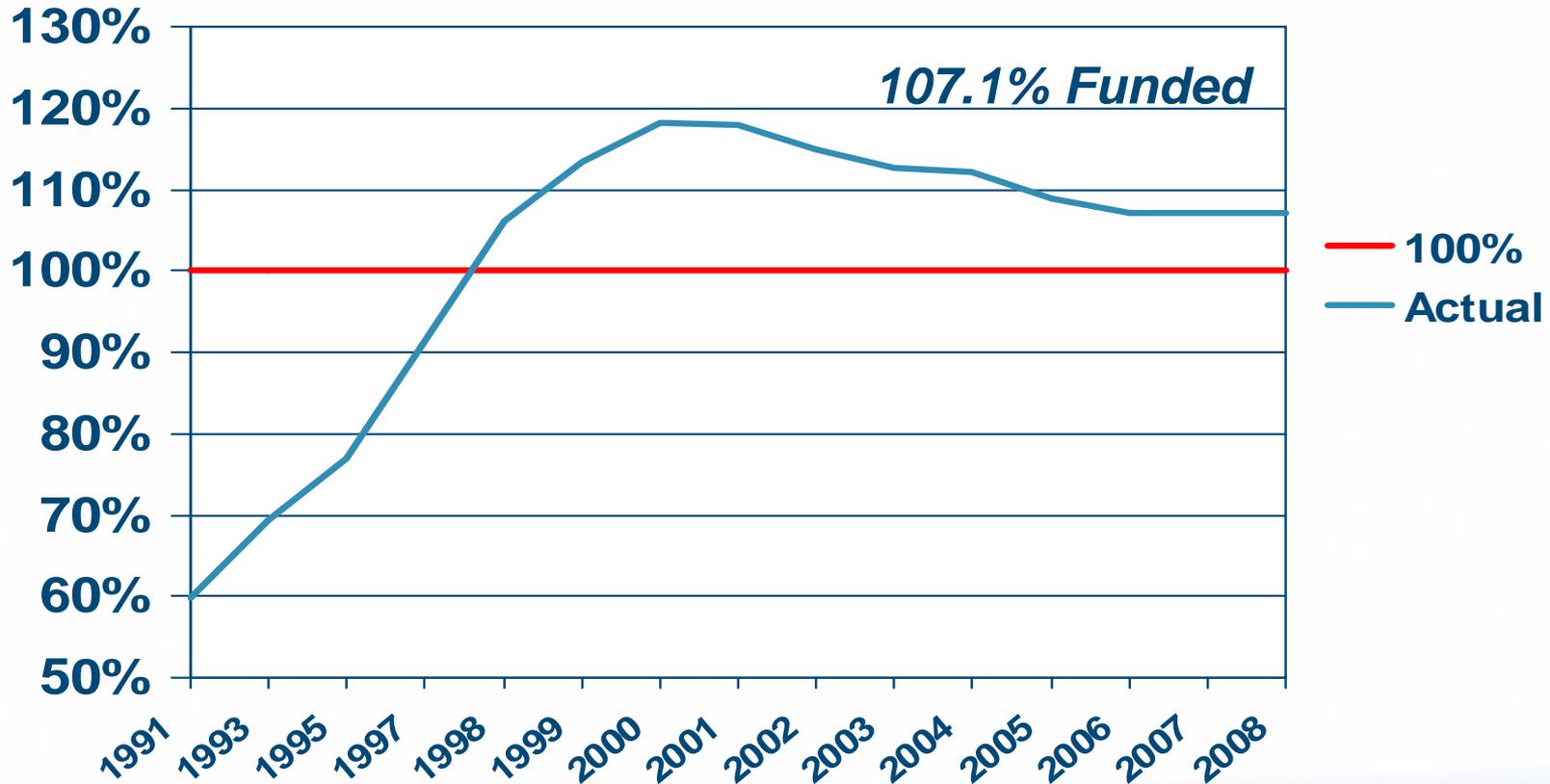
# Liabilities



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# Funding Target:

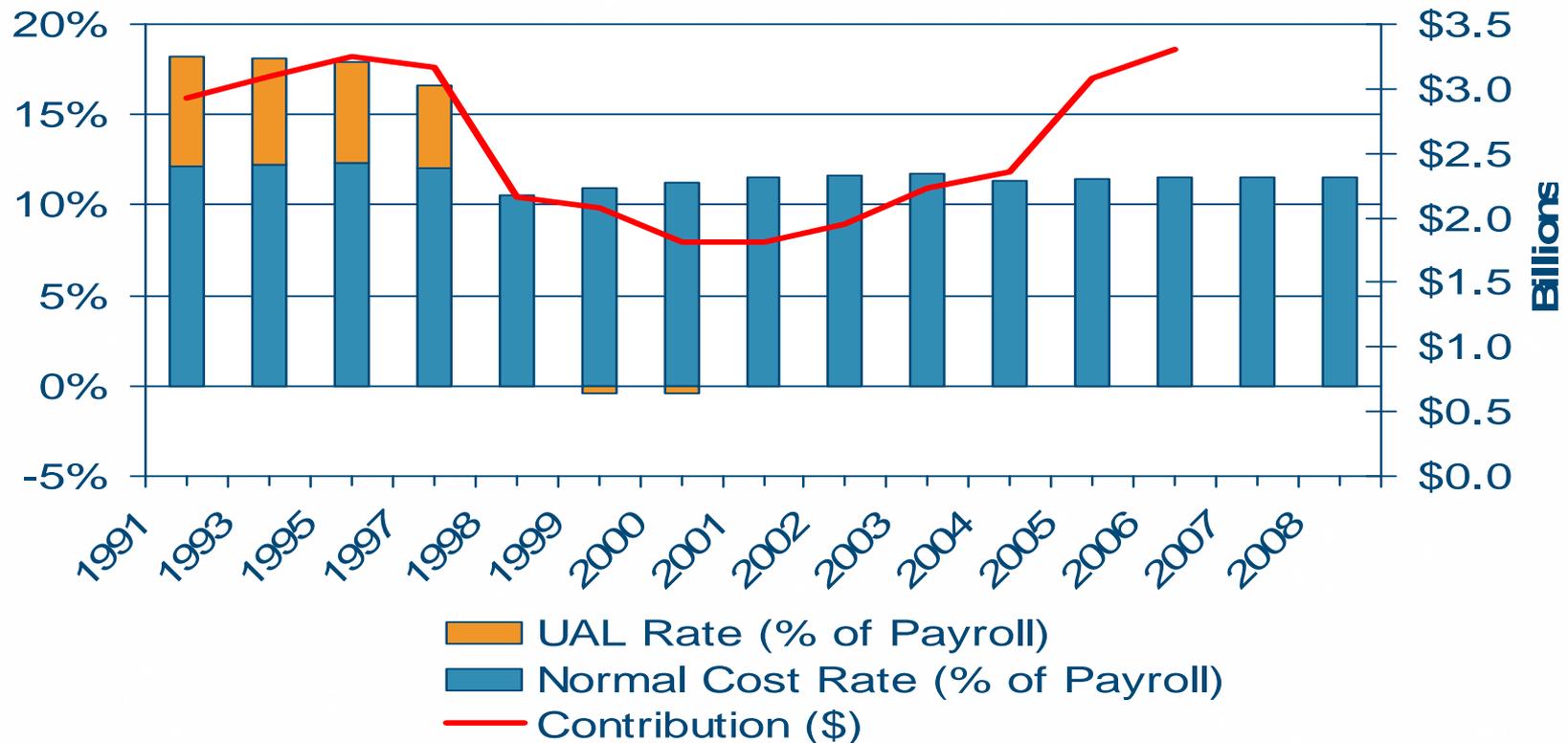
## Actuarial Value of Assets / Actuarial Liabilities



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# Contributions

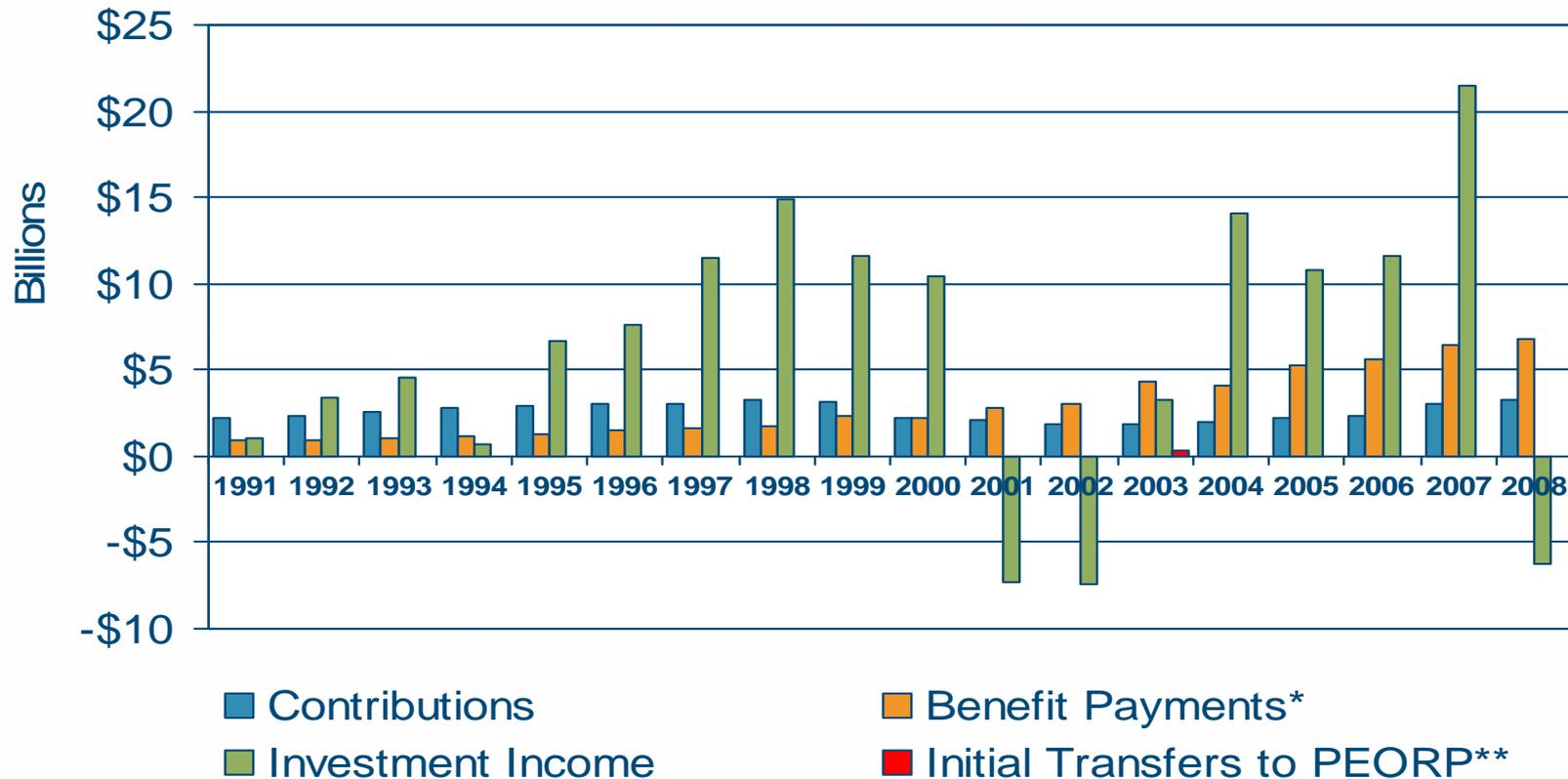
(Composite contribution rate shown in year developed;  
contribution amount adjusted for budget lag\*)



\* For example, contributions for FY 2008 are shown in 2006 because the 2006 actuarial valuation developed contribution rates for FY 2008.

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# Plan Cash Flows

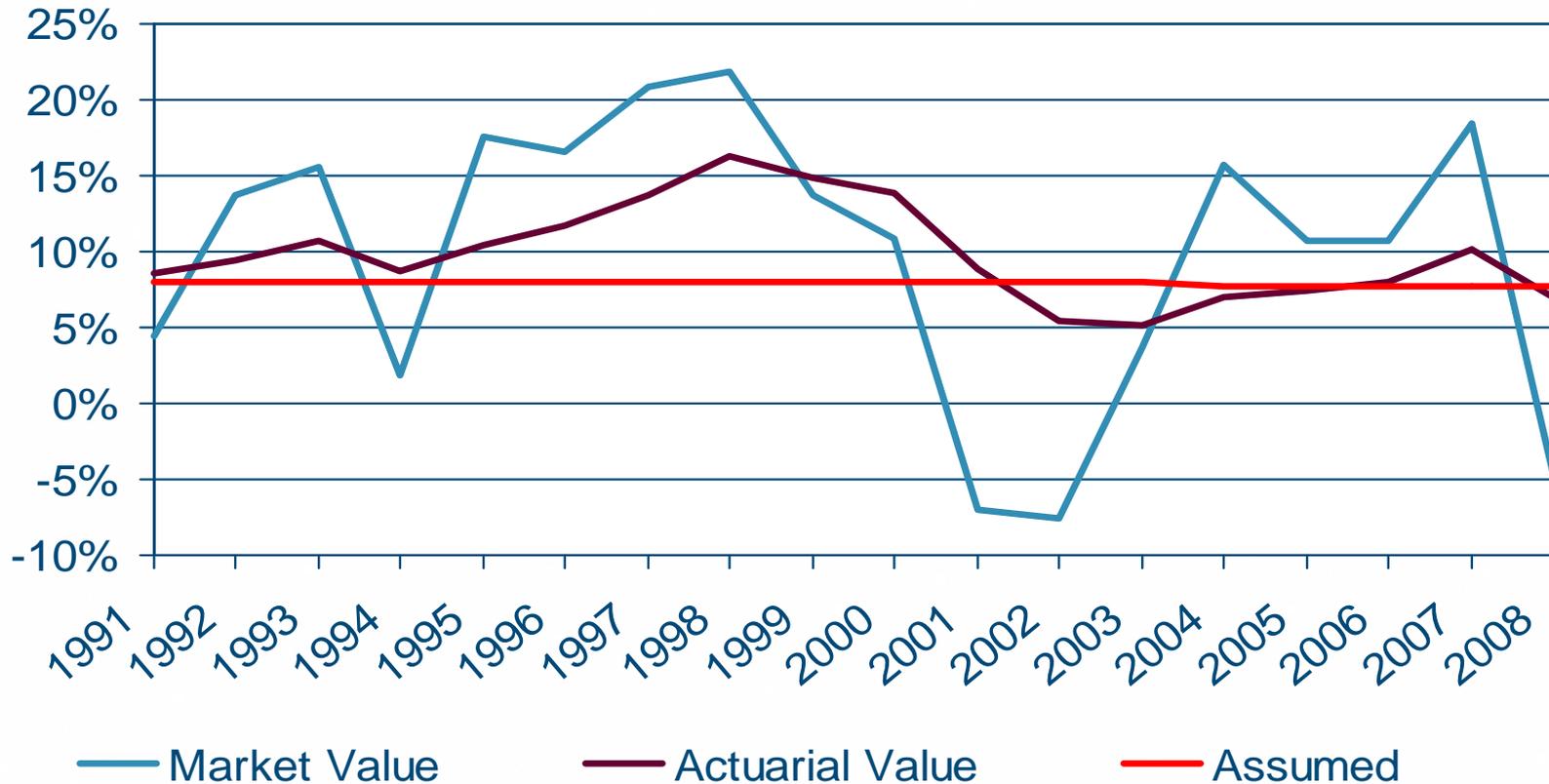


\* Includes Transfers to PEORP

\*\* See Slide 19 for more detail.

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# Historic Asset Returns



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# 2008 Valuation

- Valuation Highlights
- Composite Funding Levels
- Normal Cost Rates
- Summary of PEORP Elections
- Effect of Salary Distribution on Normal Cost Rates

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# 2008 Valuation Highlights

- Results are based on the 2008 actuarial assumptions and methods as established by the July 1, 1998 – June 30, 2003 experience study
- FRS remains in a surplus position (i.e. “Fully Funded”)
- Unfavorable Asset Performance
- AVA exceeds MVA by 2.9% or \$3.7 billion

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# Asset Smoothing

Five-year smoothing method helps alleviate heavy losses (on an actuarial basis) at times of unfavorable asset performance. However, large gains are also not “felt” at once.

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# Assets: MVA vs. AVA

(\$ in Billions)

<u>Year</u>	<u>MVA</u>	<u>MVA Return</u>	<u>AVA</u>	<u>AVA Return</u>
1999	\$ 96.1	13.76%	\$ 77.8	14.80%
2000	106.5	10.82	88.5	13.79
2001	98.4	-6.93	95.5	8.82
2002	89.7	-7.62	99.4	5.44
2003	90.5	3.76	101.9	5.10
2004	102.4	15.73	106.7	6.93
2005	110.2	10.71	111.5	7.43
2006	118.5	10.65	117.2	8.06
2007	136.7	18.38	125.6	10.16
2008	127.0	-4.59	130.7	7.00

In 2006 & 2007 the MVA exceeded the AVA, as a result of four years of MVA returns greater than the 7.75% assumed return. In 2008 the AVA once again exceeds the MVA, representing the smoothed impact of the past year's unfavorable MVA returns. The MVA return in 2007-08 was -4.59%.

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# Composite Funding Levels

	<u>2007</u>	<u>2008</u>	<u>Change</u>
<b>Actuarial Liability</b>	<b>\$117.4</b>	<b>\$122.0</b>	<b>3.9%</b>
<b>Actuarial Value of Assets</b>	<b>\$125.6</b>	<b>\$130.7</b>	<b>4.1%</b>
<b>Unfunded Actuarial Liability</b>	<b>(\$8.2)</b>	<b>(\$8.7)</b>	<b>6.1%</b>
<b>% Funded</b>	<b>107.0%</b>	<b>107.1%</b>	

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# Normal Cost Rates

<u>Employer</u>	Date of Actuarial Valuation		<u>Change</u>
	<u>07/01/2007</u>	<u>07/01/2008</u>	
FRS Regular	9.60%*	9.63%*	0.03%
Special Risk			
Regular	22.03%	22.11%	0.08%
Administration	11.98%	12.10%	0.12%
Elected Officer's Class			
Judicial	20.37%	20.65%	0.28%
Leg-Atty-Cab	14.52%	15.20%	0.68%
County	17.06%	17.50%	0.44%
Senior Management	13.36%	13.43%	0.07%
Composite Rate (w/o DROP)	11.52%	11.54%	0.02%
Composite Rate with DROP equal 9.80%	11.40%	11.42%	0.02%

***\*Includes IFAS***

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# PEORP – July 1, 2008

<u>Employer</u>	<u>Remaining “Original” Participants</u>	<u>Contingent Liability (000 omitted)</u>
FRS Regular	9,998	\$207,488
Special Risk		
Regular	352	10,995
Administration	1	(18)
Elected Officer’s Class		
Judicial	7	(679)
Leg-Atty-Cab	6	179
County	16	121
Senior Management	<u>247</u>	<u>9,516</u>
<b>2008 TOTAL</b>	<b>10,627</b>	<b>\$227,602</b>
<u>For Comparison:</u>		
2007 TOTAL	11,550	\$229,505
2003 TOTAL	21,043	\$312,915
Net Assets transferred to PEORP in 2003:		\$353,193

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# Discussion Points

- We continue to recommend changes to the method of funding DROP that would explicitly recognize the impact of DROP on each class.
- In 2007 we studied two alternative (more traditional) ways to fund DROP. In each, the contribution rates for each class of membership would include the cost of its members electing DROP:
  - DROP members treated as retirees (i.e., DROP payroll not used in developing the amount of contributions.)
  - DROP members treated as actives. Valuation would use more elaborate coding to model DROP as a decrement separate from retirement.

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# Actuarial Liability & Asset Projections

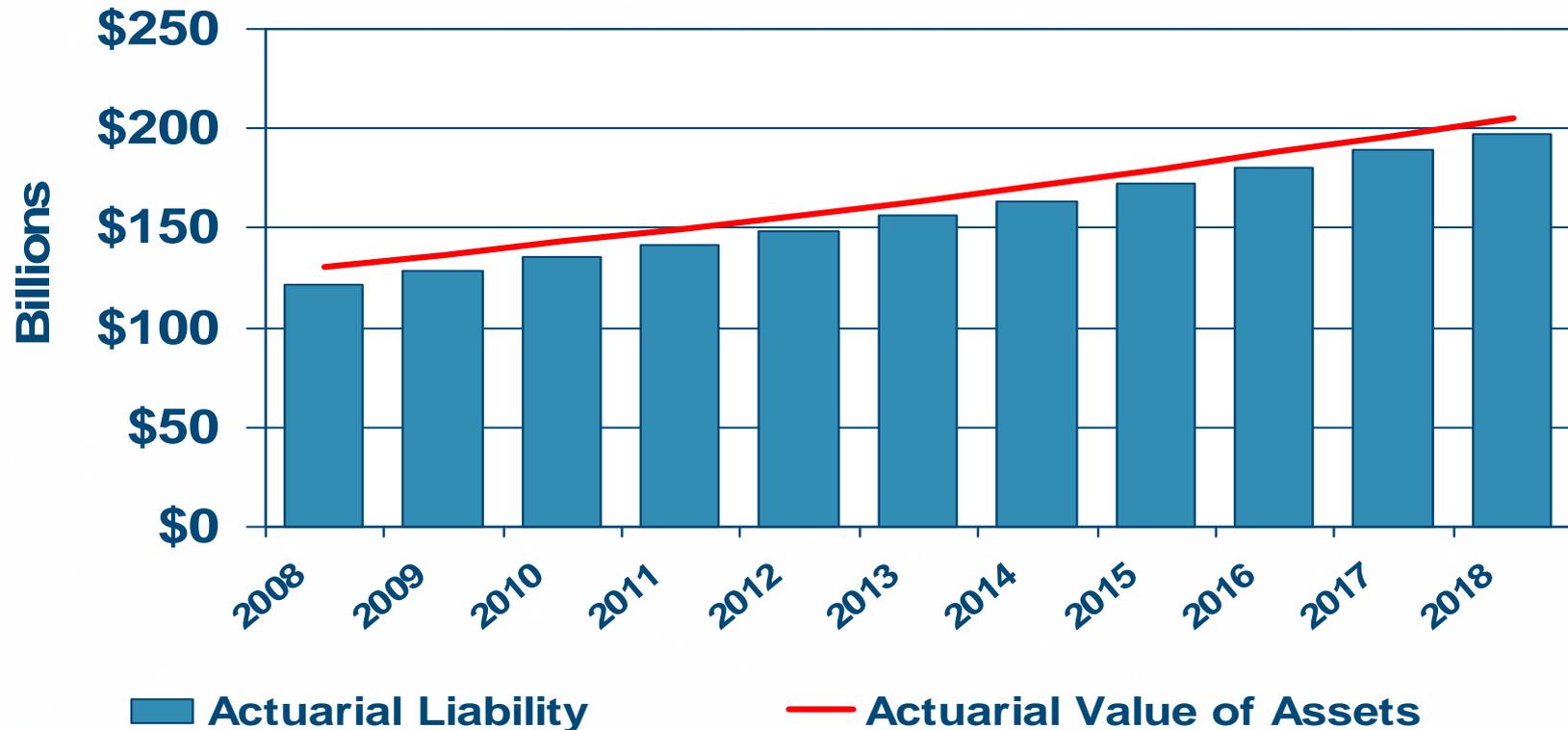
- Assuming 7.75% constant investment returns
- Assuming -7.75% investment returns for one year followed by constant 7.75% returns
- Assuming -7.75% investment returns for two years followed by constant 7.75% returns

\*\*\* All returns are on a Market Value basis

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# Comparison of Actuarial Liabilities & Assets

(Assuming Constant 7.75% Investment Returns)

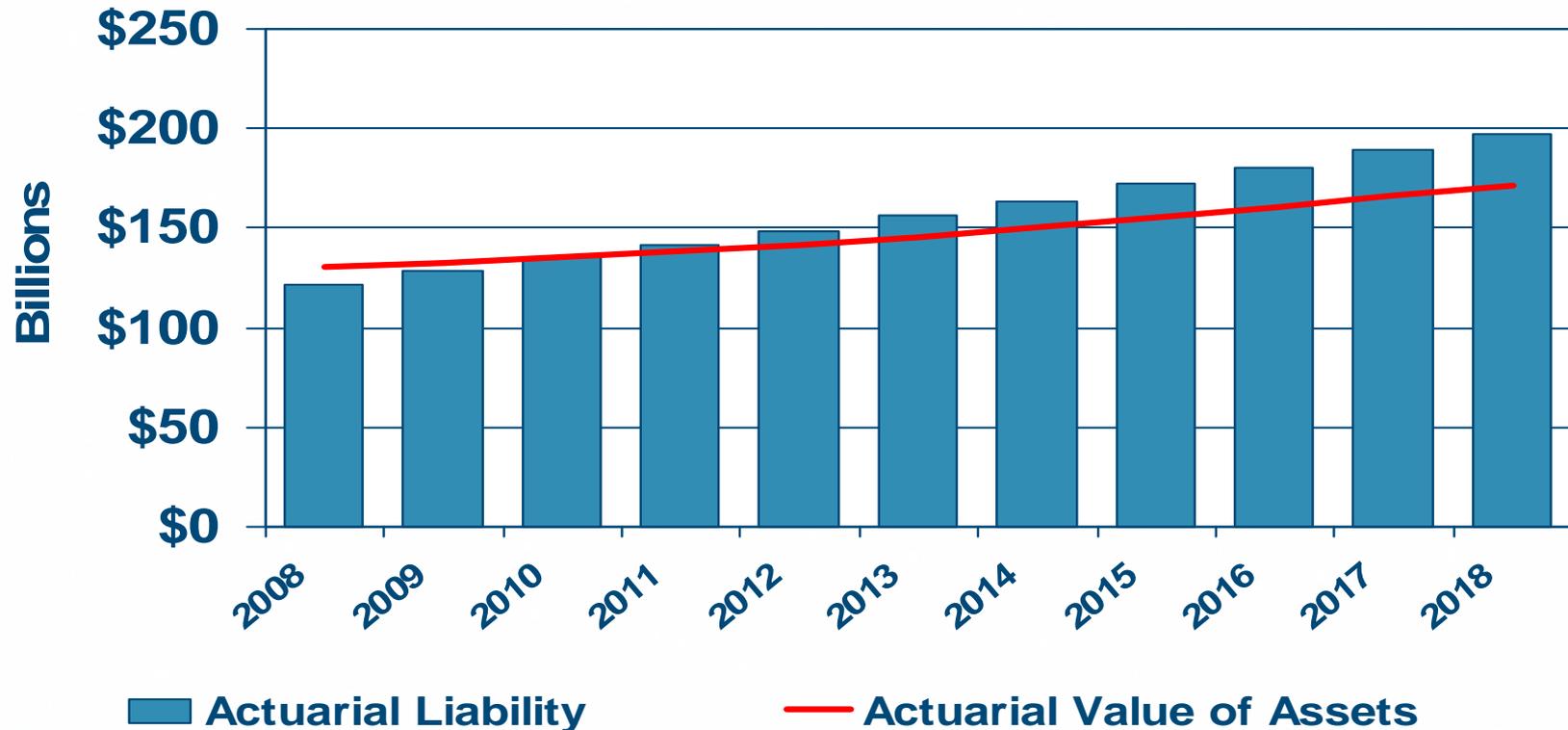


*Contributions assumed to be 10.35% of payroll. Rate set to equal FY08-09 composite reduced rate.*

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# Comparison of Actuarial Liabilities & Assets

(Assuming -7.75% Return Followed by Constant 7.75% Returns)

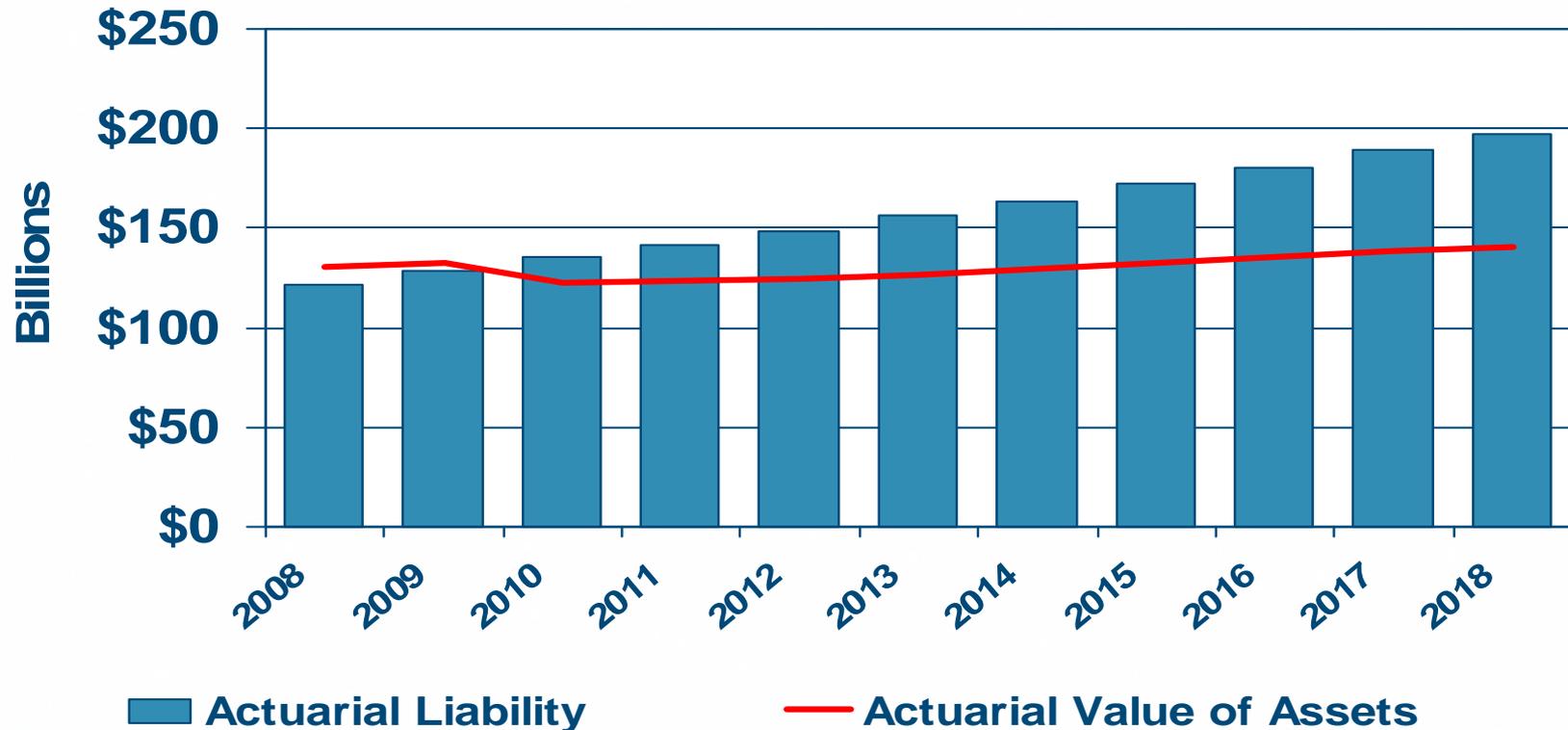


*Contributions assumed to be 10.35% of payroll. Rate set to equal FY08-09 composite reduced rate.*

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# Comparison of Actuarial Liabilities & Assets

(Assuming two years with a -7.75% Return Followed by Constant 7.75% Investment Returns)



*Contributions assumed to be 10.35% of payroll. Rate set to equal FY08-09 composite reduced rate.*

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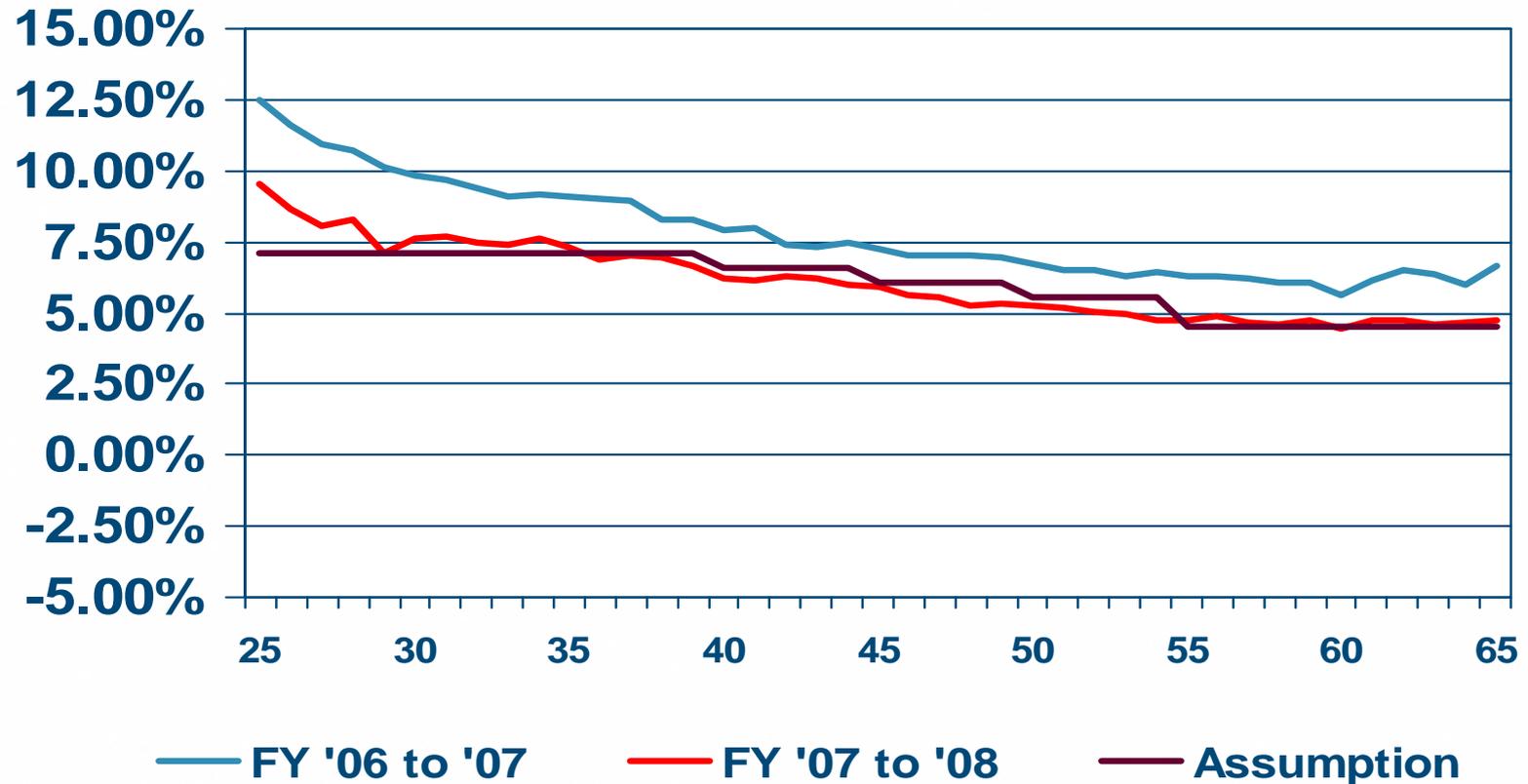
# Appendix

- Salary Experience
  - Compare last two years
  - Compare last five years

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# Salary Experience

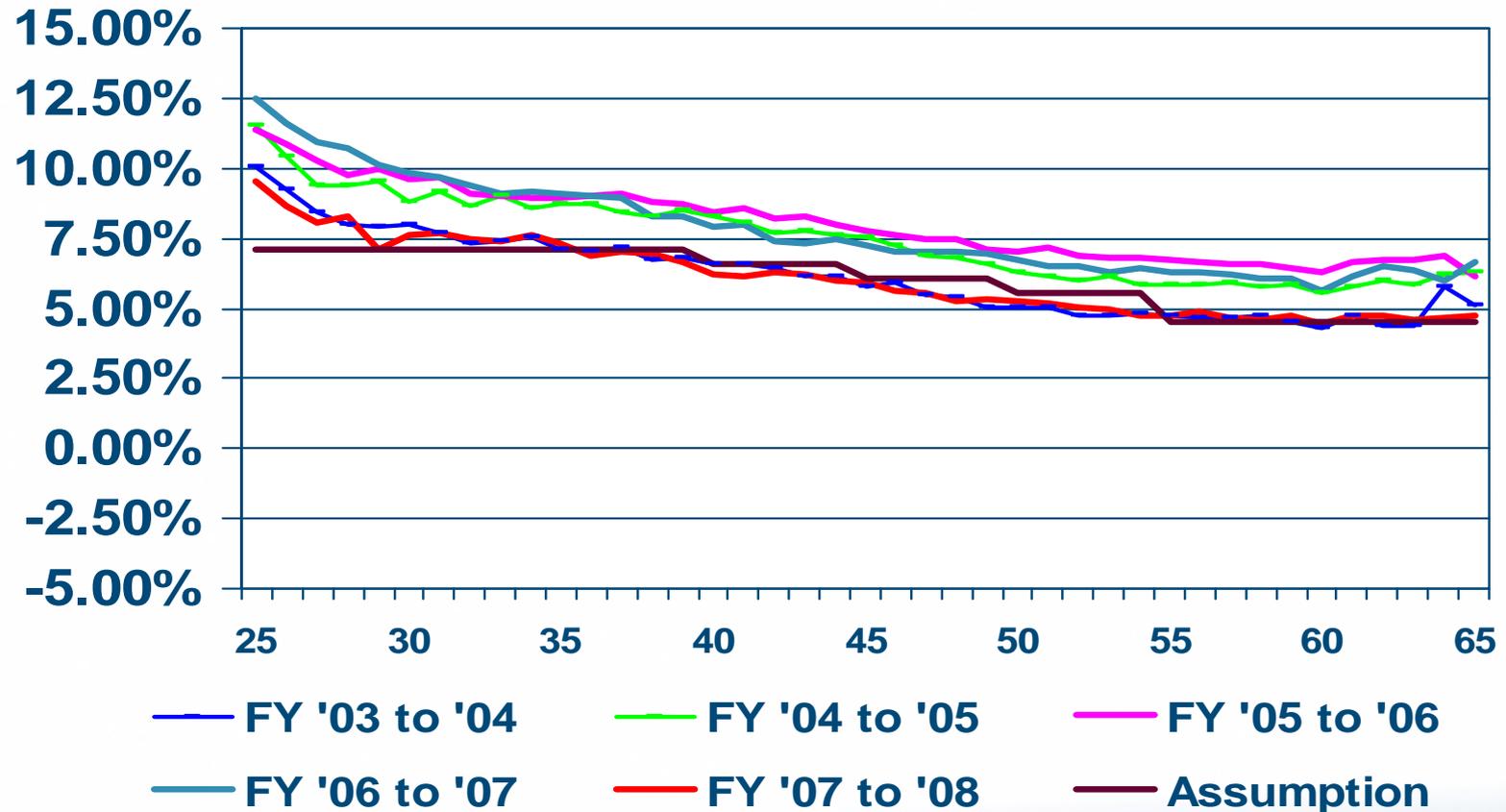
## (All Actives – Last two fiscal years)



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# Salary Experience

## (All Actives – Last five fiscal years)



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# Conclusion

The purpose of this presentation is to provide preliminary results of the July 1, 2008 actuarial valuation of the Florida Retirement System Pension Plan and compare them to results from prior valuations. The results are not yet final and are subject to review and possible revision.

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

The actuarial assumptions used in performing this valuation have been recommended by the actuary and adopted by the Actuarial Assumption Conference based on Milliman's most recent review of the System's experience completed during Fiscal Year 2004. We believe the assumptions used reflect our best estimate of anticipated future experience of the plan. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from these assumptions, the true cost of the plan could vary from our results.

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**FLORIDA RETIREMENT SYSTEM**  
**Actuarial Valuation**  
**as of**  
**July 1, 2008**



**December 2008**

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December 1, 2008

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

Dear Ms. Snuggs:

At your request, we have conducted our annual actuarial valuation of the Florida Retirement System (FRS) as of July 1, 2008, for determining contribution payments for Fiscal Year 2010. The major findings of the valuation are contained in the following report.

Section I contains an Executive Summary of the results of our valuation followed by four sections containing detailed information on FRS Assets (Section II), Liabilities (Section III), Contributions (Section IV), and Accounting Statements (Section V). In the Appendices, we provide information regarding actuarial methods and assumptions, a summary of plan provisions, membership statistics, cost projections, and a glossary of terms.

All costs and liabilities shown in this report have been determined on the basis of actuarial assumptions and methods set forth in Appendix A. The actuarial assumptions used in performing this valuation have been recommended by the actuary and adopted by the Actuarial Assumption Conference based on Milliman's most recent review of the System's experience for the period July 1, 1998 through June 30, 2003, and implemented during Plan Year 2004-2005. 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 all classes' retirement rates do not explicitly recognize the probability of a member electing DROP participation, and the related individual class impact on their liabilities and funding. The results of this report are dependent upon future experience conforming to these assumptions. Differences between our



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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projections and actual amounts depend on the extent to which future experience conforms to the assumptions used in this valuation. It is certain that actual experience will not conform exactly to the assumptions used in this valuation. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

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

In preparing our report we relied, without audit, on information (some oral and some written) supplied by the Division of Retirement. This information includes, but is not limited to, statutory provisions, employee census, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

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

Milliman's work product was prepared exclusively for the Florida Department of Management Services, Division of Retirement for a specific and limited purpose. It is a complex technical analysis that assumes a high level of knowledge concerning the Florida Retirement System's operations, and uses Division data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not

rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs. Any distribution of this report must be provided in its entirety including this cover letter, unless prior written consent is obtained from Milliman.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,

Milliman, Inc.



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

# SECTION I

## EXECUTIVE SUMMARY



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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## EXECUTIVE SUMMARY

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This report presents the results of our July 1, 2008 actuarial valuation of the Florida Retirement System. In this section, we compare the 2007 and 2008 principal valuation results for the total System. This comparison includes an analysis of the primary factors contributing to the change in the FRS's assets, liabilities, and contributions since July 1, 2007. We conclude this section with summary comments regarding the System's overall financial condition.

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

- The composite normal cost rate, excluding DROP, increased from 11.52% of payroll on July 1, 2007 to 11.54% of payroll on July 1, 2008.
- The unfunded actuarial liability (including DROP liability) changed slightly due to an additional year of experience; the surplus remained at \$8.2 billion. Florida Law establishes a methodology to develop the resulting usable surplus. This amount is statutorily amortized over 10 years and translates to \$0.150 billion available surplus for the Plan Year 2009-2010.
- Prior to July 1, 2002, all members of the FRS Defined Benefit Program were provided a 90-day election period to elect between the Defined Benefit Program and the Public Employee Optional Retirement Program (PEORP). Members newly hired after the election period for their employee group are provided five months after their month of hire to file an election between the two primary programs. Members who do not make an election default into the Defined Benefit Program. After the period during which a member had the choice to elect the Defined Benefit Program or the PEORP, an employee will have one opportunity, at the employee's discretion, to choose to move from the Defined Benefit Program to the PEORP or from the PEORP to the Defined Benefit Program. During the initial election period, approximately 21,000 members (less than 4% of the active population) elected to transfer from the FRS Defined Benefit Program to the PEORP during the enrollment periods for existing defined benefit plan members. Due to the relatively small percentage making the election, the initial impact on the Defined Benefit Program was *deminimus*. Approximately \$363 million was transferred from the Defined Benefit Program to the PEORP in 2003 as a result of these elections creating an estimated actuarial gain of \$293 million. Whether the long-term impact will be more significant will be determined by the actions (i.e., elections) of future hires. While to date these elections have also been primarily to the FRS Defined Benefit Program, it is unknown whether this trend will continue.



## EXECUTIVE SUMMARY

Members of the FRS Defined Benefit Program who elected to join PEORP and elected to transfer the present value of their service credits during the initial election period in 2002 and then choose to make a second election back to the Defined Benefit Program will not have to pay to the Defined Benefit Program the full cost of their actuarial liability. The cost of this potential subsidy is considered a contingent liability. This contingent liability is considered pre-funded because legislation enacted in 2001 "walls off" for 25 years the actuarial gain arising from these transfers to PEORP. The remaining contingent liability as of July 1, 2008 is \$228 million. Thus the available surplus of \$8.2 billion was reduced to \$8.0 billion prior to determining the available surplus.

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

The tables immediately following compare July 1, 2007 actuarial valuation results with July 1, 2008 actuarial results. The difference column shows the change between the final July 1, 2008 valuation results and the July 1, 2007 results.

### A. Assets and Liabilities

A comparison of the actuarial liabilities and actuarial value of assets follows. These figures are based upon the actuarial assumptions used to determine the actuarial costs of the FRS (see Appendix A).

	Valuation Results (numbers in \$ billions)		
	July 1, 2007	July 1, 2008	Difference
Actuarial Liability	\$ 117.4	\$ 122.5	\$ 5.1
Actuarial Value of Assets	\$ 125.6	\$ 130.7	\$ 5.1
Unfunded Actuarial Liability	\$ (8.2)	\$ (8.2)	\$ 0.0

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

### B. Contributions

Contribution rates for each class are set by statute and consist of a normal cost contribution and an unfunded liability contribution. The unfunded liability amortization payment will consist primarily of costs or savings associated with plan changes, assumption changes, differences in actual and expected experience, or changes in



## EXECUTIVE SUMMARY

actuarial methodology (if applicable). As of July 1, 2008 the FRS has a UAL (surplus) of (\$8.2) billion, prior to adjustments for the contingent liability.

The current surplus is 6.5% of the actuarial liability after recognition of the contingent liability. Thus, ½ of the excess from 5% to 10% is available to be used. After the rate stabilization mechanism is applied approximately \$0.911 billion of the surplus is available for contribution rate reduction, or other Florida Retirement System uses. This surplus pursuant to Florida Law is amortized over 10 years, which translates to \$0.150 billion available for the Plan Year (PY) 2009-2010.

The comparative FRS Regular and Special Risk contribution rates resulting from the 2007 valuation and this valuation (prior to any use of the surplus) are as follows:

	July 1, 2007		July 1, 2008		Difference	
	Valuation Results		Valuation Results			
	FRS Reg	Special Risk	FRS Reg	Special Risk	FRS Reg	Special Risk
Normal Cost	9.60%	22.03%	9.63%	22.11%	0.03%	0.08%
Certain Post-1998 Benefit Increases and Experience Studies	-0.94%	-0.57%	-0.95%	-0.60%	-0.01%	-0.03%
Initial Surplus Reduction	<u>0.94%</u>	<u>0.57%</u>	<u>0.95%</u>	<u>0.60%</u>	<u>0.01%</u>	<u>0.03%</u>
Preliminary FRS Contribution Rate	9.60%	22.03%	9.63%	22.11%	0.03%	0.08%
Additional Surplus Reduction	-1.00%	-2.54%				
Administrative Charge	0.00%	0.00%	<b>Not determined</b>			
Enacted DB FRS Contribution Rate (Prior to blending for the uniform rate structure)	8.60%	19.49%	<b>Not determined</b>			

The July 1, 2007 valuation provided proposed contribution rates for plan year 2008-2009. Hence, there is a two-year lag between when the rates are set and when the contribution dollars are coming into the System. The July 1, 2007 preliminary FRS contribution rates for all classes were reduced through use of the available surplus.

The current valuation proposes rates for plan year 2009-2010. Included in Section IV of this report we provided the preliminary contribution rate and prepared five possible scenarios assuming the Legislature uses all \$0.150 billion available surplus to reduce contribution rates. One scenario shows 1.40% is available for rate reduction for all classes except DROP, as compared to the 1.49% reduction last year (Table IV-3). Another scenario assumes the DROP contribution rate is reduced using surplus to

## EXECUTIVE SUMMARY

9.80%, the enacted DROP rate for the Plan Year 2008-2009, and the remaining 1.30%, is available for the rate reduction of all classes except DROP (Table IV-4). Tables IV-5, IV-6 and IV-7 show the utilization of all available surplus proportionate to each class's liability, payroll and normal cost, respectively. All tables show the utilization of available surplus for rate reduction after first offsetting the UAL cost by various percentages of payroll for the aforementioned certain post-1998 benefit increases and the 1998 and 2003 experience studies. **Please note these scenarios are meant for illustrative purposes only as possible uses of the surplus and do not reflect any investment experience after June 30, 2008.**

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

### C. Membership

The total membership (active, terminated vested, retired, and DROP) of the FRS Defined Benefit Program increased by 5,608 members from 976,718 as of July 1, 2007, to 982,326 as of July 1, 2008, an increase of 0.6%. The total annualized payroll of active members (exclusive of DROP members) increased by 2.00%, from \$24.51 billion as of July 1, 2007 to \$25.00 billion as of July 1, 2008, a \$0.49 billion increase in payroll. A summary of membership growth by status follows:

	Valuation Results: Counts		
	July 1, 2007	July 1, 2008	% Change
Active Members	598,438	589,922	-1.4%
Terminated Vested Members	84,766	87,722	3.5%
Retired Members	261,952	273,429	4.4%
DROP Members	<u>31,562</u>	<u>31,253</u>	-1.0%
Total Members	976,718	982,326	0.6%

## D. Experience

Several factors contributed to the changes in the FRS's assets, liabilities and contribution rates between July 1, 2007 and July 1, 2008. These factors included:

### 1. Assets:

The assets of the FRS, measured on an actuarial basis (i.e., smoothed), increased by \$5.136 billion. This change was attributable to the following:

Change Due to:

• Contributions Received	\$2.902	
• Payment of Benefits, and Expenses	(6.412)	
• Investment Experience	8.646	
 Total	 \$5.136	 billion

Of this total change, \$6.086 billion was expected, based on our assumption that the assets of the FRS would earn 7.75% during plan year 2007-2008. However, the actual annualized investment return on the actuarial value of assets was 6.98% resulting in an investment loss of \$0.950 billion. On a market value basis, the assets of the FRS earned -4.65%. On a year-by-year basis, the assets earned the following:

Asset Bases	Rates of Return*		
	2005/2006	2006/2007	2007/2008
Market Value	10.65%	18.38%	-4.65%
Actuarial Value	8.06%	10.16%	6.98%

\* Assumes net cash-flow occurs mid-year

## 2. *Liabilities:*

The actuarial liabilities of the FRS increased by \$5.173 billion. This increase is attributable to the following:

Change due to:

• Expected increase based on current assumptions	\$5.478
<b><u>(Gains) / Losses</u></b>	
• Healthy Retiree, Beneficiary & Terminated Vested Death	(0.443) <sup>1</sup>
• Disabled Retiree Death	(0.000)
• Inactive Data Clean-Up	1.369
• Active Withdrawal	(0.018) <sup>2 &amp; 3</sup>
• Active Retirement	(0.207)
• Active Death	0.008
• Active Disability	(0.008)
• Salary Increases less than expected	(0.395)
• New Actives (includes rehires)	0.735 <sup>3</sup>
• New Renewed Members	0.100
• Actives Entering DROP	0.488
• Demographics/Other	(1.934)
Total Increase	\$5.173 Billion

The current financing method (see page I-12) for the DROP class makes it inconsistent with traditional gain/loss analysis. First, it makes any new DROP participant a source of actuarial loss since the retirement decrement reflects only expected retirements. Second, individual DROP liabilities are moved back to their original classes when the DROP membership ends. For purposes of this analysis, we have reallocated the DROP class gain/loss (see Table IV-2) to the seven traditional classes and subclasses of membership.

<sup>1</sup> The retiree mortality experience was a \$2.4 million loss.

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

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

### 3. *Unfunded Liability:*

The net change in the FRS's unfunded actuarial liability was an increase of \$0.037 billion (i.e., a decrease in the surplus of \$0.037 billion). The increase is attributable to the following:

Change due to:

• Expected Increase based on Current Assumptions and Funding Policy	(\$0.608)
• Unfavorable Investment Experience	0.950
• Favorable Liability Experience	(0.305)
• Assumption or Benefit Changes	0.000
Total	\$0.037 Billion

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

# EXECUTIVE SUMMARY

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

	--- Special Risk ----		--Elected Officers' Class --		County	Senior Management	Grand Total
	Regular	Administration	Judges	Leg-Atty-Cab			
<b>Total UAL (Gain)/Loss</b>	<b>\$1,065,834</b>	<b>\$7,140</b>	<b>\$3,830</b>	<b>(\$2,765)</b>	<b>(\$14,152)</b>	<b>(\$25,978)</b>	<b>\$645,006</b>
Investment (Gain)/Loss (excluding DROP)	\$789,491	\$688	\$7,945	\$783	\$3,732	\$20,334	\$989,433
Allocation of DROP Investment (Gain)/Loss	(31,038)	(27)	(312)	(31)	(147)	(799)	(38,898)
<b>Total Investment (Gain)/Loss</b>	<b>\$758,453</b>	<b>\$661</b>	<b>\$7,632</b>	<b>\$752</b>	<b>\$3,585</b>	<b>\$19,535</b>	<b>\$950,535</b>
Liability (Gain)/Loss (excluding DROP)	\$209,687	\$6,448	(\$4,884)	(\$3,750)	(\$18,599)	(\$50,395)	(\$434,949)
Additional (Gain)/Loss due to DROP	97,694	31	1,082	233	862	4,882	129,420
<b>Total Liability (Gain)/Loss</b>	<b>\$307,381</b>	<b>\$6,479</b>	<b>(\$3,802)</b>	<b>(\$3,517)</b>	<b>(\$17,737)</b>	<b>(\$45,512)</b>	<b>(\$305,529)</b>
<b>Liability (Gain)/Loss by Source</b>							
Healthy Inactive Experience	(\$318,524)	(\$1,364)	(\$5,172)	(\$2,714)	(\$4,083)	(\$15,438)	(\$443,460)
Disabled Inactive Experience	(2,317)	2,607	0	0	44	132	474
Inactive New Entrants	1,131,078	3,652	9,918	1,017	1,519	28,338	1,368,853
Active Withdrawal <sup>1</sup>	(206,427)	1,423	20,552	(614)	3,508	(22,711)	(17,666)
Active Retirement	(167,078)	330	(1,437)	(309)	(1,730)	(9,403)	(207,299)
Active Death	13,761	(5,587)	81	(9)	(27)	144	8,366
Active Disability	(5,168)	(3,794)	129	(2)	(19)	651	(8,117)
Salary Increases less than Expected	(190,159)	(61)	(6,922)	(470)	(2,465)	(1,446)	(395,531)
New Actives (includes Rehires) <sup>1</sup>	540,751	2,228	726	128	1,042	16,937	734,987
New Renewed Members	100,414	218	280	(110)	(864)	130	100,068
Actives Entering DROP	343,169	130,933	6,771	1,457	4,841	679	488,131
Demographics/ Other	(932,119)	(108)	(28,728)	(1,891)	(19,503)	(43,525)	(1,934,335)
<b>Total Liability (Gain)/Loss</b>	<b>\$307,381</b>	<b>\$6,479</b>	<b>(\$3,802)</b>	<b>(\$3,517)</b>	<b>(\$17,737)</b>	<b>(\$45,512)</b>	<b>(\$305,529)</b>
<b>Total UAL (Gain)/Loss</b>	<b>\$1,065,834</b>	<b>\$7,140</b>	<b>\$3,830</b>	<b>(\$2,765)</b>	<b>(\$14,152)</b>	<b>(\$25,978)</b>	<b>\$645,006</b>

<sup>1</sup> Transfers between membership classes are valued as withdrawals from the prior membership class and new entrants into the new membership class.



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

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

	FRS		----- Special Risk -----		-- Elected Officers' Class --			Senior Management
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County		
• July 1, 2007 Normal Cost	9.60%	22.03%	11.98%	20.37%	14.52%	17.06%	13.36%	
• UAL Cost (Certain Post-1998 Benefit Increases and 1998 and 2003 Experience Studies)	-0.94%	-0.57%	19.57%	1.37%	1.70%	4.09%	2.29%	
• Surplus Used for Rate Reduction	<u>-0.06%</u>	<u>-1.97%</u>	<u>-20.23%</u>	<u>-3.46%</u>	<u>-3.30%</u>	<u>-6.21%</u>	<u>-3.50%</u>	
• Subtotal July 1, 2007 Contribution Rate <sup>1</sup>	8.60%	19.49%	11.32%	18.28%	12.92%	14.94%	12.15%	
• Impact of ....								
- Retirements, Disabilities, Terminations, and Transfers within membership classes	-0.01%	0.02%	0.15%	0.19%	0.56%	0.37%	0.04%	
- Actual Salary Increases	0.02%	0.02%	-0.02%	0.06%	0.06%	0.03%	0.01%	
- New Entrants (excludes transfers)	0.01%	0.04%	-0.01%	0.00%	-0.11%	-0.21%	0.01%	
- New Assumptions / Plan Changes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
- Other Experience	0.01%	0.00%	0.00%	0.03%	0.17%	0.25%	0.01%	
• July 1, 2008 Normal Cost (July 1, 2007 Normal Cost plus "Impact of . . .")	9.63%	22.11%	12.10%	20.65%	15.20%	17.50%	13.43%	
• UAL Cost (Certain Post-1998 Benefit Increases and 1998 and 2003 Experience Studies)	<u>-0.95%</u>	<u>-0.60%</u>	<u>19.97%</u>	<u>1.39%</u>	<u>1.85%</u>	<u>4.34%</u>	<u>2.35%</u>	
• Total July 1, 2008 Contribution Rate <sup>2</sup>	8.68%	21.51%	32.07%	22.04%	17.05%	21.84%	15.78%	

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

<sup>2</sup> Before surplus utilization beyond UAL Cost.



E. Graphs

Chart A: ASSET / LIABILITIES

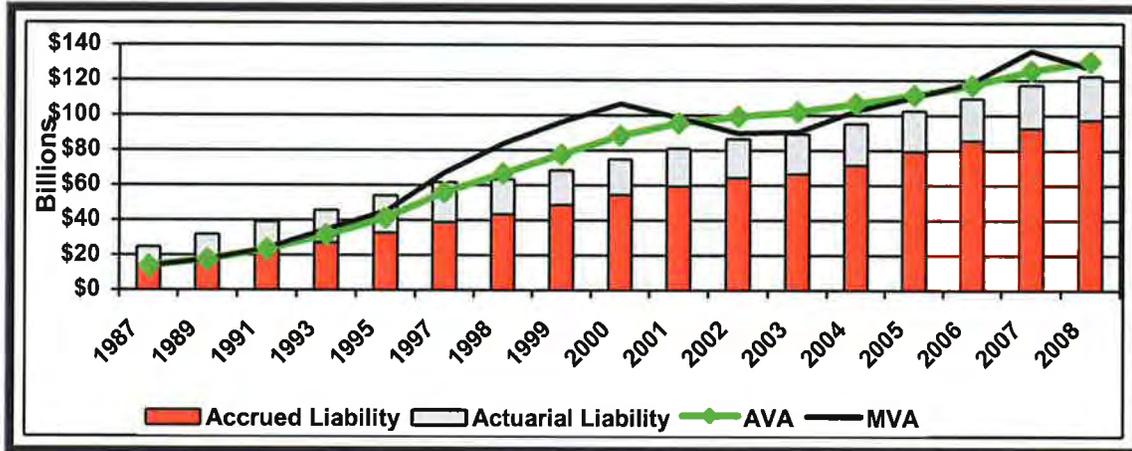


Chart B: CASH FLOWS

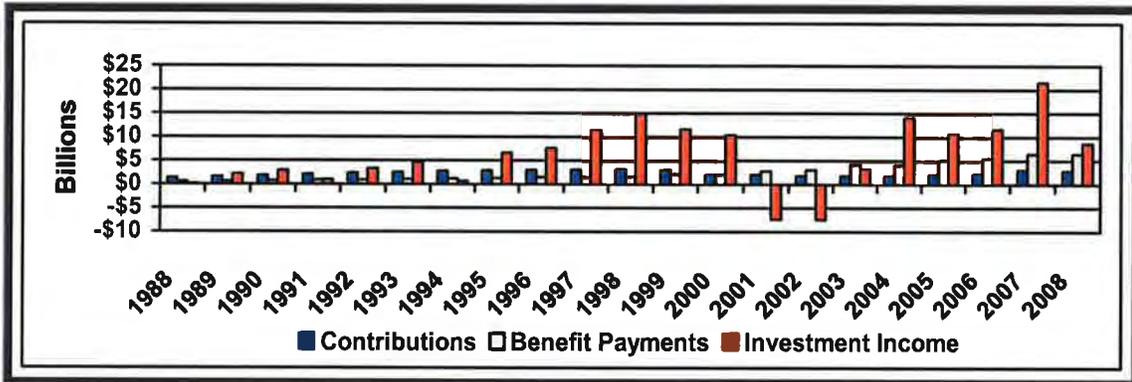
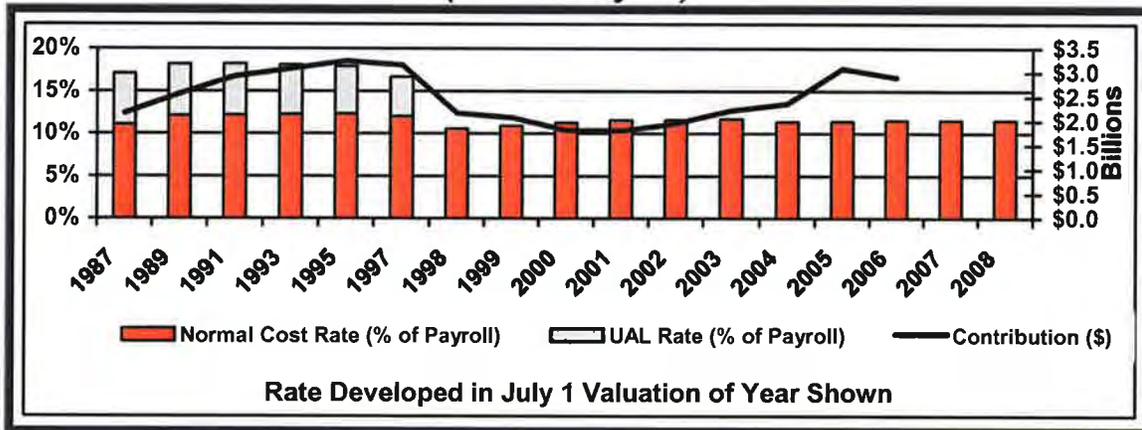


Chart C: CONTRIBUTION RATE (as % of Payroll) and CONTRIBUTIONS



\* As discussed earlier, the contribution rate developed in this report is for plan year 2009 – 2010. Therefore, our graph above accounts for the two-year lag between the development of the contribution rate and the actual contribution to the System. In addition, the Legislature has used surplus pursuant to the Rate Stabilization Mechanism which produces "negative" UAL contribution rates.

## F. Summary Comments

We caution that the results herein are applicable only for the next year. With the following caveats, we expect that if the available surplus diminishes, contribution rates will trend toward the normal cost rates (subject to the net impact of charge and credit amortization bases.)

- Benefit and payroll increases always have a direct impact on costs and liabilities.
- The state of the economy affects membership turnover (i.e., if job mobility or security is uncertain, people tend to stay, hence increasing benefits earned).
- The extremely favorable investment returns prior to 2000 helped to mitigate the unfavorable investment returns in 2001-2003 and maintain the actuarial surplus. The FRS experienced favorable investment returns in 2004-2007. This past year the investment return on a market basis and an actuarial basis lagged the 7.75% investment assumption. Continued unfavorable investment returns in the future would erode the actuarial surplus. For example, returns as shown in the following table would produce the corresponding estimated surplus amounts assuming no liability gains or losses.

Market Return		UAL / (Surplus) <sup>1)</sup> measured as of		
PY 2008–2009	PY 2009–2010	July 1, 2008	July 1, 2009	July 1, 2010
7.75%	7.75%	\$ (7,961)	\$ (7,524)	\$ (7,150)
0.00%	7.75%	(7,961)	(5,582)	(3,382)
0.00%	0.00%	(7,961)	(5,582)	(1,490)
-7.38% <sup>2)</sup>	-7.38%	(7,961)	(3,732)	12,623

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

<sup>2)</sup> The estimated market value as of September 30, 2008 was \$114.5 billion as supplied by the State Board of Administration. The -7.38% is the necessary market return required to reflect a \$114.5 billion market value as of July 1, 2009.

- The reader should note that while the effect of the implementation of PEORP is included in this report, the initial election percentage was less than 5%. Current PEORP membership is around 14% of total active membership. Elections by future hires may have a more material impact if a much larger percentage elect PEORP.

- The most recent experience study covered the period from July 1, 1998 to June 30, 2003. Typically experience studies are performed every five years and compare actual plan experience to the assumptions set forth in this report. This valuation reflects the assumption changes proposed by the June 30, 2003 experience study and adopted in plan year 2004 - 2005.

We mention these caveats because the actuarial process merely measures the impact of these factors on FRS costs and liabilities after they have occurred. Unanticipated benefit or salary changes, changes in member behavior (e.g. withdrawal rates, rates of retirement, etc.), or changes in investment return could necessitate a change in the contribution rates.

Finally, we caution the readers of this report not to overemphasize the results of any single valuation; the trends are more important.

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

Since the FRS funds the DROP through a separate contribution rate, we have developed a contribution rate associated with the actual cost of the DROP. This funding mechanism does not reflect the impact of DROP on each individual membership class. We isolated the cost of the DROP by comparing the results of two scenario valuations:

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

The difference in the dollar amount of the normal cost and amortization cost of the two scenarios is the amount needed to fund the DROP. We divided this dollar amount by current DROP payroll to determine the new DROP contribution rate of 11.14%, compared with 10.96% determined by the July 1, 2007 valuation.

# SECTION II

# ASSETS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

In many respects, an actuarial valuation can be considered similar to an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is July 1, 2008. On that date the assets available for the payment of benefits are appraised. The 2007 asset values do not reflect any changes made to the financial statements after preparation of the 2007 actuarial valuation report. These assets are compared with the actuarial liabilities. The actuarial process thus leads to a method of determining what contributions by members and/or their employers are needed to systematically eliminate the shortfall, if any.

This section of the report deals with the asset determination. In the next section, the actuarial liabilities will be discussed. Section IV will deal with the process for determining required contributions, based upon the relationship between the assets and actuarial liabilities.

Two measures of FRS assets are presented in the valuation:

The market value of assets tends to be the more erratic of the two asset measures and therefore is not used for determining the required payroll contribution rates.

The actuarial value of assets is a second measure of FRS asset holdings. It is the market value of all assets with a smoothing technique applied to mitigate market fluctuations. It is developed and used to stabilize the required FRS contributions.

The actuarial valuation measure, implemented in 1989, reflects a five-year averaging methodology, as required by Florida Law (S.121.031(3)(a), Florida Statutes). Under this method, the expected actuarial value of assets is determined by crediting the rate of investment return assumed in our valuation (8% through June 30, 2004, 7.75% beginning July 1, 2004) to the prior year's actuarial value of assets. Then, 20% of the difference between the actual market value and the expected actuarial value of assets is recognized. Table II-3 presents the details of this calculation.

Five tables are presented in this section, summarizing the financial resources of the System on July 1, 2008. The assets are analyzed by category in Table II-1. Table II-2 shows the reconciliation of assets from July 1, 2007 to July 1, 2008. Table II-3 provides a detailed development of the July 1, 2008 actuarial value of assets. In Table II-4, the actuarial value of assets is allocated to each employee group, based on estimated cash flows. Finally in Table II-5, rates of return are presented along with a comparison of asset allocation figures between 2007 and 2008.

The data for Table II-1 (Market Value as of July 1, 2008) was furnished to us by the Division of Retirement. The values have been accepted for use in this report without audit, but have been reviewed for consistency and reasonableness, when compared to prior reports.

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

<b><u>Asset Category</u></b>	<b>Market Value as of July 1,</b>	
	<b><u>2007</u></b>	<b><u>2008</u></b>
1. Common Stock	\$90,236,748	\$73,184,600
2. Bonds	\$40,658,514	\$46,585,328
3. Real Estate	\$7,474,764	\$8,884,301
4. Temporary Investments	\$19,893,309	\$15,558,986
5. Cash – Including Certificates of Deposit	\$1,129,884	\$568,170
6. Receivables	\$3,922,638	\$5,803,183
7. Miscellaneous	\$657	\$811
8. Reverse Purchase Agreements	<u>\$33,169</u>	<u>\$1,114,117</u>
Gross Assets	\$163,349,683	\$151,699,496
9. Current Liabilities and Reserves	<u>(\$26,643,776)</u>	<u>(\$24,781,091)</u>
<b>Total Net Assets</b>	<b>\$136,705,907</b>	<b>\$126,918,405</b>

**Table II-2  
Florida Retirement System**

**Reconciliation of Market Value of Assets**

<b>Total Net Assets as of June 30, 2007</b>	<b>\$136,705,906,859</b>
+ Contributions by Source: <sup>4</sup>	
Pension Contributions – State <sup>1 &amp; 3</sup>	672,251,245
Pension Contributions - Non-State <sup>1 &amp; 3</sup>	2,517,806,045
Pension Contributions - PEORP	20,715,822
Pension Contributions - Employees	96,767,182
Transfer from ORP	125
Transfer from OAP	0
Other	0
+ Interest and Dividends:	
Interest Income	2,110,328,974
Dividend Income	1,554,506,725
Real Estate Income	396,699,835
Other <sup>2</sup>	(72,343,359)
+Net Realized and Unrealized Appreciation: (10,266,287,281)	
- Pension Payments: <sup>3</sup> 5,226,432,805	
- Contribution Refunds: <sup>4</sup> 0	
- Disbursements – PEORP 1,560,082,227	
- Expenses: <sup>2</sup> 15,841,398	
- Transfers to Other Funds and Departments <sup>1</sup> : 15,590,722	

**Total Net Assets as of June 30, 2008** **\$126,918,405,020**

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

<sup>2</sup> Effective with the implementation of GASB #25, certain investment expenses (contractual services and fees) are used to offset investment income rather than being classified as expenses.

<sup>3</sup> Includes PEORP contributions and disbursements of \$405,974,985 which are excluded in the development of the AVA.

<sup>4</sup> Contributions by source have been reduced by the refund of personal contributions in the amount of \$2,642,967.

**Table II-3  
Florida Retirement System  
Development of 2008  
Actuarial Value of Assets**

1. FRS Market Value of Assets on July 1, 2007	\$136,705,906,859
2. Actuarial Value of Assets on July 1, 2007	\$125,584,703,521
3. 2007/2008 Net Cash Flow (Contributions less Benefits and Expenses)	(\$3,510,406,734)
4. Value of Assets, July 1, 2008, if Items 2 and 3 earned an assumed rate of 7.75%	\$131,671,083,049
5. Market Value of Assets, July 1, 2008	\$126,918,405,020
6. Net Assets (Actuarial Value Basis) Available for Benefits 4 + ((5 - 4) x 20%)	\$130,720,547,448
7. 120% of Market Value [120% (5)]	\$152,302,086,023
8. 80% of Market Value [80% (5)]	\$101,534,724,016
9. Actuarial Value of Assets on July 1, 2008 Lesser of (6) and (7), but not less than (8)	<u>\$130,720,547,448</u>

# ASSETS

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

	FRS							Total System	
	Regular	Special Risk -----	Administration	Judicial	Leg-Atty-Cab	County	Senior Management		DROP
1. Allocated Actuarial Value of Assets by Class, July 1, 2007	\$104,152,235	\$21,722,733	\$92,702	\$1,049,611	\$104,317	\$499,369	\$2,658,929	(\$4,695,192)	\$125,584,704
2. Total Contribution for the Plan Year	1,897,226	724,098	360	22,489	915	7,600	64,551	184,328	2,901,567
3. Benefit Payments and other Disbursements	4,502,064	798,878	6,467	51,733	5,508	34,108	84,406	928,808	6,411,972
4. Estimated Investment Earnings during the Year	7,181,367	1,514,154	6,259	72,266	7,124	33,942	184,964	(353,828)	8,646,248
5. Net Transfers	0	0	0	0	0	0	0	0	0
6. Allocated Actuarial Value of Assets by Class, July 1, 2008	\$108,728,764	\$23,162,107	\$92,854	\$1,092,633	\$106,848	\$506,803	\$2,824,038	(\$5,793,500)	\$130,720,547



**FLORIDA RETIREMENT SYSTEM**  
 Actuarial Valuation as of July 1, 2008

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

**Table II-5  
Florida Retirement System**

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

<u>Asset Bases</u>	Rates of Return		
	<u>2005/2006</u>	<u>2006/2007</u>	<u>2007/2008</u>
Market Value	10.65%	18.38%	-4.65%
Actuarial Value	8.06%	10.16%	6.98%

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

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

<u>Asset Category</u>	<u>July 1, 2007</u>	<u>July 1, 2008</u>
Stocks	66.01%	57.66%
Bonds	29.74%	36.70%
Real Estate	5.47%	7.00%
Temporary Investments	14.55%	12.26%
Cash	0.83%	0.45%
Other (includes receivables & payables)	-16.60%	-14.07%
	100%	100%

# SECTION III

# LIABILITIES



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

In the previous section, an actuarial valuation was compared to an inventory process, and an analysis was given of the inventory of assets of the FRS as of the valuation date, July 1, 2008. In this section, the discussion will focus upon the commitments of the FRS, which will be referred to as its actuarial liabilities. In later sections, other liabilities are presented (Section V) based on accounting principles of FASB and GASB. It is important to note that the accountant's liabilities are presented for disclosure and comparison purposes and that the actuarial liabilities in this section are used for determining the FRS contribution requirements.

The liabilities presented in this report differ by whether future anticipated salary increases or service credits are included in the calculation. Actuarial liabilities include future salary increases and service credits. The GASB No. 25 accounting liabilities include future salary increases and service credits (actuarial liabilities). The GASB No. 25 liabilities are also based on DROP retirees being included in the class of membership from which they retired, and active liabilities are based on the full retirement rates (per page I-12.). FASB accounting liabilities do not include either future salary increases or future service credits. See Section V of this report for further information on GASB No. 25 and other accounting liabilities.

A fundamental principle in financing a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. There are several methods that could be used in making such a determination.

The method used for this valuation is referred to as the "entry age actuarial cost method." Under this method, a level percent of pay (employer cost) is determined which will pay for projected benefits at retirement for a new entrant into the plan if future experience actually matches the actuarial assumptions. The level percent required is called the normal cost rate and the product of that rate and payroll is the normal cost.

The actuarial liability is that portion of the actuarial present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability (UAL). (If the difference is negative, the excess of the funds accumulated over the liabilities may be referred to as the surplus.) If the employer's contributions exceed the employer's normal cost for the year, after allowing for interest earned on the previous balance of the UAL, this UAL will be reduced. Benefit improvements, actuarial gains and losses, and changes in actuarial procedures will also have an effect on the total actuarial liability and on the UAL.

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

Table III-1 contains a breakdown of the actuarial liabilities and unfunded actuarial liabilities/(surplus) in the FRS for both the 2007 and 2008 valuations. In Table III-2, the 2008 liabilities are shown for each employee group.

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

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

	July 1, 2007	July 1, 2008
1. Actuarial Liabilities for:		
(a) Active Members	\$57,031,281	\$58,222,298
(b) Retired, Disabled and Beneficiary Members	43,583,228	47,190,827
(c) Terminated Vested Members	3,824,115	4,032,310
(d) DROP	12,920,751	13,086,864
2. Total Actuarial Liability	\$117,359,375	\$122,532,299
3. Actuarial Value of Assets	125,584,704	\$130,720,547
4. Unfunded Actuarial Liability / (Surplus)	(\$8,225,329)	(\$8,188,248)
5. PEORP Contingent Liability <sup>1)</sup>	229,505	227,602
6. Surplus Available for Rate Reduction	(\$7,995,824)	(\$7,960,646)

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

# LIABILITIES

**Table III-2  
Florida Retirement System  
Actuarial Liabilities  
July 1, 2008  
(\$ in Thousands)**

	FRS		Special Risk -----		-- Elected Officers' Class --				Senior		Total System
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	System		
1. Present Value of Benefits for:											
a. Active Members	\$61,098,241	\$21,171,340	\$17,144	\$649,669	\$29,417	\$220,633	\$2,341,198	\$0	\$85,527,642		
b. Retired, Disabled and Beneficiary Members	37,122,787	8,241,941	69,278	468,236	50,991	308,333	929,261	13,086,864	60,277,691		
c. Terminated Vested Members	<u>3,304,170</u>	<u>540,789</u>	<u>1,687</u>	<u>17,269</u>	<u>7,786</u>	<u>24,917</u>	<u>135,692</u>	<u>0</u>	<u>4,032,310</u>		
d. Total Present Value of Benefits (a)+(b)+(c)	101,525,198	29,954,070	88,109	1,135,174	88,194	553,883	3,406,151	13,086,864	149,837,643		
2. Present Value of Future Normal Cost (Actives):	\$17,239,529	\$9,158,718	\$3,485	\$230,512	\$6,644	\$61,095	\$605,361	\$0	\$27,305,344		
3. Actuarial Liabilities for:											
a. Active Members (1a - 2)	\$43,858,712	\$12,012,622	\$13,659	\$419,157	\$22,773	\$159,538	\$1,735,837	\$0	\$58,222,298		
b. Retired, Disabled and Beneficiary Members (1b)	37,122,787	8,241,941	69,278	468,236	50,991	308,333	929,261	13,086,864	60,277,691		
c. Terminated Vested Members (1c)	<u>3,304,170</u>	<u>540,789</u>	<u>1,687</u>	<u>17,269</u>	<u>7,786</u>	<u>24,917</u>	<u>135,692</u>	<u>0</u>	<u>4,032,310</u>		
d. Total Actuarial Liability (a)+(b)+(c)	\$84,285,669	\$20,795,352	\$84,624	\$904,662	\$81,550	\$492,788	\$2,800,790	\$13,086,864	\$122,532,299		
4. Actuarial Value of Assets	\$108,728,764	\$23,162,107	\$92,854	\$1,092,633	\$106,848	\$506,803	\$2,824,038	(\$5,793,500)	\$130,720,547		
5. Unfunded Actuarial Liability / (Surplus)	(\$24,443,095)	(\$2,366,755)	(\$8,230)	(\$187,971)	(\$25,298)	(\$14,015)	(\$23,248)	\$18,880,364 <sup>1</sup>	(\$8,188,248)		
6. Present Value of Future Pay	\$183,245,619	\$41,823,290	\$27,603	\$1,134,632	\$44,343	\$358,835	\$4,546,362	\$0	\$231,180,684		

<sup>1</sup> This is a bookkeeping item. DROP liabilities include the total present value of benefits to all members currently in DROP. When a member leaves DROP, their liability is transferred to the class of membership from which they retired.



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

III-4

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**Table III-3  
Public Employee Optional Retirement Program (PEORP)  
Contingent Actuarial Liabilities  
July 1, 2008  
(\$ in Thousands)**

	FRS Regular	-----Special Risk-----		-----Elected Officers' Class-----		Senior Management	DROP	Total System
		Regular	Administration	Judicial	Leg-Atty-Cab			
<u>As of July 1, 2007</u>								
Contingent Liability	\$209,359	\$11,335	(\$33)	(\$630)	\$166	\$119	N/A	\$229,505
Participant Counts	10,870	391	2	7	6	17	N/A	11,550
<u>As of July 1, 2008</u>								
Contingent Liability <sup>1 &amp; 2</sup>	\$207,488	\$10,995	(\$18)	(\$679)	\$179	\$121	N/A	\$227,602
Participant Counts	9,998	352	1	7	6	16	N/A	10,627

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

<sup>2</sup> The contingent liability as of July 1, 2008 is calculated as the July 1, 2003 contingent liability increased by five years of interest, adjusted for the proportion of original transfers remaining in PEORP.

# SECTION IV

# CONTRIBUTIONS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

Any difference between the actuarial liabilities and the assets would have to be made up of (1) the excess of future contributions over normal costs and (2) the excess of actual investment returns over assumed returns. An actuarial valuation sets out a schedule of future contributions that will deal with this deficiency in an orderly fashion. Since FRS has an actuarial surplus, contributions are allowed to fall below the Normal Cost. In this section we develop and present the possible FRS contribution rates based on the July 1, 2008 membership data to be effective for the Plan Year beginning July 1, 2009.

First, we present a description of the actuarial method used to determine the FRS contribution. This is followed by a series of tables presenting the details of our calculations.

## **A. Funding Methods**

The actuarial cost method used to determine the pattern of future contributions is called the "entry age actuarial cost method". Under this method (as is the case for most actuarial cost methods), the contributions required are based on two elements:

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

These elements are described in more detail below.

### **1. Normal Cost**

Under the entry age actuarial cost method, the normal cost rate is that level percentage of pay, which would fully fund a member's benefit at retirement, if paid from the year of entry (i.e., "entry age") to the year of retirement if future experience exactly matches the actuarial assumptions.

We have determined the normal cost rates for the FRS separately by type of employee and benefit. These are summarized in Table IV-1.

### **2. Unfunded Actuarial Liability (UAL)**

The term "fully funded" is often applied to a system where contributions at the normal cost rate are completely adequate to pay for the benefits of all existing employees. More often than not, systems are not fully funded, either because benefit

improvements in the past have not been completely paid for, or because actuarial deficiencies have occurred due to experience that has not been as favorable as anticipated. Under these circumstances, an unfunded actuarial liability (UAL) exists. For the FRS, this is the eleventh year that it has an actuarial surplus.

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

Since the 1998 actuarial valuation, all UAL bases in existence at that time are considered fully amortized. Plan changes, assumption changes, and funding method changes that arise after that date are amortized over 30 years, with future gains and losses being combined into a single base each valuation period and then amortized at 10% per year (i.e. approximately a 17-year period). However, future gains and losses would not be subject to amortization unless a UAL reemerges.

## **B. EMPLOYER CONTRIBUTION RATES**

Table IV-3, Table IV-4, Table IV-5, Table IV-6 and Table IV-7 present a range of possible employer contribution rates. Each table shows the use of all available surplus; first to pay the UAL attributable to certain post-1998 benefit increases and the 1998 and 2003 experience studies, and then for rate reduction for all actives.

Table IV-3 assumes all the remaining available surplus is used for rate reduction evenly for all classes except DROP.

Table IV-4 assumes all the remaining available surplus is first used to reduce the DROP class contribution rate to 9.80% (the legislated rate for plan year 2008-2009) and then any remaining surplus is applied to reduce the contribution rates evenly over all the other classes.

Table IV-5 assumes the available surplus is allocated to each class based on its proportion of the total Actuarial Accrued Liability.

Table IV-6 assumes the available surplus is allocated to each class based on its proportion of the Total Active Payroll.

Table IV-7 assumes the available surplus is allocated to each class based on its proportion of the Normal Cost, and to DROP based on the expected contribution.

## CONTRIBUTIONS

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Table IV-8 shows the derivation of the "UAL cost" in Tables IV-3 through IV-7 and then the total UAL contribution percentage.

As previously mentioned, since July 1, 1998, the actuarial value of assets exceeded the actuarial liabilities. Because of this, all pre-1998 amortization bases were considered to be fully amortized and therefore extinguished. The contribution rate is therefore equal to:

The normal cost *less* the sum of:

- The amortization of the changes in liabilities attributable to certain post-1998 benefit increases and the 1998 and 2003 experience studies.
- Any additional rate reductions possible due to surplus available under the rate stabilization mechanism.

The FRS has been enjoying the surplus position for several years and legislation was enacted pertaining to how that surplus is used. Chapter 2000-169, Laws of Florida implemented a rate stabilization methodology to monitor use of the surplus. The contribution rates recommended to the Legislature since Plan Year 2000-2001 reflected the use of the surplus available under the rate stabilization mechanism.

Since the funding surplus developed in this actuarial valuation exceeds 5% of the actuarial liability (the actual percentage is 6.7% of the actuarial liability prior to recognition of the contingent liability and 6.5% after recognition of the contingent liability), ½ of the excess from 5% to 10% is available for use under the rate stabilization mechanism. After the rate stabilization mechanism is applied, approximately \$0.911 billion of the surplus is available for contribution rate reduction or other Florida Retirement System uses. This surplus, pursuant to Florida Law, is amortized over 10 years, which translates to \$0.150 billion available for the 2009-2010 Plan Year.

Below is an excerpt from Table D-3, which provides a projection of the available surplus. This table assumes several prior rate reductions, credits, or offsets would continue for plan year 2009-2010. These items (in aggregate a credit) increase the total available surplus of \$0.150 billion to \$0.364 billion. Item (7) reflects the Legislature then enacting rates to make use of the total surplus, in addition to the prior rate reductions, credits, and offsets. Since these other items are a credit in the aggregate, the total available surplus of \$0.364 billion is used to further **reduce** the contribution rate. If these items are adopted by the Legislature, none of the available surplus will remain. Table IV-4 presents this possible scenario.

# CONTRIBUTIONS

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	<b>2009 – 2010 Plan Year (in millions)</b>
1 Estimated Surplus Available RSM	\$149.8
2 Decrease in Available Surplus from prior year	\$24.2
<b><u>Surplus Utilization</u></b>	
3 12% Increase in Special Risk benefits (in pay status before 07/01/2000)	(\$22.4)
4 Special Risk Minimum In-Line-of-Duty Disability Increased to 65%	\$0.4
5 1993-1998 Experience Study Assumption Changes	\$28.5
6 1998-2003 Experience Study Assumption Changes	<u>\$207.8</u>
<b>Subtotal [(3) + (4) + (5) + (6)]</b>	<b>\$214.3</b>
7 Across the Board Rate Reduction of -1.40%	( <u>\$364.0</u> )
<b>Total [Subtotal + (7)]</b>	<b>(\$149.7)</b>
8 Surplus Available After Previously Legislated Rate Reduction and using remaining available surplus for Rate Reduction for all classes but DROP [(1) + Total] =	\$0.1

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

## C. CHANGES SINCE PRIOR VALUATION

None.

# CONTRIBUTIONS

**Table IV-1  
Florida Retirement System  
Normal Cost Rates by Decrement  
July 1, 2008**

	FRS		----- Special Risk -----		-- Elected Officers' Class --			Senior		Composite Rate
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP		
1. Vested Benefits and Early Retirement	2.91%	3.82%	2.81%	3.30%	7.72%	5.47%	3.22%	NA	3.05%	
2. Regular Retirement	5.93%	16.23%	8.00%	15.39%	6.48%	10.76%	9.33%	NA	7.51%	
3. Non-Duty Death	0.17%	0.36%	0.19%	0.88%	0.39%	0.55%	0.29%	NA	0.21%	
4. Line of Duty Death	0.13%	0.32%	0.30%	0.29%	0.24%	0.26%	0.18%	NA	0.16%	
5. Non-Duty Disability	0.39%	0.80%	0.38%	0.64%	0.27%	0.35%	0.33%	NA	0.45%	
6. Line of Duty Disability	0.10%	0.58%	0.42%	0.15%	0.10%	0.11%	0.08%	NA	0.16%	
7. Total Normal Cost	<u>9.63%</u>	<u>22.11%</u>	<u>12.10%</u>	<u>20.65%</u>	<u>15.20%</u>	<u>17.50%</u>	<u>13.43%</u>	<u>NA</u>	<u>11.54%</u>	



# CONTRIBUTIONS

**Table IV-2  
Florida Retirement System  
Unfunded Actuarial Liability (UAL) Bases  
July 1, 2008  
(\$ in Thousands)**

	FRS		----- Special Risk -----		-- Elected Officers' Class --				Senior Management	DROP	Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management				
1. Expected UAL / (Surplus)	(\$25,442,275)	(\$1,959,757)	(\$15,367)	(\$191,032)	(\$22,331)	\$852	\$6,813	\$18,789,842	(\$8,833,255)		
2. Actuarial Accrued Liability (Table III-2)	\$84,285,669	\$20,795,352	\$84,624	\$904,662	\$81,550	\$492,788	\$2,800,790	\$13,086,864	\$122,532,299		
3. Actuarial Value of Assets (Table II-4)	108,728,764	23,162,107	92,854	1,092,633	106,848	506,803	2,824,038	(5,793,500)	130,720,547		
4. Total UAL / (Surplus) (2 - 3)	(\$24,443,095)	(\$2,366,755)	(\$8,230)	(\$187,971)	(\$25,298)	(\$14,015)	(\$23,248)	\$18,880,364	(\$8,188,248)		
5. Net Transfers	0	0	0	0	0	0	0	0	0	0	
6. New UAL Base Attributable to 2007-2008 (Gain)/Loss (4 - 5 - 1)	\$999,180	(\$406,998)	\$7,137	\$3,061	(\$2,967)	(\$14,867)	(\$30,061)	\$90,522	\$645,007		



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

IV-6

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# CONTRIBUTIONS

**Table IV-3**  
**Florida Retirement System**  
**Possible Employer Contribution Rates**  
**July 1, 2008 Valuation for Plan Year Beginning July 1, 2009**

**Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:  
The contribution rate is reduced by 1.40% for all classes except DROP.**

FRS	---- Special Risk -----				-- Elected Officers' Class --		Senior Management	Composite (excluding DROP)	DROP <sup>1</sup>	Composite (including DROP)
	Regular	Administration	Judicial	Leg-Atty-Cab	County					
1. Normal Cost	9.63%	12.10%	20.65%	15.20%	17.50%	13.43%	11.54% <sup>3</sup>	11.14%	11.51%	
2. UAL Cost <sup>2</sup>	-0.95%	-0.60% <sup>2</sup>	1.39%	1.85%	4.34%	2.35%	-0.81%	-0.21%	-0.77%	
3. Total Cost [(1) + (2)]	8.68%	32.07%	22.04%	17.05%	21.84%	15.78%	10.73%	10.93%	10.74%	
4. UAL Cost Paid from Surplus <sup>4</sup>	0.95%	-19.97%	-1.39%	-1.85%	-4.34%	-2.35%	0.81%	0.21%	0.77%	
5. Rate Reduction Paid from Surplus <sup>4</sup>	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	0.00%	-1.30%	
6. Total Adjusted Contribution [(3) + (4) + (5)]	8.23%	20.71%	10.70%	13.80%	16.10%	12.03%	10.14%	11.14%	10.21%	

<sup>1</sup> DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL Cost in the traditional sense.

<sup>2</sup> The reader should be aware that if the surplus were to be eliminated there would be an additional cost/savings for each class attributable to prior benefit improvements and/or prior experience studies, which is currently being paid from the surplus. See Table IV-8.

<sup>3</sup> Due to the relatively different payrolls by membership class excluding DROP, this year the composite contribution rate is 0.02% more than last year's rate of 11.52%.

<sup>4</sup> Florida law provides for items 4 and 5 above to be paid from the surplus for the plan year 2008-2009 based on available surplus of \$149.8 million plus prior amortization of \$214.2 million.



# CONTRIBUTIONS

**Table IV-4  
Florida Retirement System  
Possible Employer Contribution Rates  
July 1, 2008 Valuation for Plan Year Beginning July 1, 2009**

**Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:  
The DROP contribution rate is reduced to 9.80% and the contribution rates for all other classes are reduced by 1.30%.**

	FRS		----- Special Risk -----				-- Elected Officers' Class --		Senior	Composite	Composite
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	(excluding DROP)	DROP <sup>1</sup>	(including DROP)	
1. Normal Cost	9.63%	22.11%	12.10%	20.65%	15.20%	17.50%	13.43%	11.54% <sup>3</sup>	11.14%	11.51%	
2. UAL Cost <sup>2</sup>	-0.95%	-0.60% <sup>2</sup>	19.97%	1.39%	1.85%	4.34%	2.35%	-0.81%	-0.21%	-0.77%	
3. Total Cost [(1) + (2)]	8.68%	21.51%	32.07%	22.04%	17.05%	21.84%	15.78%	10.73%	10.93%	10.74%	
4. UAL Cost Paid from Surplus <sup>4</sup>	0.95%	0.60% <sup>2</sup>	-19.97%	-1.39%	-1.85%	-4.34%	-2.35%	0.81%	0.21%	0.77%	
5. Rate Reduction Paid from Surplus <sup>4</sup>	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.34%	-1.30%	
6. Total Adjusted Contribution [(3) + (4) + (5)]	8.33%	20.81%	10.80%	19.35%	13.90%	16.20%	12.13%	10.24%	9.80%	10.21%	

<sup>1</sup> DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL Cost in the traditional sense.

<sup>2</sup> The reader should be aware that if the surplus were to be eliminated there would be an additional cost/savings for each class attributable to prior benefit improvements and/or prior experience studies, which is currently being paid from the surplus. See Table IV-8.

<sup>3</sup> Due to the relatively different payrolls by membership class excluding DROP, this year the composite contribution rate is 0.02% more than last year's rate of 11.52%.

<sup>4</sup> Florida law provides for items 4 and 5 above to be paid from the surplus for the plan year 2008-2009 based on available surplus of \$149.8 million plus prior amortization of \$214.2 million.



# CONTRIBUTIONS

**Table IV-5**  
**Florida Retirement System**  
**Possible Employer Contribution Rates**  
**July 1, 2008 Valuation for Plan Year Beginning July 1, 2009**

**Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:  
The surplus is allocated to each class based on its proportion of the total Actuarial Accrued Liability.**

	FRS		----- Special Risk -----				-- Elected Officers' Class --		Senior	Composite	Composite
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	(excluding DROP)	DROP <sup>1</sup>	(including DROP)	
1. Normal Cost	9.63%	22.11%	12.10%	20.65%	15.20%	17.50%	13.43%	11.54% <sup>3</sup>	11.14%	11.51%	
2. UAL Cost <sup>2</sup>	-0.95%	-0.60% <sup>2</sup>	19.97%	1.39%	1.85%	4.34%	2.35%	-0.81%	-0.21%	-0.77%	
3. Total Cost [(1) + (2)]	8.68%	21.51%	32.07%	22.04%	17.05%	21.84%	15.78%	10.73%	10.93%	10.74%	
4. UAL Cost Paid from Surplus <sup>4</sup>	0.95%	0.60% <sup>2</sup>	-19.97%	-1.39%	-1.85%	-4.34%	-2.35%	0.81%	0.21%	0.77%	
5. Rate Reduction Paid from Surplus <sup>4</sup>	-1.16%	-1.68%	-8.27%	-2.25%	-3.59%	-3.03%	-1.54%	-1.25%	-1.99%	-1.30%	
6. Total Adjusted Contribution [(3) + (4) + (5)]	8.47%	20.43%	3.83%	18.40%	11.61%	14.47%	11.89%	10.29%	9.15%	10.21%	

<sup>1</sup> DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL Cost in the traditional sense.

<sup>2</sup> The reader should be aware that if the surplus were to be eliminated there would be an additional cost/savings for each class attributable to prior benefit improvements and/or prior experience studies, which is currently being paid from the surplus. See Table IV-8.

<sup>3</sup> Due to the relatively different payroll by membership class excluding DROP, this year the composite contribution rate is 0.02% more than last year's rate of 11.52%.

<sup>4</sup> Florida law provides for items 4 and 5 above to be paid from the surplus for the plan year 2008-2009 based on available surplus of \$149.8 million plus prior amortization of \$214.2 million.



# CONTRIBUTIONS

**Table IV-6**  
**Florida Retirement System**  
**Possible Employer Contribution Rates**  
**July 1, 2008 Valuation for Plan Year Beginning July 1, 2009**

**Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:  
The surplus is allocated to each class based on its proportion of the total Active Payroll.**

	----- Special Risk -----				-- Elected Officers' Class --			Senior Management	Composite (excluding DROP) <sup>1</sup>	Composite (including DROP) <sup>1</sup>
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management			
1. Normal Cost	9.63%	22.11%	12.10%	20.65%	15.20%	17.50%	13.43%	11.54% <sup>3</sup>	11.14%	11.51%
2. UAL Cost <sup>2</sup>	-0.95%	-0.60% <sup>2</sup>	19.97%	1.39%	1.85%	4.34%	2.35%	-0.81%	-0.21%	-0.77%
3. Total Cost [(1) + (2)]	8.68%	21.51%	32.07%	22.04%	17.05%	21.84%	15.78%	10.73%	10.93%	10.74%
4. UAL Cost Paid from Surplus <sup>4</sup>	0.95%	0.60% <sup>2</sup>	-19.97%	-1.39%	-1.85%	-4.34%	-2.35%	0.81%	0.21%	0.77%
5. Rate Reduction Paid from Surplus <sup>4</sup>	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%	-1.30%
6. Total Adjusted Contribution [(3) + (4) + (5)]	8.33%	20.81%	10.80%	19.35%	13.90%	16.20%	12.13%	10.24%	9.84%	10.21%

<sup>1</sup> DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL Cost in the traditional sense.

<sup>2</sup> The reader should be aware that if the surplus were to be eliminated there would be an additional cost/savings for each class attributable to prior benefit improvements and/or prior experience studies, which is currently being paid from the surplus. See Table IV-8.

<sup>3</sup> Due to the relatively different payrolls by membership class excluding DROP, this year the composite contribution rate is 0.02% more than last year's rate of 11.52%

<sup>4</sup> Florida law provides for items 4 and 5 above to be paid from the surplus for the plan year 2008-2009 based on available surplus of \$149.8 million plus prior amortization of \$214.2 million.



# CONTRIBUTIONS

**Table IV-7**  
**Florida Retirement System**  
**Possible Employer Contribution Rates**  
**July 1, 2008 Valuation for Plan Year Beginning July 1, 2009**

**Possible scenario assuming the Legislature chooses to use all available surplus for rate reduction:  
The surplus is allocated based on its proportion of the total Normal Cost, and to DROP based on the expected contribution.**

	FRS		Special Risk -----				Elected Officers' Class --		Senior		Composite	
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	Management	(excluding DROP)	DROP	<sup>1</sup> (including DROP)	
1. Normal Cost	9.63%	22.11%	12.10%	20.65%	15.20%	17.50%	13.43%	11.54% <sup>3</sup>	11.14%	11.14%	11.51%	
2. UAL Cost <sup>2</sup>	-0.95%	-0.60% <sup>2</sup>	19.97%	1.39%	1.85%	4.34%	2.35%	-0.81%	-0.21%	-0.21%	-0.77%	
3. Total Cost [(1) + (2)]	8.68%	21.51%	32.07%	22.04%	17.05%	21.84%	15.78%	10.73%	10.93%	10.93%	10.74%	
4. UAL Cost Paid from Surplus <sup>4</sup>	0.95%	0.60% <sup>2</sup>	-19.97%	-1.39%	-1.85%	-4.34%	-2.35%	0.81%	0.21%	0.21%	0.77%	
5. Rate Reduction Paid from Surplus <sup>4</sup>	-1.09%	-2.50%	-1.37%	-2.34%	-1.72%	-1.98%	-1.52%	-1.31%	-1.26%	-1.26%	-1.30%	
6. Total Adjusted Contribution [(3) + (4) + (5)]	8.54%	19.61%	10.73%	18.31%	13.48%	15.52%	11.91%	10.23%	9.88%	9.88%	10.21%	

<sup>1</sup> DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL Cost in the traditional sense.

<sup>2</sup> The reader should be aware that if the surplus were to be eliminated there would be an additional cost/savings for each class attributable to prior benefit improvements and/or prior experience studies, which is currently being paid from the surplus. See Table IV-8.

<sup>3</sup> Due to the relatively different payrolls by membership class excluding DROP, this year the composite contribution rate is 0.02% more than last year's rate of 11.52%.

<sup>4</sup> Florida law provides for items 4 and 5 above to be paid from the surplus for the plan year 2008-2009 Based on available surplus of \$149.8 million plus prior amortization of \$214.2 million.



# CONTRIBUTIONS

**Table IV-8**  
**Florida Retirement System**  
**Possible UAL / (Surplus)**  
**July 1, 2008**

	FRS		Special Risk -----		-- Elected Officers' Class --				Senior Management	DROP	Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management				
1. Previous UAL Bases**											
a. Special Risk-Regular 12% Pre-2000 Retired Benefit Increase (2000)	0.00%	0.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
b. Special Risk 65% In-Line-of-Duty Disability (2000)	0.00%	-0.01%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
c. 1998 Experience Study (1999)***	-0.10%	-0.18%	-0.78%	0.00%	0.00%	0.00%	-0.04%	0.00%	0.00%	0.00%	-0.10%
d. 2003 Experience Study (2004)	-0.85%	-1.02%	20.63%	1.39%	1.85%	4.34%	2.39%	-0.21%	-0.21%	-0.21%	-0.75%
e. Total UAL Bases	-0.95%	-0.60%	19.97%	1.39%	1.85%	4.34%	2.35%	-0.21%	-0.21%	-0.21%	-0.77%
2. 2007-2008 (Gains) / Losses *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3. 2007-2008 Assumption Changes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
4. 2007-2008 Plan Changes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5. Use of Surplus											
a. UAL Cost	0.95%	0.60%	-19.97%	-1.39%	-1.85%	-4.34%	-2.35%	0.21%	0.21%	0.21%	0.77%
b. Rate reduction (See Table IV-3)	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	0.00%	0.00%	0.00%	-1.30%
c. Total surplus Utilization	-0.45%	-0.80%	-21.37%	-2.79%	-3.25%	-5.74%	-3.75%	0.21%	0.21%	0.21%	-0.53%
6. Total	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	0.00%	0.00%	0.00%	-1.30%

\* Due to Actuarial Value of Assets exceeding Actuarial Liabilities, all prior Gain / Loss bases are considered fully amortized.

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

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



**FLORIDA RETIREMENT SYSTEM**

Actuarial Valuation as of July 1, 2008

IV-12

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

# SECTION V

## ACCOUNTING STATEMENTS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

# ACCOUNTING STATEMENT

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

The FASB-35 disclosures are intended to provide a "snap shot" view of how the Plan's assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. The accrued benefits obligation (ABO) are determined assuming that the plan is ongoing and participants continue to terminate employment, retire, and otherwise act in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 7.75% per annum.

Table V-1 presents the ABO for the Florida Retirement System determined as of July 1, 2008. All of the calculations presented in that table are based on the actuarial assumptions used in the valuation, as described in Appendix A, except no salary projection. Values of the ABO are shown by type of member and by class. The active members' values are also divided between the employee-financed (accumulated member contributions) and employer-financed portions, with the employer-financed portions shown separately for vested benefits and non-vested benefits.

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

Table V-3 reconciles the ABO determined as of the prior valuation, July 1, 2007, to the ABO as of July 1, 2008. This reconciliation indicates the impact of the assumption changes and plan changes, if any.

GASB Statement No. 25 requires the actuarial accrued liability (AAL) to be compared with the actuarial value of assets used for funding purposes. The report includes two tables for GASB No. 25 disclosures and a third table used in the Comprehensive Annual Financial Report. Table V-4 shows the GASB No. 25 Accounting Statement Information by membership class. Table V-5 shows similar information for the total FRS comparing several years' results in addition to the July 1, 2008 results. Table V-6 shows the Solvency Test for the FRS for the 2006, 2007, and 2008 valuations. The Solvency Test compares the actuarial accrued liabilities to the market value of assets. The Statement No. 25 liabilities are based on DROP retirees being included in the class of membership from which they retired, and active liabilities are based on the full retirement rates (per page I-12.)

## ACCOUNTING STATEMENT

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The trend of the FRS's funding status, as measured by the unfunded AAL or ABO over a period of time, is one indication of the progress being made in accumulating sufficient assets to pay benefits when due. Some of the basic trend data for this valuation and the prior two valuations (i.e., as of July 1, 2006 and July 1, 2007) for the FRS are shown in Table V-2 (ABO) and Table V-5 (AAL). Past and future results are affected by changes in actuarial assumptions, benefit provisions, accounting policies, etc.

For fiscal 1999-00 because the System was in a surplus position and the FRS employers contributed the normal cost (which was more than the actuarially determined contribution level), an accounting disclosure under GASB Statement Number 27 first became necessary. For fiscal 2000-01, the System continued in a surplus position and FRS employers again contributed more than the GASB actuarially determined contribution. For fiscal 2001-02 through fiscal 2003-04, because of the rate stabilization mechanism, the FRS employers have contributed less than the actuarially determined contribution, whereas in fiscal 2004-2005 the employers contributed more than the actuarially determined contribution. In fiscal 2005-2006 employers again contributed less than the actuarial determined contribution. For fiscal 2006-2007 and 2007-2008, actual contributions were more than expected meaning the FRS employers contributed more than the actuarially determined contributions, assuming 30 year amortization of the surplus. To date, the accumulation impact remains a negative number (i.e., cumulative contributions exceed actuarially determined contributions, both adjusted with interest). The Annual Required Contribution (ARC) developed in the 2006 annual valuation which applies to FY 2007-2008, \$2,612,672,000, included the sum of the composite contribution rate (including DROP) of 11.79% offset by the minimum UAL amortization payment required by GASB. As shown on Table V-7, the Annual Pension Cost (APC) is \$2,603,725,000 and the total employer contribution was actually \$2,796,651,000. Therefore, if GASB 27 applies, the State's CAFR must reflect a Net Pension Obligation (NPO) of (\$575,758,000), as compared to an NPO of (\$382,832,000) as of the prior year.

# ACCOUNTING STATEMENT

**Table V-1**  
**Florida Retirement System**  
**Accumulated Benefit Obligation - FASB Statement #35**  
**July 1, 2008**  
**(All Amounts in Thousands)**

	FRS		Special Risk -----		-- Elected Officers' Class --			Senior		Total
	Regular		Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP	
A. Accumulated Benefit Obligation										
1. Active Members										
a. Accumulated Member Contributions	\$35,670	\$6,187	\$0	\$483	\$80	\$380	\$1,757	\$0	\$44,557	
Employer - Financed										
b. Vested Benefits	24,469,638	6,073,604	7,370	249,467	14,677	98,718	972,757	0	31,886,231	
c. Non - Vested Benefits	788,488	264,788	13	7,671	293	3,999	13,623	0	1,078,875	
d. Total	\$25,293,796	\$6,344,579	\$7,383	\$257,621	\$15,050	\$103,097	\$988,137	\$0	\$33,009,663	
2. Annuitants	\$37,122,787	\$8,241,941	\$69,278	\$468,236	\$50,991	\$308,333	\$929,261	\$13,086,864	\$60,277,691	
3. Other Inactive Members	\$3,304,170	\$540,789	\$1,687	\$17,269	\$7,786	\$24,917	\$135,692	\$0	\$4,032,310	
4. Total Accumulated Benefit Obligation	\$65,720,753	\$15,127,309	\$78,348	\$743,126	\$73,827	\$436,347	\$2,053,090	\$13,086,864	\$97,319,664	
B. Assets Available for Benefits										
1. Market	\$105,566,276	\$22,488,413	\$90,153	\$1,060,853	\$103,740	\$492,062	\$2,741,898	(\$5,624,990)	\$126,918,405	
2. Actuarial Basis	\$108,728,764	\$23,162,107	\$92,854	\$1,092,633	\$106,848	\$506,803	\$2,824,038	(\$5,793,500)	\$130,720,547	
C. Unfunded Total Accumulated Benefit Obligation,										
Assets at:										
1. Market	(\$39,845,523)	(\$7,361,104)	(\$11,805)	(\$317,727)	(\$29,913)	(\$55,715)	(\$688,808)	\$18,711,854	(\$29,598,741)	
2. Actuarial Basis	(\$43,008,011)	(\$8,034,798)	(\$14,506)	(\$349,507)	(\$33,021)	(\$70,456)	(\$770,948)	\$18,880,364	(\$33,400,883)	
D. Percent of Accumulated Obligation Funded,										
Assets at:										
1. Market	160.63%	148.66%	115.07%	142.76%	140.52%	112.77%	133.55%	-42.98%	130.41%	
2. Actuarial Basis	165.44%	153.11%	118.51%	147.03%	144.73%	116.15%	137.55%	-44.27%	134.32%	



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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# ACCOUNTING STATEMENT

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

	<u>July 1, 2006</u> <u>Valuation Basis</u>	<u>July 1, 2007</u> <u>Valuation Basis</u>	<u>July 1, 2008</u> <u>Valuation Basis</u>
<b>A. Accumulated Benefit Obligation</b>			
<b>1. Active Members</b>			
a. Accumulated Member Contributions Employer - Financed	\$57,681	\$65,936	\$44,557
b. Vested Benefits	29,007,018	31,157,798	31,886,231
c. Non - Vested Benefits	<u>999,079</u>	<u>1,023,542</u>	<u>1,078,875</u>
d. Total	\$30,063,778	\$32,247,276	\$33,009,663
<b>2. Annuitants</b>	\$39,352,163	\$43,583,228	\$47,190,827
<b>3. Other Inactive Members</b>	\$3,539,361	\$3,824,115	\$4,032,310
<b>4. DROP</b>	<u>\$12,642,747</u>	<u>\$12,920,751</u>	<u>\$13,086,864</u>
<b>5. Total Accumulated Benefit Obligation</b>	\$85,598,049	\$92,575,370	\$97,319,664
<b>B. Assets Available for Benefits</b>			
1. Market	\$118,526,723	\$136,705,907	\$126,918,405
2. Actuarial Basis	\$117,159,615	\$125,584,704	\$130,720,547
<b>C. Unfunded/(Surplus) Total Accumulated Benefit Obligation,</b>			
Assets at:			
1. Market	(\$32,928,674)	(\$44,130,537)	(\$29,598,741)
2. Actuarial Basis	(\$31,561,566)	(\$33,009,334)	(\$33,400,883)
<b>D. Percent of Accumulated Benefit Obligation Funded,</b>			
Assets at:			
1. Market	138.47%	147.67%	130.41%
2. Actuarial Basis	136.87%	135.66%	134.32%
<b>E. Annual Salaries<sup>1</sup></b>	\$25,327,922	\$26,385,768	\$26,891,340
<b>F. Unfunded/(Surplus) Accumulated Benefit Obligation as a</b>			
Percent of Salary, Assets at:			
1. Market	-130.01%	-167.25%	-110.07%
2. Actuarial Basis	-124.61%	-125.10%	-124.21%

<sup>1</sup> Includes Drop Salaries



# ACCOUNTING STATEMENT

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

	<u>Accumulated Benefit Obligation</u>
Actuarial Present Value of Accrued Benefits at July 1, 2007	\$92,575,370
Increase (Decrease) During Year Attributable to:	
Increase for Interest Due to Decrease in Discount Period	\$6,930,763
Benefits Paid – PY 2008	(\$6,411,972)
Benefits Accrued & Other Gains / Losses	\$4,225,503
Plan Provision / Assumption Changes	\$0
Net Increase (Decrease)	\$4,744,294
Actuarial Present Value of Accrued Benefits at July 1, 2008	\$97,319,664

# ACCOUNTING STATEMENT

**Table V-4**  
**Florida Retirement System**  
**Accounting Statement Information - GASB Statement #25**  
**July 1, 2008**  
**(All Amounts in Thousands)**

	FRS		----- Special Risk -----		----- Elected Officers' Class -----			Senior Management	Total
	Regular	Regular	Administration	Judicial	Leg-Atty-Cab	County	Management		
1. Actuarial Accrued Liability:									
a. Active Member Contributions	\$35,670	\$6,187	\$0	\$483	\$80	\$380	\$1,757	\$44,557	
b. Annuitants	47,316,234	10,385,114	74,445	665,423	75,210	402,289	1,358,975	60,277,690	
c. Other Inactive Members	3,304,170	540,789	1,687	17,269	7,786	24,917	135,692	4,032,310	
d. Active Members	44,967,738	12,349,233	13,908	434,549	23,111	162,974	1,781,144	59,732,657	
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d)]	\$95,623,812	\$23,281,323	\$90,040	\$1,117,724	\$106,187	\$590,560	\$3,277,568	\$124,087,214	
3. Actuarial Value of Assets	104,181,035	22,163,957	85,699	1,028,677	99,619	468,138	2,693,422	130,720,547	
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$8,557,223)	\$1,117,366	\$4,341	\$89,047	\$6,568	\$122,422	\$584,146	(\$6,633,333)	
5. Funded Ratio	108.95%	95.20%	95.18%	92.03%	93.81%	79.27%	82.18%	105.35%	
6. Covered Payroll	\$22,385,976	\$3,730,327	\$3,466	\$133,660	\$8,658	\$55,103	\$574,150	\$26,891,340	
7. UAAL / (Surplus) as a % of Payroll	-38.23%	29.95%	125.25%	66.62%	75.86%	222.17%	101.74%	-24.67%	



**FLORIDA RETIREMENT SYSTEM**  
 Actuarial Valuation as of July 1, 2008

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# ACCOUNTING STATEMENT

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

	July 1, 2006 Valuation Basis	July 1, 2007 Valuation Basis	July 1, 2008 Valuation Basis
1. Actuarial Accrued Liability:			
a. Active Member Contributions	\$57,681	\$65,936	\$44,557
b. Annuitants	51,994,911	56,503,978	60,277,690
c. Other Inactive Members	3,539,361	3,824,115	4,032,310
d. Active Members	<u>55,385,878</u>	<u>58,476,484</u>	<u>59,732,657</u>
2. Total Actuarial Accrued Liability [1(a) + 1(b) + 1(c) + 1(d)]	\$110,977,831	\$118,870,513	\$124,087,214
3. Actuarial Value of Assets	\$117,159,615	\$125,584,704	\$130,720,547
4. Unfunded Actuarial Accrued Liability / (Surplus) (UAAL), [2 - 3]	(\$6,181,784)	(\$6,714,191)	(\$6,633,333)
5. Funded Ratio	105.57%	105.65%	105.35%
6. Covered Payroll <sup>1</sup>	\$25,327,922	\$26,385,768	\$26,891,340
7. UAAL / (Surplus) as a % of Payroll	-24.41%	-25.45%	-24.67%

<sup>1</sup> Includes Drop Salaries

# ACCOUNTING STATEMENT

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

	<u>July 1, 2006</u> <u>Valuation Basis</u>	<u>July 1, 2007</u> <u>Valuation Basis</u>	<u>July 1, 2008</u> <u>Valuation Basis</u>
1. Actuarial Accrued Liability for:			
a. Retired and Disabled Members, and Survivors	\$51,994,911	\$56,503,978	\$60,277,690
b. Vested Deferred and Inactive Status Members	3,539,361	3,824,115	4,032,310
c. Active Members			
i) Accumulated employee contributions with interest	57,681	65,936	44,557
ii) Employer-financed liabilities	<u>55,385,878</u>	<u>58,476,484</u>	<u>59,732,657</u>
d. Total	\$110,977,831	\$118,870,513	\$124,087,214
2. Net Assets Available for Benefits at Market Value	\$118,526,723	\$136,705,907	\$126,918,405
3. Ratio of Assets to Actuarial Accrued Liabilities: [2 / 1]	106.80%	115.00%	102.28%

# ACCOUNTING STATEMENT

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

	ACTUAL		PROJECTED
	<u>7/1/2006 - 6/30/2007</u>	<u>7/1/2007 - 6/30/2008</u>	<u>7/1/2008 - 6/30/2009</u>
1. Unfunded Actuarial Liability (UAL)	(\$7,614,380)	(\$6,181,784)	(\$6,714,190)
2. Amortization of UAL	(412,144)	(334,602)	(363,419)
3. Normal Cost	<u>2,867,398</u>	<u>2,947,274</u>	<u>3,074,004</u>
4. Annual Required Contribution: [2 + 3]	\$2,455,255	\$2,612,672	\$2,710,585
5. Interest on Net Pension Obligation:	(7,666)	(29,669)	(44,621)
6. Adjustment to Annual Required Contribution:	<u>5,354</u>	<u>20,722</u>	<u>31,164</u>
7. Annual Pension Cost: [4 + 5 + 6]	\$2,452,943	\$2,603,725	\$2,697,128
8. Contributions Made:	<u>\$2,736,861</u>	<u>\$2,796,651</u>	NA
9. Increase in Net Pension Obligation: [7 - 8]	(283,918)	(192,926)	NA
10. Net Pension Obligation at Beginning of Year:	<u>(98,914)</u>	<u>(382,832)</u>	<u>(575,758)</u>
11. Net Pension Obligation at End of Year:	(382,832)	(575,758)	NA

# APPENDIX A

## ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

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

The actuarial assumptions are intended to estimate the future experience of the members of the FRS and of the FRS in other areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of the FRS' benefits. These assumptions are based on the most recent experience study of the period from July 1, 1998 through June 30, 2003.

All tables in this section give independent rates of decrement expressed as percentages. The independent rates of decrement are referred to by the general symbol "q" in actuarial notation. The underlying theory is described more fully in *Life Contingencies*, by C. Wallace Jordan, Society of Actuaries (Second Edition, 1967), page 278.

## ACTUARIAL COST METHOD

The actuarial valuation is prepared using the entry age actuarial cost method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit. The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs, is called the unfunded actuarial liability (UAL). In the past, the UAL was amortized as level percentages of the projected payroll (salaries of present and future members of the FRS) during various amortization periods.

Effective July 1, 1998, changes in the UAL were to be amortized as level dollar. Had the FRS not maintained a surplus position, each plan, method or assumption change would have set up a new base (layer) to be amortized over a period of 30 years. All other changes, (i.e., experience gains and losses), would have been maintained in a single base. Since the UAL remained negative (i.e., surplus position), it was not amortized. In the future, if the base is positive (i.e., UAL exists), it will be amortized

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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on a rolling 10% basis. In other words, 10% of the outstanding balance will be recognized each year.

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

## RECORDS AND DATA

The data used in this valuation consist of financial information and records of age, service and income of active members, annuitants and other inactive members. All of the data was supplied by the FRS, and was accepted for valuation purposes without audit.

## REPLACEMENT OF TERMINATED MEMBERS

The ages and relative salaries at entry of future members are assumed to follow a new entrant distribution based on the current active population. Under this assumption, the normal cost rates for active members will remain valid in future years, unless the governing law or actuarial assumptions are changed.

## GROWTH IN MEMBERSHIP

The membership of the FRS is assumed to grow at the rate of 0.0% per year. This assumption was changed in the July 1, 1997 valuation from 1.50% in the July 1, 1995 valuation, as required by GASB No. 25.

## ADMINISTRATIVE EXPENSE

Administrative expenses are paid from investment earnings. It is assumed that investments will yield 7.75% as the valuation assumption and 0.25% to cover the administrative expenses.

## VALUATION OF ASSETS

The asset valuation method determines the actuarial value as follows:

**Step 1.** Determine the total yield on the investments of the FRS using the full investment return (including capital gains) measured by the difference in

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# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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the actuarial value of the assets at the beginning of the plan year just ended and the market value of assets at the end of the year. For the first year this method is employed, the market value of assets is used for the beginning of the plan year.

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

The resulting actuarial value of the assets shall be not less than 80% nor more than 120% of the market value.

This method conforms to Section 121.031(3)(a), Florida Statutes, calling for an averaging method acceptable under U.S. Treasury Regulations in effect on August 16, 2008.

## INVESTMENT EARNINGS

The future investment earnings of the assets of the FRS are assumed to accrue at an annual rate of 7.75%, compounded annually, net of investment expenses.

## POST-RETIREMENT BENEFIT INCREASES

A post-retirement increase of 3% per year is assumed.

## INTEREST ON EMPLOYEE CONTRIBUTIONS

Interest is only credited on accounts held by members of TRS. A 6.5% annual rate of interest is assumed to be credited on these accounts.

## FUTURE SALARIES

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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increase in the average wage level of the membership. Table A-2 shows merit (i.e., promotion and longevity) scale rates at representative ages, by class.

## SERVICE RETIREMENT

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

All members who have attained age 80 (age 70 for TRS, SCOERS and IFAS) in active service are assumed to retire immediately.

## DISABLEMENT

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

### *Line-of-Duty Disability Incidence Rates*

The rates used to estimate the likelihood of line-of-duty disability were initially based on Social Security disability experience reported in the Social Security Administration's disability study published as Actuarial Study Number 74, adjusted to recognize the FRS line-of-duty disability incidence experience. These tables were adjusted slightly based on the line-of-duty disability incidence experience for the five plan years ending June 30, 2003.

### *Not-in-Line-of-Duty Disability Incidence Rates*

The rates used to estimate the likelihood of not-in-line-of-duty disability were initially based on Social Security disability experience reported in the Social Security Administration's disability study published as Actuarial Study Number 74, adjusted to recognize the FRS not-in-line-of-duty disability incidence experience. These rates were modified to be more in line with FRS experience during the five plan years ending June 30, 2003.

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

## PRE-RETIREMENT MORTALITY

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# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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Mortality rates for members who die in service are based on the RPA – 2000 Employee Mortality tables for males and females. Table A-6 shows these rates at representative ages.

To allocate active member deaths between duty and non-duty death, the following percentages of total active member deaths were assumed to be duty deaths.

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

## POST-RETIREMENT MORTALITY

Mortality rates for all members once in retirement status are based on the RPA-2000 Healthy White Collar tables for males and females, as projected from the year 2001 using Projection Scale AA, adjusted by the following percentages:

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

Table A-7 shows these rates for representative ages.

## DISABILITY MORTALITY RATES

Disability mortality rates are based on 92.4% of the RPS –2000 Disabled Retiree Table for males, and 103.6% of the PBGC Disabled with Social Security Table for females. Representative rates of disability mortality are illustrated in Table A-8.

## OTHER TERMINATIONS OF EMPLOYMENT

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# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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Table A-9 shows, for representative ages, the rates assumed in this valuation for future withdrawal from active service for reasons other than death, disability or retirement with an unreduced benefit. These rates contain the probability of retiring with a reduced immediate pension.

## ELIGIBLE SURVIVORS

It is assumed that 80% of deceased active members will have survivors eligible for lifetime benefits upon their death. Males are assumed to be three years older than their female spouses.

## MILITARY SERVICE AND OUT-OF-STATE SERVICE CREDITS

Each member is assumed to have the following additional years of service credit purchased:

Type of Service Credit	FRS-Special Risk		FRS-All Other Groups	
	Men	Women	Men	Women
Military Service Credit <sup>1)</sup>	0.2818	0	0.1853	0
Out-of-State Service Credit	0	0	0.0910	0.0910

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

## ANNUAL LEAVE CREDIT

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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1) Pre-1987 hires only.

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

**TABLE A-1**  
Summary of Valuation Assumptions  
July 1, 2008

I. Economic Assumptions

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

\* Including a 3.0% inflation assumption.

II. Non-Economic Assumptions

A. Salary Increases Due to Promotion and Longevity	Table A-2
B. Service Retirement	Table A-3
C. Disablement	Tables A-4 and A-5
D. Pre-Retirement Mortality	RPA – 2000 Mortality Tables for males and females. Table A-6
E. Post-Retirement Mortality	RPA – 2000 Healthy White Collar Tables for males and females, projected from 2001 using Projection Scale AA. Table A-7
F. Disabled Termination (Mortality and Recovery)	Table A-8
G. Other Terminations of Employment	Table A-9

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

<b>JUDICIAL – Male and Female</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
1	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
2	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
3	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
4	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
5	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
6	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
7	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
8	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
9	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
10 or more	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	0.50%	0.50%	0.50%	0.50%

<b>SENIOR MANAGEMENT SERVICE – Male</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
1	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
2	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
3	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
4	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
5	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
6	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
7	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
8	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
9	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
10 or more	3.00%	3.00%	3.00%	3.00%	2.50%	2.00%	1.50%	1.50%	1.50%	1.50%

<b>SENIOR MANAGEMENT SERVICE - Female</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
1	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
2	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
3	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
4	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%
5	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
6	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
7	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
8	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
9	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
10 or more	3.50%	3.50%	3.50%	3.50%	2.50%	2.25%	1.50%	0.50%	0.50%	0.50%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

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

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

<b>SPECIAL RISK ADMINISTRATIVE SUPPORT – Male and Female</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
1	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
2	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
3	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
4	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
5	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
6	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
7	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
8	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
9	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
10 or more	3.00%	3.00%	3.00%	3.00%	2.50%	2.00%	1.75%	1.75%	1.75%	1.75%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

<b>Table A-3</b>				
<b>Unreduced Retirement Annual Rates</b>				
<b>REGULAR</b>				
Age	Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
20	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%
45	6.9%	2.5%	6.3%	0.5%
50	19.9%	13.5%	14.3%	8.0%
55	19.5%	12.5%	16.3%	9.0%
60	26.4%	18.1%	26.3%	17.4%
65	31.6%	32.8%	25.3%	27.6%
<b>ELECTED OFFICERS' GROUPS: ECO, ESO, JUDICIAL</b>				
Age	Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
20	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	3.5%	1.5%
50	2.0%	1.0%	3.5%	1.5%
55	3.5%	2.1%	4.5%	5.0%
60	5.1%	6.9%	6.5%	9.0%
65	14.9%	13.3%	12.4%	13.4%
<b>SENIOR MANAGEMENT SERVICE</b>				
Age	Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
20	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%
45	5.0%	2.5%	3.5%	0.5%
50	16.0%	13.5%	10.5%	8.0%
55	14.5%	12.5%	11.5%	9.0%
60	20.1%	18.1%	20.4%	17.4%
65	26.3%	32.8%	20.1%	27.6%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

<b>Table A-3 (cont.) Unreduced Retirement Annual Rates*</b>				
<b>TRS and SCOERS</b>				
Age	Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
20	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%
45	3.8%	2.5%	3.8%	1.5%
50	14.7%	2.5%	11.3%	1.5%
55	14.7%	13.5%	11.3%	9.0%
60	60.0%	56.5%	60.0%	55.5%
65	10.0%	56.5%	60.0%	57.5%
<b>SPECIAL RISK</b>				
Age	Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
20	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%
40	2.5%	1.0%	2.5%	1.0%
45	2.5%	1.0%	2.5%	1.0%
50	7.5%	6.0%	7.0%	5.5%
55	7.8%	8.3%	7.8%	7.8%
60	6.6%	7.9%	6.1%	8.6%
65	33.5%	46.0%	33.0%	53.5%
<b>SPECIAL RISK ADMINISTRATIVE SUPPORT</b>				
Age	Male		Female	
	First Eligibility	Subsequent Eligibility	First Eligibility	Subsequent Eligibility
20	0.0%	0.0%	0.0%	0.0%
25	0.0%	0.0%	0.0%	0.0%
30	0.0%	0.0%	0.0%	0.0%
35	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%
50	4.5%	4.5%	4.5%	4.5%
55	5.8%	5.8%	29.3%	5.8%
60	11.6%	11.6%	29.1%	11.6%
65	56.0%	56.0%	56.0%	56.0%

\* It is assumed that IFAS participants will retire upon the later of attainment of age 62 and 10 years of covered service or immediately, if beyond that time.

## ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

## ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

## ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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<b>Table A-5 (cont.) Non-Duty Disability Annual Rates</b>		
<b>TRS and SCOERS</b>		
Age	Male	Female
20	0.149%	0.089%
25	0.149%	0.089%
30	0.190%	0.154%
35	0.264%	0.262%
40	0.396%	0.382%
45	0.616%	0.580%
50	1.044%	0.914%
55	1.918%	1.532%
60	2.724%	1.876%
65	3.436%	1.924%

The valuation of IFAS members does not include a disability decrement.

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

## ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

<b>Table A-6 (cont.)</b>		
<b>Pre-Retirement Mortality Annual Rates</b>		
<b>TRS, SCOERS</b>		
Age	Male	Female
20	0.05%	0.02%
25	0.05%	0.03%
30	0.07%	0.04%
35	0.09%	0.05%
40	0.13%	0.08%
45	0.20%	0.11%
50	0.38%	0.17%
55	0.65%	0.25%
60	1.00%	0.39%
65	1.59%	0.69%
70	2.63%	1.16%
75	0.00%	0.00%
80	0.00%	0.00%
85	0.00%	0.00%
90	0.00%	0.00%
95	0.00%	0.00%
100	0.00%	0.00%
105	0.00%	0.00%
110	0.00%	0.00%
115	0.00%	0.00%
120	0.00%	0.00%
<b>IFAS</b>		
Age	Male	Female
20	0.03%	0.02%
25	0.04%	0.02%
30	0.04%	0.03%
35	0.08%	0.05%
40	0.11%	0.07%
45	0.15%	0.11%
50	0.21%	0.17%
55	0.30%	0.25%
60	0.49%	0.39%
65	0.76%	0.58%
70	0.99%	0.76%
75	0.00%	0.00%
80	0.00%	0.00%
85	0.00%	0.00%
90	0.00%	0.00%
95	0.00%	0.00%
100	0.00%	0.00%
105	0.00%	0.00%
110	0.00%	0.00%
115	0.00%	0.00%
120	0.00%	0.00%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

<b>Table A-7 <sup>1)</sup></b>		
<b>Post-Retirement Mortality Annual Rates</b>		
<b>REGULAR, SPECIAL RISK, TRS, SCOERS, IFAS</b>		
Age	Male	Female
20	0.22%	0.02%
25	0.27%	0.02%
30	0.34%	0.04%
35	0.42%	0.07%
40	0.52%	0.11%
45	0.65%	0.17%
50	0.80%	0.28%
55	0.73%	0.40%
60	0.88%	0.65%
65	1.55%	1.05%
70	2.58%	1.75%
75	4.49%	2.96%
80	7.94%	4.95%
85	13.98%	8.53%
90	23.82%	14.51%
95	35.74%	22.37%
100	46.03%	27.31%
105	53.16%	33.71%
110	53.44%	41.93%
115	53.44%	46.00%
120	100.00%	100.00%
<b>ELECTED OFFICERS, SENIOR MANAGEMENT SERVICE SPECIAL RISK ADMINISTRATIVE SUPPORT</b>		
Age	Male	Female
20	0.15%	0.01%
25	0.19%	0.01%
30	0.23%	0.02%
35	0.29%	0.03%
40	0.36%	0.05%
45	0.44%	0.09%
50	0.55%	0.14%
55	0.50%	0.20%
60	0.60%	0.32%
65	1.06%	0.52%
70	1.76%	0.86%
75	3.08%	1.46%
80	5.44%	2.44%
85	9.58%	4.21%
90	16.31%	7.15%
95	24.48%	11.03%
100	31.53%	13.46%
105	36.41%	16.62%
110	36.60%	20.67%
115	36.60%	22.68%
120	91.50%	56.70%

<sup>1)</sup> Rates shown are for 2001. Rates are projected to the valuation date using Projection Scale AA.

## ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

<b>REGULAR, TRS, SCOERS, IFAS – Male</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	32.8%	27.2%	25.8%	25.8%	24.4%	24.4%	23.4%	27.4%	27.4%	27.4%
1	31.8%	23.2%	19.2%	17.9%	15.8%	15.7%	15.2%	18.4%	18.4%	18.4%
2	25.2%	19.1%	15.5%	14.2%	12.0%	11.6%	10.7%	14.1%	14.1%	14.1%
3	18.4%	14.6%	13.2%	12.6%	10.7%	10.3%	9.4%	12.4%	12.3%	12.3%
4	15.8%	12.7%	11.8%	10.9%	9.0%	8.8%	7.9%	9.9%	9.7%	9.7%
5	13.3%	11.0%	10.0%	9.7%	8.4%	7.7%	6.9%	8.9%	8.8%	8.8%
6	12.4%	9.4%	8.6%	8.3%	7.5%	7.2%	6.1%	6.4%	6.3%	6.3%
7	11.7%	8.8%	7.5%	7.2%	6.6%	6.3%	5.6%	5.5%	5.4%	5.4%
8	11.0%	7.7%	6.4%	6.2%	5.8%	5.7%	5.1%	4.9%	4.8%	4.8%
9	10.5%	6.6%	5.8%	5.6%	5.5%	5.4%	4.8%	5.0%	4.9%	4.9%
10 or more	10.9%	6.9%	5.2%	4.7%	3.3%	3.0%	3.3%	5.0%	5.9%	4.1%

<b>REGULAR, TRS, SCOERS, IFAS – Female</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	31.9%	28.0%	26.7%	26.7%	25.7%	25.7%	24.4%	27.8%	27.8%	27.8%
1	28.6%	22.0%	18.8%	17.7%	15.5%	15.4%	14.8%	17.6%	17.6%	17.6%
2	23.3%	18.0%	15.3%	14.2%	12.1%	11.9%	11.5%	13.7%	13.7%	13.7%
3	18.3%	14.7%	13.2%	12.6%	10.6%	10.3%	9.2%	11.3%	11.2%	11.2%
4	15.4%	12.9%	11.3%	10.9%	9.1%	8.8%	8.4%	9.7%	9.6%	9.6%
5	15.3%	12.2%	10.7%	10.2%	8.0%	7.7%	7.0%	8.3%	8.2%	8.2%
6	12.4%	10.5%	9.5%	9.2%	7.2%	7.0%	6.5%	7.0%	6.9%	6.9%
7	11.9%	9.7%	8.5%	8.2%	6.6%	6.4%	5.8%	6.3%	6.2%	6.2%
8	11.6%	8.6%	7.9%	7.5%	6.0%	5.8%	5.5%	6.0%	5.9%	5.9%
9	11.3%	7.9%	7.2%	6.9%	5.5%	5.3%	5.1%	5.6%	5.4%	5.4%
10 or more	11.6%	5.3%	5.4%	4.6%	3.3%	3.0%	3.2%	5.4%	7.2%	4.1%

<b>ELECTED COUNTY OFFICERS - Male</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
1	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
2	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
3	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
4	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%	23.9%
5	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
6	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
7	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%
8	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.6%	13.4%	13.3%	11.5%
9	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.6%	4.4%	4.3%	2.5%
10 or more	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.6%	5.3%	5.2%	3.5%

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

<b>JUDICIAL - Male</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
1	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
2	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
3	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
4	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
5	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
6	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
7	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
8	2.6%	2.6%	2.6%	2.4%	2.4%	2.4%	2.1%	1.6%	1.4%	0.9%
9	2.6%	2.6%	2.6%	2.4%	2.4%	2.4%	2.1%	1.6%	1.4%	0.9%
10 or more	2.6%	2.6%	2.6%	2.4%	2.4%	2.4%	2.1%	1.6%	1.4%	0.9%

<b>JUDICIAL – Female</b>										
Combined Years of Service	Attained Age									
	20	25	30	35	40	45	50	55	60	65
0	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
1	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
2	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
3	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
4	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
5	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
6	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
7	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
8	3.2%	3.2%	3.2%	3.0%	3.0%	3.0%	2.7%	2.2%	2.0%	1.5%
9	3.2%	3.2%	3.2%	3.0%	3.0%	3.0%	2.7%	2.2%	2.0%	1.5%
10 or more	3.2%	3.2%	3.2%	3.0%	3.0%	3.0%	2.7%	2.2%	2.0%	1.5%

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

# ACTUARIAL METHODS, PROCEDURES AND ASSUMPTIONS

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

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

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

# APPENDIX B

## SUMMARY OF PLAN PROVISIONS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

# SUMMARY OF PLAN PROVISIONS

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All actuarial calculations are based upon our understanding of Florida Statutes regarding the retirement provisions of the retirement systems. These provisions are briefly summarized below for reference purposes, along with corresponding references to the Statutes. This summary encompasses the major provisions; it does not attempt to cover all of the detailed provisions.

## **PART I: FLORIDA RETIREMENT SYSTEM (FRS)**

The benefit and contribution provisions of the FRS are set forth in Chapter 121 of the Florida Statutes. Provisions relating to other State-administered retirement systems are set forth in other sections of the Florida Statutes, under Chapters 112, 122, and 238.

### **EFFECTIVE DATE**

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

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

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

(Section 121.011(2))

### **MEMBERSHIP**

Membership is a condition of employment for all new state, county, or other participating agency employees filling regularly established positions and employed on or after December 1, 1970, or who elected to transfer from an existing System. Employees may be full-time or part-time and can be elected, appointed, or employed in state government, county government, a state university, or a community college. A city or special district may join the FRS at its option.

## SUMMARY OF PLAN PROVISIONS

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

Members of the FRS Defined Benefit Program were provided an educational period about their plan choice options prior to a 90-day election period to elect between the Defined Benefit Program and the Public Employee Optional Retirement Program (PEORP). Members newly hired after the election period for their employee group are provided five months after their month of hire to file an election between the two primary programs. Members who do not make an election default into the Defined Benefit Program.

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

(Sections 121.051, 121.4501)

### CLASSIFICATION

There are five separate classes of members: Regular Class, Special Risk Class, Special Risk Administrative Support Class, Elected Officers' Class, and Senior Management Service Class. In addition, the Deferred Retirement Option Program is available to members who meet the requirements for normal retirement under the defined benefit program of the FRS.

**Regular Class members** are members not classified as members of the Special Risk Class, Special Risk Administrative Support Class, Elected Officers' Class, or Senior Management Service Class.

**Special Risk Class members** are members employed as law enforcement officers, emergency medical technicians, paramedics, firefighters, firefighter trainers, fire prevention inspectors, correctional officers, correctional probation officers, certain professional health care positions within the Department of Children and Family Services and the Department of Corrections, youth custody officers, correctional officers, or certain forensic positions within a law enforcement agency, or a medical examiner's office who meet the criteria set forth in the Florida Retirement System law and rules.

**Special Risk Administrative Support Class members** are former Special Risk members who have been moved or been re-assigned to non-Special Risk administrative support positions within a Florida Retirement System Special Risk employing agency.

## SUMMARY OF PLAN PROVISIONS

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***Elected Officers' Class members*** include the governor, lieutenant governor, cabinet officers, supreme court justices, district court of appeals judges, circuit judges, county court judges, state attorneys, public defenders, and elected county officers. Also included are city and special district officers if the employer chose to place their elected officials in this class. All such elected officers may withdraw from the Florida Retirement System, or elect membership in the Senior Management Service Class or in the Senior Management Service Optional Annuity Program for state officers.

***Senior Management Service Class members*** are members currently participating in the Florida Retirement System who hold positions in the Senior Management Service of the State of Florida; community college presidents; appointed school board superintendents; county and city managers; selected managerial staff of the Legislature; the Auditor General and managerial staff; the Executive Director of the Ethics Commission; the State University System Executive Service and university presidents; selected managerial staff of the State Board of Administration; judges of compensation claims; selected managerial staff with the Judicial Branch; Chief Deputy Court Administrator; capital collateral regional counsels and assistant capital collateral regional counsels; assistant state attorneys; assistant public defenders; assistant statewide prosecutors or assistant attorneys general; and nonelective managerial positions designated for SMSC membership by local government agencies. Members in this class have chosen not to participate in the elective Senior Management Service Optional Annuity Program for state senior managers or to withdraw from the FRS if employed by non-state employers. This class became effective February 1, 1987, and members of an existing retirement system and members of the Special Risk or Special Risk Administrative Support Classes who were employed prior to February 1, 1987 could elect to remain in such system or class.

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

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

### CONTRIBUTIONS

Since January 1, 1975, for the state and for school boards, and since October 1, 1975, for other agencies, the total cost of the System has been paid by the participating employers.

(Section 121.071 (2))



## SUMMARY OF PLAN PROVISIONS

The employer contribution rates for the July 1, 2008 – June 30, 2009 plan year are as follows:

Classification	Defined Benefit	PEORP	Blended
Regular	8.60%	9.25%	8.69%
Special Risk	19.49	21.33	19.76
Special Risk Administrative Support Elected Officers'	11.32	11.80	11.39
- Judicial	18.28	19.63	18.40
- State	12.92	13.81	13.32
- County	14.94	16.61	15.37
Senior Management Service	12.15	11.21	11.96
DROP	9.80	N/A	9.80

The above rates exclude the 0.05% administrative charge for PEORP administration and education (except DROP), and the 1.11% for the financing of the health insurance subsidy described later in this part.

The separate Defined Benefit and PEORP rates above were modified by the 2008 Legislature to reflect potential transfers to PEORP and to continue the uniform rate structure for both the primary plans of the FRS. The net result of the legislation was that employers contributed the same rate (i.e. blended) whether the member elected PEORP membership or FRS Defined Benefit Program membership with the anticipated elections to not impact the expected amount of actual FRS defined benefit contributions.

(Section 121.71)

### FRS DEFINED BENEFIT PROGRAM

#### NORMAL RETIREMENT BENEFIT

##### *Eligibility*

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

(Section 121.021(29)(a))



## SUMMARY OF PLAN PROVISIONS

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- Special Risk Class
  1. 25 years of special risk service at any age; or
  2. Age 55 and 6 or more years of special risk service; or
  3. Age 52 and 25 years of creditable service, including special risk service and up to a maximum of four years of active duty wartime military service credit.
  4. 30 years of any creditable service, at any age, or age 62 and 6 or more years of creditable service (same requirement as the Regular Class).

(Section 121.021(29)(b))

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

(Section 121.021(29)(b))

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

(Section 121.021(29)(d))

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

(Section 121.021(29)(c))

### **Normal Form**

Straight life benefit (Option 1), payable on the last day of each month, with a guarantee that benefits paid will at least equal member contributions.

(Section 121.091(1))

## SUMMARY OF PLAN PROVISIONS

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### **Optional Forms**

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

(Section 121.091(6))

### **Dual Retirement**

In the event a member accumulates retirement benefits to commence at different normal retirement ages by virtue of having performed duties for an employer which would entitle him or her to benefits as both a Special Risk Class member and a member of another class, the amount of the benefits payable shall be computed separately with respect to each such age, and the sum of such computed amounts shall be paid. Note that this does not apply to a Special Risk Administrative Support Class member with at least 6 years of Special Risk Class Membership when the Special Risk and Special Risk Administrative Support Classes are the only memberships held because such a member is treated as a Special Risk Class member.

(Section 121.091(2))

### **Regular Benefit Amount**

The monthly FRS allowance is the product of:

1. Average monthly compensation in the highest five plan years of creditable service;
2. Creditable service during the applicable period; and
3. The appropriate benefit percentage for periods of service.

(Sections 121.021(17), (24) and (25), 121.091(1))

## SUMMARY OF PLAN PROVISIONS

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The appropriate benefit percentages are as follows:

- For Creditable Service as a Regular Member Subsequent to November 30, 1970:

Retirement at:	Percentage
Age 62 with 6 years of creditable service, or 30 years of creditable service	1.60%
Age 63 with 6 years of creditable service, or 31 years of creditable service	1.63
Age 64 with 6 years of creditable service, or 32 years of creditable service	1.65
Age 65 with 6 years of creditable service, or 33 years of creditable service	1.68

(Section 121.091(1))

- For Service as a Special Risk Class member:

Retirement on or After July 1, 2001 with Service Performed During:	Percentage
December 1, 1970 to September 30, 1974	2.00%
October 1, 1974 and thereafter	3.00

(Section 121.091(1))

## SUMMARY OF PLAN PROVISIONS

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

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

(Section 121.091(1))

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

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

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

(Section 121.055(4)(d))

# SUMMARY OF PLAN PROVISIONS

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## ADDITIONAL BENEFIT AMOUNT

In addition, members may receive an additional retirement allowance under the pre-1971 existing systems. The benefit is a percentage of average compensation times the creditable service in that system up to November 30, 1970. The system percentages are:

***State and County Officers and Employees' Retirement System:***

2.00% for creditable service rendered under Division A prior to Social Security coverage; and 1.50% for creditable service rendered under Division B subsequent to Social Security coverage.

***Teachers Retirement System:***

Plan E: 2.00%

(Sections 121.091(1)(c), 122.28, 238.07(7)(a))

## MINIMUM BENEFIT

***Eligibility***

The month following attainment of age 65 by a pensioner, or, in the case of a beneficiary receiving the survivor's portion of a member's benefit, the 65th anniversary of the deceased member's birth. The member must have earned at least 10 years of creditable service and retired under normal retirement.

***Benefit Amount***

An eligible benefit recipient will receive a benefit adjustment to bring the benefit to the calculated minimum benefit. Effective July 1, 2008, the minimum monthly benefit is \$24.02 multiplied by years of creditable service prior to application of the reduction factor for electing an optional form of payment. For retirements on or after July 1, 1987, creditable service for the minimum benefit calculation does not include any service earned on or after that date.

(Section 112.362)

# SUMMARY OF PLAN PROVISIONS

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## HEALTH INSURANCE SUBSIDY

A subsidy of \$5 per month per year of creditable service, with a minimum of \$30, and a maximum of \$150 per month, shall be paid to retirees and surviving beneficiaries to subsidize health insurance premiums. This benefit is not indexed with the cost of living.

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

(Section 112.363)

## EARLY RETIREMENT

### *Eligibility*

Six years of creditable service for all classes of membership.

(Section 121.021(30))

### *Benefit Amount*

The normal retirement benefit accrued to the date of early retirement, reduced by 5/12% for each month that the early retirement date precedes the normal retirement date based upon age. The normal retirement date is age 62, except for Special Risk Class members, for whom it is age 55.

(Sections 121.021(30), 121.091(3))

## NON-DUTY DISABILITY RETIREMENT

### *Eligibility*

Members are eligible if totally and permanently disabled:

After completing at least 8 years of creditable service (or after 6 years if disability retirement is ordered for a judge by the Supreme Court).

## SUMMARY OF PLAN PROVISIONS

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### ***Benefit Amount***

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

### ***Minimum Benefit Amount***

25% of average monthly compensation.

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

(Section 121.091(4))

## **LINE-OF-DUTY DISABILITY**

### ***Eligibility***

Members are eligible if totally and permanently disabled during the actual performance of duty. There is no service credit requirement.

### ***Benefit Amount***

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

### ***Minimum Benefit Amount***

42% of average monthly compensation, except for the Special Risk and the Special Risk Administrative Support classes whose members are entitled to 65% of average monthly compensation.

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

(Section 121.091(4))

# SUMMARY OF PLAN PROVISIONS

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## POST-RETIREMENT DEATH BENEFITS

Based on the optional form elected.

## NON-DUTY PRE-RETIREMENT DEATH BENEFITS

### *Eligibility*

Employment is terminated by death after 6 years of creditable service for all classes of membership.

### *Benefit Amount*

The normal or early retirement benefit amount for which the member would have been eligible had the member retired on his or her date of death and elected the 100% joint and survivor form of payment in favor of his or her beneficiary who is the surviving spouse or other eligible dependent. The monthly benefit is normally payable to the member's beneficiary for the beneficiary's lifetime. If the beneficiary is the member's non-disabled child, payment ceases upon attainment of the beneficiary's 25th birthday.

If the member had completed at least 20 years of creditable service, the reduction for early retirement is applied from the earlier of age 62 (age 55 for Special Risk Class and Special Risk Administrative Support Class members) or the date on which the member would have completed 30 years of creditable service, had he or she continued employment. The value of this benefit may not be less than the member's accumulated contributions, if any.

(Sections 121.091(3) and (7))

## LINE-OF-DUTY PRE-RETIREMENT DEATH BENEFITS

### *Eligibility*

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

# SUMMARY OF PLAN PROVISIONS

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## ***Benefit Amount***

The surviving spouse will receive one-half of the member's monthly compensation at death. If the spouse dies, or if there is no surviving spouse, the monthly benefits continue until the youngest child is 18.

A surviving spouse may elect to receive a non-duty death benefit in lieu of the duty death benefit.

(Section 121.091(7))

## **VESTING**

### ***Eligibility***

Six years of creditable service for all classes of membership.

### ***Benefit Amount***

The normal or early retirement benefit amount based on average monthly compensation and creditable service to the date of termination.

(Sections 121.021(45), 121.091(5))

## **DROP – DEFERRED RETIREMENT OPTION PROGRAM**

### ***Eligibility***

Vested FRS members are eligible for DROP participation upon attaining eligibility for normal retirement. Deferral of DROP participation for all but K-12 Instructional Personnel is allowed if the eligible participant has completed 30 years of service (or 25 years for Special Risk Class members) and has not reached age 57 (or age 52 for Special Risk Class members). In this case the participant can defer participation in DROP until he reaches age 57 (or age 52 for Special Risk Class members). Instructional Personnel in grades K-12 may defer DROP participation to any age. Participants who reached normal retirement before July 1, 1998 were eligible to participate in DROP for up to 60 months (36 months for Special Risk Class members) beginning July 1, 1998.

Effective July 1, 1998, eligible members can retire without terminating their employment during DROP participation. Monthly retirement benefits will be invested in the FRS Trust Fund, earning tax-deferred interest while the member

## SUMMARY OF PLAN PROVISIONS

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

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

### ***Disabled While in DROP***

Participants that became disabled while participating in DROP will continue to accumulate the same monthly benefit in the FRS Trust Fund until termination. Since the normal retirement benefit commenced upon DROP participation, a disability benefit will not be issued.

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

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

(Section 121.091 (13))

## RETURN OF EMPLOYEE CONTRIBUTIONS

A member who terminates employment but is not eligible to retire, to receive a vested retirement allowance, or to receive a disability pension, or the beneficiary of a member who passed away before satisfying the requirement for a pre-retirement death benefit, will be entitled to a refund of any employee contributions made by the member. No interest is credited on employee contribution accounts.

A vested terminated participant may elect to receive a return of employee contributions in lieu of a retirement benefit.

(Sections 121.071(2)(b), 121.091(7)(a), Sections 121.091(5)(a) and (c))

# SUMMARY OF PLAN PROVISIONS

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## **COST-OF-LIVING ADJUSTMENT**

Except for the health insurance subsidy, all retirement allowances, including the dollar factor used in the minimum benefit, are increased by 3.0% each July 1. A pro-rated rate may apply in the initial year of applicability.

(Section 121.101)

## **PUBLIC EMPLOYEE OPTIONAL RETIREMENT PROGRAM**

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

### **Benefits**

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

(Sections 121.4501, 121.591)

## **CONTRIBUTIONS**

The employer contributions deposited in each participant's PEORP account are based upon allocation rates established by law for each membership class. This statutorily prescribed percentage of the participant's gross compensation for the calendar month is deducted from the total amount paid by the employer on behalf of all members in the same class of membership based on the uniform contribution rate established by law. Current PEORP allocation rates are set forth in the following charts. The allocation rates shown in the first chart below do not include the 0.05% charge for PEORP administration and education, the separate employer contribution assessed to fund the PEORP disability program, or the contribution of 1.11% for the financing of the health insurance subsidy described later in this part.

(Sections 121.71, 121.72)



## SUMMARY OF PLAN PROVISIONS

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

Classification	2008-2009 Plan Year Rates
Regular	9.00%
Special Risk	20.00
Special Risk Administrative Support	11.35
Elected Officers	
- Judicial	18.90
- State	13.40
- County	16.20
Senior Management Service	10.95

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

Classification	2008-2009 Plan Year Rates
Regular	0.25%
Special Risk	1.33
Special Risk Administrative Support	0.45
Elected Officers	
- Judicial	0.73
- State	0.41
- County	0.41
Senior Management Service	0.26

# SUMMARY OF PLAN PROVISIONS

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## HEALTH INSURANCE SUBSIDY

In addition to retirement or death benefits, eligible PEORP retirees or surviving spouses may receive a subsidy of \$5 per month per year of creditable service, with a minimum of \$30, and a maximum of \$150 per month, to subsidize the cost of health insurance premiums. This benefit is established by law and is not indexed (adjusted for changes in the cost of living). To qualify for this benefit, PEORP members must terminate employment and meet the normal retirement requirements applicable to Defined Benefit Program members as defined under s. 121.021(29).

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

(Section 112.363)

## NON-DUTY DISABILITY RETIREMENT

### ***Eligibility***

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

### ***Benefit Amount***

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

(Sections 121.091(4), 121.591(1) and (2))

# SUMMARY OF PLAN PROVISIONS

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## LINE-OF-DUTY-DISABILITY

### *Eligibility*

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

### *Benefit Amount*

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

(Sections 121.091(4), 121.591(1) and (2))

# SUMMARY OF PLAN PROVISIONS

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## **PART II: TEACHERS' RETIREMENT SYSTEM (TRS)**

The benefit and contribution provisions of the Statutes for this closed system are set forth in Chapter 238 of the Florida Statutes. Certain provisions are from other sections of the Florida Statutes.

### **EFFECTIVE DATE**

The effective date of the Retirement System was July 1, 1939.

(Section 238.02)

### **MEMBERSHIP**

All employees who were teachers in public schools, employees of professional non-profit teachers associations, county superintendents, Department of Education employees and the staff of the Teachers' Retirement System, and who were employed prior to December 1, 1970, are members of the Teachers' Retirement System.

Any member who was hired prior to July 1, 1955, and who did not later elect to join Plan E, retains membership in one of Plans A through D.

Any member who was hired on or after July 1, 1955 and prior to December 1, 1970, or who was hired prior to July 1, 1955 and so elected, is a member of Plan E.

(Sections 238.01(4), 238.05, 238.07(3))

### **MEMBER CONTRIBUTIONS**

All members of Plan E make contributions of 6% of earnable compensation. All members of Plans A through D will make contributions, to be determined by the actuary, to provide the annuities called for by the Statutes. All members contribute 0.25% of earnable compensation for survivor benefits.

(Section 238.09)

# SUMMARY OF PLAN PROVISIONS

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## EMPLOYER CONTRIBUTIONS

The employer will contribute the amount that, when combined with member contributions, will pay the total cost of the benefits payable. This amount, for Plan E, 10.24%; an additional 1.11% is contributed for the financing of the health insurance subsidy described later in this part.

(Section 238.09)

## NORMAL RETIREMENT BENEFIT

### *Eligibility*

Plan A: Age 60 and 10 years of creditable service, or 30 years of creditable service at any age.

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

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

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

Plan E:

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

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

(Sections 238.07(2) and (9))

### *Normal Form*

Straight life benefit (Option 1), which will be the total of the pension paid by employer contributions plus an annuity based on the member's accumulated contributions.

(Sections 238.07(4), (5), (6) and (7))

## SUMMARY OF PLAN PROVISIONS

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### **Optional Forms**

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

(Section 238.08)

### **Regular Benefit Amount**

The monthly allowance is:

Plans A & B:

The product of 1/140 of the member's average final compensation and years of membership service; plus

1/70 of average final compensation multiplied by the years of certified prior service; plus

an annuity based on the actuarial equivalent of the member's accumulated contributions.

(Section 238.07(4))

Plan C:

The product of 1/120 of the member's average final compensation and years of membership service; plus

1/60 of average final compensation multiplied by the years of certified prior service; plus

an annuity based on the actuarial equivalent of the member's accumulated contributions.

(Section 238.07(5))

## SUMMARY OF PLAN PROVISIONS

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### Plan D:

The product of 1/100 of the member's average final compensation and years of membership service; plus

1/50 of average final compensation multiplied by the years of certified prior service; plus

an annuity based on the actuarial equivalent of the member's accumulated contributions.

(Section 238.07(6))

### Plan E:

2% of the member's average final compensation multiplied by years of creditable service.

(Section 238.07(7)(a))

#### Average Final Compensation

The larger of the highest ten-year average compensation in the 15 years preceding retirement, or the career average salary.

(Section 238.01(14))

## MINIMUM BENEFIT

If a member retires after 30 years of creditable service, he or she shall receive at least \$100 per month. If a member retires under Plans A, B, or C with 10 or more years of service, but less than 30, he or she shall receive an annual retirement allowance equal to 1/60 of \$2,400 multiplied by years of creditable service (but not more than \$100 per month).

(Section 238.07(8))

## ADDITIONAL MINIMUM BENEFIT

### *Eligibility*

Attainment of age 65 by a pensioner, or, in the case of a beneficiary receiving the pension, the 65th anniversary of the deceased member's birth. The member must have earned at least 10 years of creditable service.

# SUMMARY OF PLAN PROVISIONS

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## ***Benefit Amount***

Effective July 1, 2008, the minimum monthly benefit is \$24.02 times years of creditable service prior to application of the reduction factor for electing an optional form of payment. For retirements on or after July 1, 1987, creditable service for the minimum benefit calculation does not include any service earned on or after that date.

(Section 112.362)

## **EARLY RETIREMENT BENEFIT**

### ***Eligibility***

Only members of Plan E are eligible for early retirement. The requirement is age 55 and 10 years of creditable service.

(Section 238.07(2)(e)2)

### ***Benefit Amount***

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

(Section 238.07(7)(b))

## **DISABILITY RETIREMENT**

If a member has 10 or more years of creditable service and is certified mentally or physically incapacitated for the performance of duty, and that the disability is permanent, he or she may retire on a disability retirement.

The member shall receive an allowance, as follows:

Plans A, B, C and D: A total retirement allowance equal to the larger of:

1. A factor times average final compensation times years of creditable service;
2. 25% times average final compensation;
3. \$75 per month; and
4. \$40 per year times years of creditable service.

## SUMMARY OF PLAN PROVISIONS

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However, the disability benefit shall not exceed a factor times average compensation times the possible years of creditable service to the normal retirement date.

The factor is 1/70 for Plans A and B, 1/60 for Plan C, and 1/50 for Plan D.

(Section 238.07(11))

Plan E: The larger of:

1. The accrued benefit based on average final compensation and creditable service at disability; and
2. 25% times average final compensation.

The disability benefit shall not exceed the retirement allowance payable if service had continued to the first date the member would have been eligible for service retirement at the same rate of compensation.

(Section 238.07(11))

### HEALTH INSURANCE SUBSIDY

A monthly subsidy of \$5 per month per year of creditable service, with a minimum of \$30, and a maximum of \$150 per month, shall be paid to retirees and surviving beneficiaries to subsidize health insurance premiums. This benefit is not indexed with the cost of living.

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

(Section 112.363)

### POST-RETIREMENT DEATH BENEFITS

Based on the optional form elected, plus a \$500 lump sum.

(Sections 238.07(16)(b)(7), 238.08(8))

# SUMMARY OF PLAN PROVISIONS

## PRE-RETIREMENT DEATH BENEFITS

### *Payable to Beneficiaries*

Minimum Period of Paid Service of Member in Florida as Regular Full-Time Teacher	Beneficiaries of Deceased Member	Benefits
1. One calendar day	Widow or widower who has care of dependent child or children of the deceased member.	\$190 per month for one child; \$250 per month if more than one child; maximum benefit \$250 per month.
2. One calendar day	One or more dependent children if there is no surviving widow or widower.	\$190 per month per child; maximum benefit \$250 per month if more than one child.
3. One calendar day	Dependent parents 65 years of age or older.	For each parent, \$100 per month for life.
4. One calendar day	Designated beneficiary and, if no designated beneficiary, then the executor or administrator of deceased member.	\$500 lump-sum death benefit payable only once.
5. One calendar day	Dependent widow or widower 50 years of age and less than 65 years of age.	\$150 per month for life.
6. Ten Years	Widow or widower 65 years of age or older.	\$175 per month for life.

If the member dies before completing three years of service, the above benefits are reduced for any Social Security benefits payable.

## SUMMARY OF PLAN PROVISIONS

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The benefits above are payable only if death occurs while in service, or during the following periods after service is terminated:

Years of Service	Period After Florida Service in Which Death Occurs
3 – 5	2 years
6 – 9	5 years
10 or more	10 years

The above restrictions do not apply if the member is receiving disability payments at time of death.

(Section 238.07(16))

### ***Payable to the Surviving Spouse***

Before 10 years of service: Return of member contributions with interest.

After 10 years of service: Instead of the death benefit described above, the surviving spouse may elect to receive the return of member contributions with interest or a 100% joint & survivor annuity, calculated assuming the member retired on the date of death.

(Section 238.08(5)(a))

## **VESTING**

### ***Eligibility***

After 10 years of creditable service if the member leaves employee contributions in the System.

### ***Benefit Amount***

The normal retirement benefit based on average final compensation and creditable service to the retirement date.

(Sections 238.07(9), 238.07(14))

# SUMMARY OF PLAN PROVISIONS

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## DROP – DEFERRED RETIREMENT OPTION PROGRAM

### ***Eligibility***

Vested TRS members are eligible for DROP participation upon attaining eligibility for normal retirement. Deferral of DROP participation for all but K-12 Instructional Personnel is allowed if the eligible participant has completed 30 years of service and has not reached age 57. In this case the participant can defer participation in DROP until he reaches age 57. Instructional Personnel in grades K-12 may defer DROP participation to any age. Participants who reached normal retirement before July 1, 1998, were eligible to participate in DROP for up to 60 months beginning July 1, 1998.

Effective July 1, 1998, eligible members can retire without terminating their employment during DROP participation. Monthly retirement benefits will be invested in the FRS Trust Fund, earning tax-deferred interest while the member continues to work for a maximum of 60 months. Upon completion of the maximum five-year period, DROP participation ends and participants must terminate employment with all FRS employers. At that time, the participant will receive payment of the accumulated DROP benefits, and begin receiving his TRS monthly retirement benefit (in the same amount as determined at retirement, plus annual cost-of-living increases).

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

### ***Disabled While in DROP***

Participants that became disabled while participating in DROP will continue to accumulate the same monthly benefit in the FRS Trust Fund until termination. Since the normal retirement benefit commenced upon DROP participation, a disability benefit will not be issued.

# SUMMARY OF PLAN PROVISIONS

---

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

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

(Section 121.091 (13))

## **RETURN OF EMPLOYEE CONTRIBUTIONS**

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

(Sections 238.07(13), 238.10)

## **COST-OF-LIVING ADJUSTMENTS**

Retirees and beneficiaries of deceased retirees are eligible to receive cost-of-living adjustments identical to those for Florida Retirement System members.

(Section 121.101)

# SUMMARY OF PLAN PROVISIONS

---

## **PART III: STATE AND COUNTY OFFICERS AND EMPLOYEES' RETIREMENT SYSTEM (SCOERS)**

The benefit and contribution provisions of the Statutes are set forth in Chapter 122 of the Florida Statutes. Certain provisions are drawn from other sections of the Florida Statutes. This is a closed system that no longer includes any members in the high hazard or legislative categories.

### **EFFECTIVE DATE**

The effective date of the Retirement System was July 1, 1955.

(Section 122.01(2))

### **MEMBERSHIP**

All full-time employees of the state and its counties not covered by another system who were employed prior to December 1, 1970.

Those members who were hired prior to January 1, 1958 and did not elect to join Division B are in Division A. These members do not contribute to the Social Security system.

Those members who elected to join Division B and those members hired after December 31, 1957 and prior to December 1, 1970 are in Division B. These members contribute to the Social Security system.

(Sections 122.01, 122.24)

### **MEMBER CONTRIBUTIONS**

All members of Division A contribute 6% of salary.  
All members of Division B contribute 4% of salary.

(Sections 122.03, 122.27)

### **EMPLOYER CONTRIBUTIONS**

Employer contributions are:

Division A	9.99%
Division B	7.99%

# SUMMARY OF PLAN PROVISIONS

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

(Section 122.35)

## **NORMAL RETIREMENT BENEFIT**

### ***Eligibility***

Members prior to July 1, 1963:	Age 60 and 10 years of service, or 30 years of creditable service.
Members after July 1, 1963:	Age 62 and 10 years of service, or 30 years of creditable service.
Members under former Chapters 121 and 134:	30 years of service.

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

### ***Normal Form***

Straight life benefit (Option 1).

(Section 122.08)

### ***Optional Forms***

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

(Section 122.08)

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

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

## SUMMARY OF PLAN PROVISIONS

---

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

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

### ***Average Final Compensation***

The larger of the highest ten-year average compensation in the fifteen years preceding retirement, or the career average salary.

(Section 122.02(2))

## **MAXIMUM BENEFIT**

Division A: No maximum.

Division B: For those who became members after June 30, 1963, monthly allowance plus Social Security primary insurance amount cannot be greater than 80% of average final compensation. For those who became members before July 1, 1963, there is no maximum.

(Sections 122.28(3), 122.08)

## **MINIMUM BENEFIT**

### ***Eligibility***

Attainment of age 65 by a pensioner, or, in the case of a beneficiary receiving the pension, the 65th anniversary of the deceased member's birth. The member must have earned at least ten years of creditable service and retired under normal retirement.

### ***Benefit Amount***

Effective July 1, 2008, the minimum monthly benefit is \$24.02 times years of creditable service prior to application of the reduction factor for electing an optional form of payment. For retirements on or after July 1, 1987, creditable service for the minimum benefit calculation does not include any service earned on or after that date.

(Section 112.362)

# SUMMARY OF PLAN PROVISIONS

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## EARLY RETIREMENT BENEFIT

### ***Eligibility***

Age 55 and 10 years of service.

(Section 122.08(2)(a))

### ***Benefit Amount***

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

(Section 122.08(2)(a))

## DISABILITY RETIREMENT

### ***Eligibility***

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

### ***Benefit Amount***

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

(Section 122.09)

### ***Minimum Benefit***

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

(Section 122.28(2))

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

Straight life annuity. No optional form may be elected.

(Section 122.08(6))

# SUMMARY OF PLAN PROVISIONS

---

## HEALTH INSURANCE SUBSIDY

A monthly subsidy of \$5 per month per year of creditable service, with a minimum of \$30, and a maximum of \$150 per month, shall be paid to retirees and surviving beneficiaries to subsidize health insurance premiums. This benefit is not indexed with the cost of living.

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

(Section 112.363)

## POST-RETIREMENT DEATH BENEFITS

Based on the optional form elected.

(Section 122.08(3))

## PRE-RETIREMENT DEATH BENEFITS

### *Eligibility*

When employment is terminated by death after 10 years of service if member was eligible for normal or early retirement.

### *Benefit Amount*

1. If surviving spouse has received a refund of the member's contributions, no benefit is payable.
2. If surviving spouse has not received a refund of the member's contributions, or has repaid the member's contributions, with interest, the spouse is entitled to receive a benefit, calculated assuming the member had retired on his or her date of death and had chosen a 100% joint & survivor option.

(Section 122.08(9))

# SUMMARY OF PLAN PROVISIONS

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## VESTING

### *Eligibility*

After 10 years of service if member leaves employee contributions in the System.

### *Benefit Amount*

The normal or early retirement benefit based on average final compensation and years of service to the date of retirement.

(Section 122.10(1))

## DROP – DEFERRED RETIREMENT OPTION PROGRAM

### *Eligibility*

Vested SCOERS members are eligible for DROP participation upon attaining eligibility for normal retirement. Deferral of DROP participation for all but K-12 Instructional Personnel is allowed if the eligible participant has completed 30 years of service, and has not reached age 57. In this case the participant can defer participation in DROP until he reaches age 57. Instructional Personnel in grades K-12 may defer DROP participation to any age. Members who reached normal retirement before July 1, 1998 were eligible to participate in DROP for up to 60 months beginning July 1, 1998.

Effective July 1, 1998, eligible members can retire without terminating their employment during DROP participation. Monthly retirement benefits will be invested in the FRS Trust Fund, earning tax-deferred interest while the member continues to work for a maximum of 60 months. Upon completion of the maximum five-year period, DROP participation ends and participants must terminate employment with all FRS employers. At that time, the participant will receive payment of the accumulated DROP benefits, and begin receiving his SCOERS monthly retirement benefit (in the same amount as determined at retirement, plus annual cost-of-living increases).

Effective either July 1, 2003 or July 1, 2004, participants employed in eligible instructional positions with a district school board (2003), the Florida School for the Deaf and Blind (2004), or a developmental research school (2004) can extend their participation beyond their initial 60-month period, for up to an additional 36 months. The employer must approve the request for DROP extension as well as the period of extension granted to an eligible DROP participant, if any, within the 36-month limit.

# SUMMARY OF PLAN PROVISIONS

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## ***Disabled While in DROP***

Participants that became disabled while participating in DROP will continue to accumulate the same monthly benefit in the FRS Trust Fund until termination. Since the normal retirement benefit commenced upon DROP participation, a disability benefit will not be issued.

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

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

(Section 121.091 (13))

## **RETURN OF EMPLOYEE CONTRIBUTIONS**

A member who terminates employment but is not eligible to retire, to receive a vested retirement allowance, or to receive a disability pension, or the beneficiary of a member who passed away before satisfying the requirements for a pre-retirement death benefit, will be entitled to a refund of any employee contributions made.

No interest is credited on employee contribution accounts.

(Section 122.10(1))

## **COST-OF-LIVING BENEFITS**

Retirees and beneficiaries of deceased retirees are eligible each July 1 to receive cost-of-living adjustments to their benefits. The adjustments are identical to those for Florida Retirement System members.

(Section 121.101)

# SUMMARY OF PLAN PROVISIONS

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

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

### **EFFECTIVE DATE**

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

(Section 121.40)

### **MEMBERSHIP**

Employees hired on or before July 1, 1983 who:

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

(Section 121.40)

### **MEMBER CONTRIBUTIONS**

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

### **EMPLOYER CONTRIBUTIONS**

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

(Section 121.40)



# SUMMARY OF PLAN PROVISIONS

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## NORMAL RETIREMENT BENEFIT

### *Eligibility*

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

(Section 121.40)

### *Normal Form*

Straight life benefit (Option 1).

(Section 121.40)

### *Optional Forms*

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

(Section 121.40)

### *Regular Benefit Amount*

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

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

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

## SUMMARY OF PLAN PROVISIONS

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

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

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

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

### **Credited Service**

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

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

## SUMMARY OF PLAN PROVISIONS

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

(Section 121.40))

### MAXIMUM BENEFIT

No maximum.

### MINIMUM BENEFIT

No minimum.

### EARLY RETIREMENT BENEFIT

None.

### DISABILITY RETIREMENT

None.

### HEALTH INSURANCE SUBSIDY

IFAS members are not eligible for the Health Insurance Subsidy.



# SUMMARY OF PLAN PROVISIONS

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## POST-RETIREMENT DEATH BENEFITS

Based on the optional form elected.

(Section 122.40)

## PRE-RETIREMENT DEATH BENEFITS

### ***Eligibility***

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

### ***Benefit Amount***

The regular benefit amount for which the member would have been eligible had the member retired on his or her date of death and elected the 100% joint and survivor form of payment in favor of his or her surviving spouse or other dependent. The monthly benefit commences upon the beneficiary attaining age 62 and is payable to the member's beneficiary for the beneficiary's lifetime.

(Section 121.40)

## VESTING

### ***Eligibility***

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

### ***Benefit Amount***

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

(Section 121.40)

# SUMMARY OF PLAN PROVISIONS

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## **DROP – DEFERRED RETIREMENT OPTION PROGRAM**

### ***Eligibility***

IFAS members are not eligible for DROP.

## **COST-OF-LIVING BENEFITS**

Retirees and beneficiaries of deceased retirees are eligible each July 1 to receive cost-of-living adjustments to their benefits. The adjustments are identical to those for Florida Retirement System members.

(Section 121.40)

# APPENDIX C

## MEMBERSHIP DATA



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

## MEMBERSHIP DATA

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This valuation is based upon the membership of the System as of July 1, 2008.

The membership of the System includes employees of the State of Florida and participating political subdivisions. The membership is divided into several categories by System.

Tables C-1 through C-5 present distributions of members receiving service or disability retirement benefits, and of beneficiaries of deceased members. Shown in the tables are the numbers of persons receiving benefits and the total annual benefits received.

Table C-6 summarizes the DROP membership and provides total annual benefits received.

Tables C-7 through C-27 contain summaries of the active members in each category of membership. Values shown in the tables are the numbers of members and their total annual salaries. Table C-27 is the grand total of Tables C-7 through C-26.

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

**Table C-1**  
**Florida Retirement System**  
**Annuitants at July 1, 2008**  
**Regular and Early Retirement by Age**

Age	Men	Women	Total
<b>Number of Persons</b>			
Under 50	1,604	2,040	3,644
50 to 54	2,675	3,295	5,970
55 to 59	8,632	12,532	21,164
60 to 64	18,264	27,008	45,272
65 to 69	21,482	34,372	55,854
70 to 74	17,703	28,620	46,323
75 to 79	13,494	22,607	36,101
80 & Up	14,694	31,696	46,390
Total	98,548	162,170	260,718
<b>Annual Benefits (in Thousands)</b>			
Under 50	\$16,469	\$17,467	\$33,936
50 to 54	62,301	36,405	98,706
55 to 59	207,988	179,013	387,001
60 to 64	428,796	434,380	863,176
65 to 69	433,533	498,416	931,949
70 to 74	338,565	406,058	744,623
75 to 79	262,366	324,125	586,491
80 & Up	252,791	402,006	654,797
Total	\$2,002,809	\$2,297,870	\$4,300,679



**Table C-2**  
**Florida Retirement System**  
**Annuitants at July 1, 2008**  
**Disability Retirement by Age**

Age	Men	Women	Total
<b>Number of Persons</b>			
Under 50	498	666	1,164
50 to 54	685	1,053	1,738
55 to 59	965	1,660	2,625
60 to 64	1,119	1,795	2,914
65 to 69	739	1,260	1,999
70 to 74	392	617	1,009
75 to 79	213	341	554
80 & Up	228	480	708
<b>Total</b>	<b>4,839</b>	<b>7,872</b>	<b>12,711</b>

<b>Annual Benefits (in Thousands)</b>			
Under 50	\$7,360	\$7,312	\$14,672
50 to 54	9,998	11,755	21,753
55 to 59	13,211	18,908	32,119
60 to 64	15,179	20,017	35,196
65 to 69	9,523	13,865	23,388
70 to 74	4,697	6,183	10,880
75 to 79	2,400	2,945	5,345
80 & Up	2,331	4,016	6,347
<b>Total</b>	<b>\$64,699</b>	<b>\$85,001</b>	<b>\$149,700</b>

**Table C-3**  
**Florida Retirement System**  
**Potential Annuitants at July 1, 2008**  
**Vested Terminated Members by Age for the Regular,**  
**Senior Management, and Elected Officers' Classes**

Age	Men	Women	Total
<b>Number of Persons</b>			
Under 30	109	307	416
30 to 34	780	2,661	3,441
35 to 39	2,213	6,105	8,318
40 to 44	3,286	8,117	11,403
45 to 49	5,133	11,150	16,283
50 to 54	5,956	12,310	18,266
55 to 59	4,808	9,383	14,191
60 & Up	3,297	6,778	10,075
<b>Total</b>	<b>25,582</b>	<b>56,811</b>	<b>82,393</b>
<b>Annual Benefits (in Thousands) *</b>			
Under 30	\$303	\$710	\$1,013
30 to 34	2,730	9,410	12,140
35 to 39	10,815	27,261	38,076
40 to 44	20,282	41,932	62,214
45 to 49	37,251	63,469	100,720
50 to 54	46,200	74,085	120,285
55 to 59	39,104	57,874	96,978
60 & Up	22,551	31,340	53,891
<b>Total</b>	<b>\$179,236</b>	<b>\$306,081</b>	<b>\$485,317</b>

\* Deferred to Age 62

**Table C-4**  
**Florida Retirement System**  
**Potential Annuitants at July 1, 2008**  
**Vested Terminated Members by Age for the**  
**Special Risk Regular & Administrative Support Classes**

Age	Men	Women	Total
<b>Number of Persons</b>			
Under 30	36	15	51
30 to 34	263	130	393
35 to 39	766	319	1,085
40 to 44	1,039	387	1,426
45 to 49	907	342	1,249
50 to 54	550	199	749
55 to 59	192	65	257
60 & Up	86	33	119
Total	3,839	1,490	5,329

<b>Annual Benefits (in Thousands) *</b>			
Under 30	\$290	\$106	\$396
30 to 34	2,088	936	3,024
35 to 39	7,497	2,878	10,375
40 to 44	12,825	4,564	17,389
45 to 49	12,460	4,712	17,172
50 to 54	7,659	2,853	10,512
55 to 59	2,643	758	3,401
60 & Up	992	370	1,362
Total	\$46,454	\$17,177	\$63,631

\* Deferred to Age 55

# MEMBERSHIP DATA

**Table C-5**  
**Florida Retirement System**  
**Annuitants and Potential Annuitants at July 1, 2008**  
**All Types of Retirement by System**

System	Annuitants	Potential Annuitants	Total
<b>Number of Persons</b>			
Regular	247,283	81,152	328,435
Senior Management	1,702	893	2,595
Special Risk	22,414	5,309	27,723
Special Risk Administrative	164	20	184
Judges	632	35	667
Legislative/Attorneys/Cabinet	168	81	249
County Officials	1,066	232	1,298
Total	273,429	87,722	361,151

<b>Annual Benefits (in Thousands)</b>			
Regular	\$3,654,137	\$463,656	\$4,117,793
Senior Management	68,479	16,577	85,056
Special Risk	648,827	63,486	712,313
Special Risk Administrative	5,202	145	5,347
Judges	42,231	1,759	43,990
Legislative/Attorneys/Cabinet	4,459	859	5,318
County Officials	26,980	2,466	29,446
Total	\$4,450,315	\$548,948	\$4,999,263

**Table C-6**  
**Florida Retirement System**  
**Annuitants at July 1, 2008**  
**DROP Members \***

Age		Men	Women	Total
Number of Persons				
Under	50	191	44	235
	50 to 54	1,306	1,422	2,728
	55 to 59	3,729	6,150	9,879
	60 to 64	4,481	8,128	12,609
	65 to 69	1,730	3,832	5,562
	70 to 74	73	123	196
	75 to 79	13	19	32
	80 & Up	3	9	12
Total		11,526	19,727	31,253

		Annual Benefits (in Thousands)		
Under	50	\$10,406	\$1,997	\$12,403
	50 to 54	58,981	36,968	95,949
	55 to 59	131,065	173,884	304,949
	60 to 64	111,781	164,199	275,980
	65 to 69	31,619	56,119	87,738
	70 to 74	1,058	1,800	2,858
	75 to 79	54	143	197
	80 & Up	5	112	117
Total		\$344,969	\$435,222	\$780,191

\* Amounts include all DROP applicants processed by the data collection date.

# MEMBERSHIP DATA

**Table C-7  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
FRS - Regular: Men**

AGE	SERVICE UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	427	4,620,806				
20 to 24	4,702	101,662,803	130	3,388,196		
25 to 29	8,470	262,960,522	2,157	74,599,403	58	2,087,791
30 to 34	5,951	198,096,046	4,822	197,327,740	1,303	56,688,751
35 to 39	5,290	177,408,378	4,782	199,450,895	4,157	201,370,235
40 to 44	5,115	172,392,252	4,257	176,134,085	3,961	187,739,595
45 to 49	5,530	185,956,770	4,734	195,033,217	4,021	189,228,387
50 to 54	4,912	162,402,744	4,753	194,253,579	4,017	185,437,616
55 to 59	4,284	139,578,620	4,174	170,957,671	3,850	176,567,518
60 to 64	2,516	77,957,589	3,286	131,211,546	2,537	114,209,747
65 & UP	1,810	36,675,110	2,360	68,630,811	1,446	52,200,714
TOTALS	49,007	1,519,711,640	35,455	1,410,987,143	25,350	1,165,530,354

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	52	2,476,312				
35 to 39	1,264	62,677,249	91	4,455,158		
40 to 44	3,664	195,675,196	1,732	90,823,290	96	5,148,770
45 to 49	4,195	221,635,840	4,336	250,775,598	1,634	90,925,882
50 to 54	4,052	213,749,024	4,299	248,580,767	3,578	218,881,123
55 to 59	3,856	201,751,563	3,724	219,164,496	3,073	195,471,913
60 to 64	2,418	126,149,856	1,954	115,249,407	1,274	81,134,371
65 & UP	897	41,325,927	449	25,066,837	205	13,836,236
TOTALS	20,398	1,065,440,967	16,585	954,115,553	9,860	605,398,295

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	70	3,484,635				
50 to 54	1,074	63,805,223	56	2,967,113		
55 to 59	1,225	81,544,483	198	12,225,710		
60 to 64	340	24,585,054	135	10,379,228	16	1,017,910
65 & UP	149	11,869,698	110	10,185,866	41	3,579,811
TOTALS	2,858	185,289,093	499	35,757,917	57	4,597,721

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		SERVICE ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					427	4,620,806
20 to 24					4,832	105,050,999
25 to 29					10,685	339,647,716
30 to 34					12,128	454,588,849
35 to 39					15,584	645,361,915
40 to 44					18,825	827,913,188
45 to 49					24,520	1,137,040,329
50 to 54					26,741	1,290,077,189
55 to 59					24,384	1,197,261,974
60 to 64					14,476	681,894,708
65 & UP	9	681,590	2	175,691	7,478	264,228,291
TOTALS	9	681,590	2	175,691	160,080	6,947,685,964

# MEMBERSHIP DATA

**Table C-8  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
FRS - Regular: Women**

AGE	SERVICE UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	785	6,569,514			1	45,530
20 to 24	9,882	214,816,190	234	5,209,760		
25 to 29	22,318	695,348,996	5,800	199,276,390	95	3,142,845
30 to 34	14,472	426,408,732	13,440	504,189,774	3,628	143,728,171
35 to 39	13,107	354,939,969	12,182	428,640,170	11,063	467,076,877
40 to 44	12,362	313,296,210	11,506	371,434,390	9,785	378,864,317
45 to 49	11,584	299,815,184	12,056	374,378,755	10,603	383,767,613
50 to 54	9,146	245,856,738	10,511	338,229,254	10,170	367,593,223
55 to 59	6,627	182,165,485	7,864	259,252,764	8,024	299,639,348
60 to 64	3,314	81,187,798	4,869	153,115,809	4,138	147,720,754
65 & UP	1,882	32,992,012	2,520	57,137,223	1,669	44,625,248
TOTALS	105,479	2,853,396,828	80,982	2,690,864,289	59,176	2,236,203,926

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	47,318				
25 to 29	1	11,796	2	86,086		
30 to 34	59	2,421,120				
35 to 39	3,273	147,562,384	134	5,836,359	1	28,080
40 to 44	9,014	430,747,240	3,722	179,302,574	132	6,754,947
45 to 49	9,009	400,577,978	9,238	478,013,968	3,571	181,227,525
50 to 54	9,559	415,642,179	9,133	451,040,492	8,403	472,395,501
55 to 59	9,003	398,314,593	9,080	452,461,588	6,917	380,040,609
60 to 64	4,482	198,261,527	4,954	245,656,542	3,258	169,951,990
65 & UP	1,128	37,248,166	792	30,037,975	399	16,035,114
TOTALS	45,529	2,030,834,301	37,055	1,842,435,584	22,681	1,226,433,766

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	126	5,761,259				
50 to 54	1,958	111,169,192	34	1,662,922		
55 to 59	2,311	143,430,532	263	15,573,821		
60 to 64	565	29,674,842	200	12,542,364	20	1,131,956
65 & UP	230	10,148,157	107	4,925,185	30	1,749,485
TOTALS	5,190	300,183,982	604	34,704,292	50	2,881,441

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		SERVICE ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					786	6,615,044
20 to 24					10,117	220,073,268
25 to 29					28,216	897,866,113
30 to 34					31,599	1,076,747,797
35 to 39					39,760	1,404,083,839
40 to 44					46,521	1,680,399,678
45 to 49					56,187	2,123,542,282
50 to 54					58,914	2,403,589,501
55 to 59					50,089	2,130,878,740
60 to 64					25,800	1,039,243,582
65 & UP	5	313,878	7	627,640	8,769	235,840,083
TOTALS	5	313,878	7	627,640	356,758	13,218,879,927



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

# MEMBERSHIP DATA

**Table C-9  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
FRS - Special Risk: Men**

AGE	SERVICE UNDER 5		SERVICE 5 TO 10		SERVICE 10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	31	679,141				
20 to 24	2,891	98,790,614	74	2,960,056		
25 to 29	4,391	174,752,025	1,861	87,549,877	18	887,632
30 to 34	2,808	114,932,752	3,134	160,117,232	1,142	62,677,270
35 to 39	1,902	80,457,609	2,805	149,364,700	2,986	177,534,668
40 to 44	1,204	49,909,981	1,553	81,312,843	1,843	108,776,393
45 to 49	813	34,732,770	919	46,336,580	971	53,019,191
50 to 54	496	20,916,768	653	32,680,891	696	35,715,433
55 to 59	267	11,124,258	422	20,080,074	377	18,498,151
60 to 64	85	3,321,842	254	12,526,074	210	11,142,606
65 & UP	15	618,581	49	2,087,550	51	2,938,814
TOTALS	14,903	590,236,341	11,724	595,015,877	8,294	471,190,158

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	20	1,194,953				
35 to 39	1,397	89,975,505	48	3,656,276		
40 to 44	2,545	170,281,581	1,616	119,215,573	37	2,645,500
45 to 49	1,567	102,413,924	2,337	174,969,732	816	67,832,430
50 to 54	826	50,375,629	1,198	85,822,533	769	63,824,881
55 to 59	374	22,375,874	321	21,490,699	219	15,936,692
60 to 64	181	9,785,600	125	7,743,505	77	5,783,265
65 & UP	45	2,566,029	32	2,081,259	13	1,007,699
TOTALS	6,955	448,969,095	5,677	414,979,577	1,931	157,030,467

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	11	914,480				
50 to 54	166	14,030,146				
55 to 59	80	6,075,046	6	520,979		
60 to 64	24	2,004,674	5	398,324	1	100,951
65 & UP	5	305,451	3	178,214		
TOTALS	286	23,329,797	14	1,097,517	1	100,951

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					31	679,141
20 to 24					2,965	101,750,670
25 to 29					6,270	263,189,534
30 to 34					7,104	338,922,207
35 to 39					9,138	500,988,758
40 to 44					8,798	532,141,871
45 to 49					7,434	480,219,107
50 to 54					4,804	303,366,281
55 to 59					2,066	116,101,773
60 to 64					962	52,806,841
65 & UP					213	11,783,597
TOTALS					49,785	2,701,949,780

# MEMBERSHIP DATA

**Table C-10**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2008**  
**FRS - Special Risk: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	8	156,875				
20 to 24	964	30,355,221	11	499,092		
25 to 29	1,606	56,342,439	555	23,626,306	5	266,869
30 to 34	897	32,458,344	1,047	47,136,013	353	16,817,905
35 to 39	680	24,965,076	830	37,770,140	895	47,232,356
40 to 44	358	13,110,521	501	23,258,340	606	31,163,376
45 to 49	261	9,345,798	314	13,756,356	396	20,381,378
50 to 54	162	6,178,093	186	8,317,896	244	11,232,886
55 to 59	80	2,986,044	103	4,350,658	120	5,583,982
60 to 64	26	968,095	36	1,504,803	41	1,804,357
65 & UP	2	48,576	6	217,520	15	755,324
TOTALS	5,044	176,915,082	3,589	160,437,124	2,675	135,238,433

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	2	87,768				
35 to 39	315	19,033,285	9	553,923		
40 to 44	671	40,614,064	387	25,495,558	8	494,032
45 to 49	468	26,745,033	668	42,924,922	172	12,384,561
50 to 54	291	15,525,177	342	21,197,105	241	15,604,191
55 to 59	122	6,418,247	113	6,297,428	73	4,679,926
60 to 64	51	2,686,398	21	1,205,405	15	803,524
65 & UP	7	293,715	5	320,118	2	97,496
TOTALS	1,927	111,403,687	1,545	97,994,459	511	34,063,730

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	3	226,401				
50 to 54	27	2,007,608	1	87,550		
55 to 59	19	1,485,106	1	120,211		
60 to 64	1	59,812				
65 & UP	1	53,995				
TOTALS	51	3,832,922	2	207,761		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					8	156,875
20 to 24					975	30,854,313
25 to 29					2,166	80,235,614
30 to 34					2,299	96,500,030
35 to 39					2,729	129,554,780
40 to 44					2,531	134,135,891
45 to 49					2,282	125,764,449
50 to 54					1,494	80,150,506
55 to 59					631	31,921,602
60 to 64					191	9,032,394
65 & UP					38	1,786,744
TOTALS					15,344	720,093,198

# MEMBERSHIP DATA

**Table C-11  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
FRS - Special Risk Administrative Support: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					3	118,987
35 to 39			1	38,660	4	187,324
40 to 44					4	165,248
45 to 49			1	36,316	1	39,107
50 to 54					1	39,640
55 to 59			1	39,066	1	47,097
60 to 64					1	34,154
65 & UP						
TOTALS			3	114,042	15	631,557

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	1	48,000				
40 to 44	4	191,491	6	283,291		
45 to 49	2	116,905	3	198,553		
50 to 54			2	106,111	4	193,702
55 to 59	2	81,743			1	41,263
60 to 64	1	37,403				
65 & UP						
TOTALS	10	475,542	11	587,955	5	234,965

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	1	55,707				
55 to 59						
60 to 64						
65 & UP						
TOTALS	1	55,707				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					3	118,987
35 to 39					6	273,984
40 to 44					14	640,030
45 to 49					7	390,881
50 to 54					8	395,160
55 to 59					5	209,169
60 to 64					2	71,557
65 & UP						
TOTALS					45	2,099,768

# MEMBERSHIP DATA

**Table C-12  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
FRS - Special Risk Administrative Support: Women**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	5 TO 10	10 TO 15	10 TO 15	10 TO 15
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	1	27,146			4	167,336
40 to 44						
45 to 49					1	42,975
50 to 54						
55 to 59						
60 to 64						
65 & UP						
TOTALS	1	27,146			5	210,311

AGE	SERVICE		SERVICE		SERVICE	
	15 TO 20	20 TO 25	20 TO 25	25 TO 30	25 TO 30	25 TO 30
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	1	47,866	1	47,591		
40 to 44	2	93,234	1	45,462		
45 to 49			1	35,386	1	35,012
50 to 54			1	33,019	3	161,169
55 to 59						
60 to 64						
65 & UP						
TOTALS	3	141,100	4	161,458	4	196,181

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

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	ALL YEARS	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39					7	289,939
40 to 44					3	138,696
45 to 49					3	113,373
50 to 54					4	194,188
55 to 59						
60 to 64						
65 & UP						
TOTALS					17	736,196

# MEMBERSHIP DATA

**Table C-13  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
EOC - Judicial: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	1	11,418				
35 to 39	4	564,200	6	822,687	5	694,420
40 to 44	6	761,100	11	1,572,449	7	999,440
45 to 49	6	732,309	20	2,860,559	10	1,426,620
50 to 54	9	1,297,660	20	2,897,685	26	3,674,050
55 to 59	8	1,114,611	21	3,022,500	19	2,717,814
60 to 64	15	2,156,683	29	4,215,475	21	3,022,500
65 & UP	2	290,160	5	719,677	13	1,888,125
TOTALS	51	6,928,141	112	16,111,032	101	14,422,969

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44	9	1,206,800				
45 to 49	11	1,565,876	7	991,380		
50 to 54	27	3,808,048	19	2,692,329	21	2,975,105
55 to 59	31	4,497,569	29	4,173,629	37	5,328,078
60 to 64	23	3,297,917	21	2,982,958	19	2,756,520
65 & UP	5	725,400	4	580,387		
TOTALS	106	15,101,610	80	11,420,683	77	11,059,703

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59	5	710,021				
60 to 64	3	435,240	1	137,020		
65 & UP	1	145,080				
TOTALS	9	1,290,341	1	137,020		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					1	11,418
35 to 39					15	2,081,307
40 to 44					33	4,539,789
45 to 49					54	7,576,744
50 to 54					122	17,344,877
55 to 59					150	21,564,222
60 to 64					132	19,004,313
65 & UP					30	4,348,829
TOTALS					537	76,471,499

# MEMBERSHIP DATA

**Table C-14**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2008**  
**EOC - Judicial: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	1	145,080				
35 to 39	3	413,057	3	411,060	6	830,318
40 to 44	4	573,361	9	1,215,595	11	1,442,486
45 to 49	7	1,015,560	9	1,283,463	13	1,827,007
50 to 54	9	1,273,644	9	1,268,162	10	1,434,680
55 to 59	1	137,020	7	1,015,560	6	854,360
60 to 64	1	145,080	2	290,160	5	741,520
65 & UP			1	145,080	3	435,240
TOTALS	26	3,702,802	40	5,629,080	54	7,565,611

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	1	137,020				
40 to 44	5	709,280				
45 to 49	8	1,121,275	11	1,545,420	1	139,413
50 to 54	18	2,544,958	15	2,121,300	5	709,280
55 to 59	16	2,281,230	22	3,155,092	13	1,864,780
60 to 64	6	854,399	4	580,320	6	886,600
65 & UP	1	145,080				
TOTALS	55	7,793,242	52	7,402,132	25	3,600,073

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59	1	145,080				
60 to 64						
65 & UP						
TOTALS	1	145,080				

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					1	145,080
35 to 39					13	1,791,455
40 to 44					29	3,940,722
45 to 49					49	6,932,138
50 to 54					66	9,352,024
55 to 59					66	9,453,122
60 to 64					24	3,498,079
65 & UP					5	725,400
TOTALS					253	35,838,020

# MEMBERSHIP DATA

**Table C-15**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2008**  
**EOC - Legislators/Attorneys/Cabinet: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	3	77,816	2	63,864	1	31,932
35 to 39	1	31,932	2	76,212	2	62,316
40 to 44	2	63,864	4	127,728	3	95,796
45 to 49			7	318,991	1	32,552
50 to 54	3	70,517	5	151,805	8	356,456
55 to 59	2	64,691	3	95,796	3	316,676
60 to 64	2	63,864	3	217,004	4	126,792
65 & UP	4	127,728	5	159,660		
TOTALS	17	500,412	31	1,211,060	22	1,022,520

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	2	63,864	2	63,864		
50 to 54	2	74,880	2	185,072	1	153,140
55 to 59	3	459,420	1	153,140	1	31,932
60 to 64	1	30,384			2	63,864
65 & UP	1	31,932				
TOTALS	9	660,480	5	402,076	4	248,936

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59	2	185,072				
60 to 64	1	153,140				
65 & UP					1	153,140
TOTALS	3	338,212			1	153,140

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					6	173,612
35 to 39					5	170,460
40 to 44					9	287,388
45 to 49					12	479,271
50 to 54					21	991,870
55 to 59					15	1,306,727
60 to 64					13	655,048
65 & UP					11	472,460
TOTALS					92	4,536,836

# MEMBERSHIP DATA

**Table C-16  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
EOC - Legislators/Attorneys/Cabinet: Women**

AGE	SERVICE		SERVICE		SERVICE	
	UNDER 5	5 TO 10	5 TO 10	10 TO 15	10 TO 15	10 TO 15
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44					1	31,932
45 to 49	2	63,864	1	31,932	2	63,864
50 to 54	1	31,932	2	63,864	1	153,140
55 to 59			3	95,796		
60 to 64	1	31,932	1	31,932		
65 & UP			3	95,796	1	31,932
TOTALS	4	127,728	10	319,320	5	280,868

AGE	SERVICE		SERVICE		SERVICE	
	15 TO 20	20 TO 25	20 TO 25	25 TO 30	25 TO 30	25 TO 30
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44	2	151,439				
45 to 49						
50 to 54	1	153,140	4	248,936		
55 to 59						
60 to 64			2	185,072		
65 & UP			1	31,932		
TOTALS	3	304,579	7	465,940		

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	35 TO 40	40 TO 45	40 TO 45	40 TO 45
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59	2	295,409				
60 to 64						
65 & UP						
TOTALS	2	295,409				

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	ALL YEARS	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44					3	183,371
45 to 49					5	159,660
50 to 54					9	651,012
55 to 59					5	391,205
60 to 64					4	248,936
65 & UP					5	159,660
TOTALS					31	1,793,844



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# MEMBERSHIP DATA

**Table C-17**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2008**  
**EOC - County Officials: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29	4	122,342				
30 to 34	5	114,822				
35 to 39	6	292,348	9	346,923	4	122,731
40 to 44	12	352,403	12	524,289	9	337,670
45 to 49	17	648,600	24	629,276	12	499,873
50 to 54	27	975,635	28	1,075,268	18	914,365
55 to 59	17	312,793	17	1,210,070	22	784,503
60 to 64	22	737,365	28	1,245,986	15	549,811
65 & UP	24	613,435	37	1,266,534	24	713,389
TOTALS	134	4,169,743	155	6,298,346	104	3,922,342

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	4	345,311				
40 to 44	9	632,765	2	198,946	1	96,851
45 to 49	11	674,068	9	702,792		
50 to 54	15	700,432	10	384,006	8	854,217
55 to 59	25	1,544,127	9	443,536	10	946,264
60 to 64	16	903,880	12	898,985	6	544,128
65 & UP	17	722,374	10	477,441	2	40,482
TOTALS	97	5,522,957	52	3,105,706	27	2,481,942

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	3	287,480				
55 to 59	6	566,688	2	203,869		
60 to 64	2	66,602				
65 & UP	3	193,284	2	313,832		
TOTALS	14	1,114,054	4	517,701		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29					4	122,342
30 to 34					5	114,822
35 to 39					23	1,107,313
40 to 44					45	2,142,924
45 to 49					73	3,154,609
50 to 54					109	5,191,403
55 to 59					108	6,011,850
60 to 64					101	4,946,757
65 & UP					119	4,340,771
TOTALS					587	27,132,791



# MEMBERSHIP DATA

**Table C-18  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
EOC - County Officials: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	2	31,250	1	76,506	1	24,199
35 to 39	5	151,167	1	3,600	5	149,989
40 to 44	5	135,614	5	199,358	7	255,429
45 to 49	2	93,287	7	378,163	2	168,321
50 to 54	6	128,895	24	959,020	14	456,212
55 to 59	15	581,052	18	920,454	11	960,952
60 to 64	12	352,912	19	914,480	12	525,289
65 & UP	13	549,833	12	453,682	12	502,460
TOTALS	60	2,024,010	87	3,905,263	64	3,042,851

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39	3	269,180				
40 to 44	3	166,458	2	195,610		
45 to 49	5	185,420	6	419,123	1	92,841
50 to 54	10	642,006	14	1,042,245	6	564,468
55 to 59	17	1,163,161	6	402,029	5	371,745
60 to 64	15	957,481	6	368,120	5	545,127
65 & UP	5	168,276	1	38,067		
TOTALS	58	3,551,982	35	2,465,194	17	1,574,181

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	6	615,125				
55 to 59	9	736,998	2	230,162		
60 to 64	1	102,453	2	179,477		
65 & UP						
TOTALS	16	1,454,576	4	409,639		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34					4	131,955
35 to 39					14	573,936
40 to 44					22	952,469
45 to 49					23	1,337,155
50 to 54					80	4,407,971
55 to 59					83	5,366,553
60 to 64					72	3,945,339
65 & UP					43	1,712,318
TOTALS					341	18,427,696



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# MEMBERSHIP DATA

**Table C-19**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2008**  
**FRS - Senior Management Service: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	37,047				
25 to 29	184	7,368,094	2	101,600		
30 to 34	130	5,966,205	68	4,106,695	15	1,028,229
35 to 39	68	4,000,079	81	5,524,007	67	5,530,513
40 to 44	52	3,242,495	61	4,754,750	76	6,278,236
45 to 49	44	3,280,958	48	3,362,332	71	6,791,522
50 to 54	36	3,070,827	61	6,059,324	78	7,271,006
55 to 59	47	4,205,152	68	6,384,425	106	10,916,159
60 to 64	29	2,773,069	56	5,009,696	60	6,195,339
65 & UP	11	1,014,783	19	1,872,277	27	2,898,742
TOTALS	602	34,958,709	464	37,175,106	500	46,909,746

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	1	73,546				
35 to 39	18	1,376,229	1	64,575		
40 to 44	110	10,160,993	21	1,981,087	1	89,957
45 to 49	104	10,291,328	147	14,314,811	29	2,751,925
50 to 54	113	11,271,117	186	19,010,086	145	16,510,851
55 to 59	99	10,523,766	127	13,683,086	149	16,579,792
60 to 64	68	7,386,225	64	6,829,667	34	3,920,461
65 & UP	25	2,335,908	7	925,698	4	544,043
TOTALS	538	53,419,112	553	56,809,010	362	40,397,029

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54	33	3,382,084				
55 to 59	61	7,625,108	7	797,368		
60 to 64	12	1,841,298	4	540,279	1	141,830
65 & UP	3	351,393	6	776,075	4	876,085
TOTALS	109	13,199,883	17	2,113,722	5	1,017,915

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	37,047
25 to 29					186	7,469,694
30 to 34					214	11,174,675
35 to 39					235	16,495,403
40 to 44					321	26,507,518
45 to 49					443	40,792,876
50 to 54					652	66,575,295
55 to 59					664	70,714,856
60 to 64					328	34,637,864
65 & UP					106	11,595,004
TOTALS					3,150	286,000,232

# MEMBERSHIP DATA

**Table C-20  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
FRS - Senior Management Service: Women**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	42,002				
25 to 29	213	8,838,844	7	392,530		
30 to 34	128	5,969,949	107	6,005,245	12	813,809
35 to 39	72	3,426,151	95	5,794,112	90	6,674,234
40 to 44	41	2,352,441	62	3,996,016	88	6,540,023
45 to 49	32	2,228,157	44	3,098,035	74	5,488,527
50 to 54	22	1,504,201	39	3,376,790	72	6,012,514
55 to 59	26	2,261,247	35	3,093,659	45	3,758,360
60 to 64	5	455,220	19	1,322,434	20	1,421,367
65 & UP	2	97,786	6	473,461	5	286,155
TOTALS	542	27,175,998	414	27,552,282	406	30,994,989

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34	1	57,495				
35 to 39	40	2,964,948	1	88,035		
40 to 44	124	9,982,855	47	3,511,297	1	95,339
45 to 49	118	9,974,444	136	12,579,208	62	5,559,261
50 to 54	95	9,062,087	141	12,972,813	140	13,519,185
55 to 59	78	7,500,168	104	10,529,878	119	11,682,562
60 to 64	25	2,383,533	40	3,877,195	49	4,607,859
65 & UP	6	412,670	3	243,796	3	345,550
TOTALS	487	42,338,200	472	43,802,222	374	35,809,756

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	4	346,015				
50 to 54	34	3,294,292	1	67,490		
55 to 59	39	4,078,783	3	242,291		
60 to 64	5	487,413	1	92,034		
65 & UP	3	249,383	1	266,819		
TOTALS	85	8,455,886	6	668,634		

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24					1	42,002
25 to 29					220	9,231,374
30 to 34					248	12,846,498
35 to 39					298	18,947,480
40 to 44					363	26,477,971
45 to 49					470	39,273,647
50 to 54					544	49,809,372
55 to 59					449	43,146,948
60 to 64					164	14,647,055
65 & UP	1	100,020			30	2,475,640
TOTALS	1	100,020			2,787	216,897,987

# MEMBERSHIP DATA

**Table C-21  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
TRS - Teachers' Retirement System: Men**

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

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

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64			4	427,059	2	128,848
65 & UP			7	773,015	5	457,835
TOTALS			11	1,200,074	7	586,683

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64					6	555,907
65 & UP					12	1,230,850
TOTALS					18	1,786,757

# MEMBERSHIP DATA

**Table C-22**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2008**  
**TRS - Teachers' Retirement System: Women**

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

AGE	SERVICE		SERVICE		SERVICE	
	15 TO 20	20 TO 25	20 TO 25	25 TO 30	25 TO 30	25 TO 30
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59					1	86,213
60 to 64			1	76,516	1	56,350
65 & UP						
TOTALS			1	76,516	2	142,563

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	35 TO 40	40 TO 45	40 TO 45	40 TO 45
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59			1	53,005		
60 to 64			17	1,194,980	6	452,900
65 & UP			4	261,222	5	439,391
TOTALS			22	1,509,207	11	892,291

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	ALL YEARS	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59					2	139,218
60 to 64					25	1,780,746
65 & UP	2	164,086			11	864,699
TOTALS	2	164,086			38	2,784,663

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# MEMBERSHIP DATA

**Table C-23**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2008**  
**SCOERS - State & County Officers' Employees' R.S.: Me**

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

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

AGE	SERVICE		SERVICE		SERVICE	
	30 TO 35	35 TO 40	35 TO 40	40 TO 45	40 TO 45	40 TO 45
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64			1	47,294	1	35,664
65 & UP						
TOTALS			1	47,294	1	35,664

AGE	SERVICE		SERVICE		SERVICE	
	45 TO 50	50 & UP	50 & UP	ALL YEARS	ALL YEARS	ALL YEARS
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64					2	82,958
65 & UP						
TOTALS					2	82,958



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# MEMBERSHIP DATA

**Table C-24  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
SCOERS - State & County Officers' Employees' R.S.: Women**

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

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

AGE	30 TO 35		SERVICE 35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64			1	27,422		
65 & UP			1	19,958		
TOTALS			2	47,380		

AGE	45 TO 50		SERVICE 50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64					1	27,422
65 & UP					1	19,958
TOTALS					2	47,380

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# MEMBERSHIP DATA

**Table C-25  
Florida Retirement System  
Members and Their Salaries at July 1, 2008  
IFAS - Institute of Food and Agricultural Sciences: Men**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59						
60 to 64			1	118,057		
65 & UP						
TOTALS			1	118,057		

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54			1	86,456		
55 to 59			12	1,172,162	2	141,067
60 to 64			13	1,242,568	1	86,097
65 & UP			4	316,014		
TOTALS			30	2,817,200	3	227,164

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

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54					1	86,456
55 to 59					14	1,313,229
60 to 64					15	1,446,722
65 & UP					4	316,014
TOTALS					34	3,162,421

# MEMBERSHIP DATA

**Table C-26**  
**Florida Retirement System**  
**Members and Their Salaries at July 1, 2008**  
**IFAS - Institute of Food and Agricultural Sciences: Women**

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

AGE	SERVICE 15 TO 20		SERVICE 20 TO 25		SERVICE 25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54			1	57,312	3	208,316
55 to 59			8	568,792	3	271,983
60 to 64			1	84,737		
65 & UP			4	302,329		
TOTALS			14	1,013,170	6	480,299

AGE	SERVICE 30 TO 35		SERVICE 35 TO 40		SERVICE 40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54						
55 to 59	1	62,139				
60 to 64						
65 & UP						
TOTALS	1	62,139				

AGE	SERVICE 45 TO 50		SERVICE 50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49						
50 to 54					4	265,628
55 to 59					12	902,914
60 to 64					1	84,737
65 & UP					4	302,329
TOTALS					21	1,555,608

# MEMBERSHIP DATA

**Table C-27  
Florida Retirement System  
Distribution of Active Participants  
Grand Totals  
July 1, 2008**

AGE	SERVICE					
	UNDER 5		5 TO 10		10 TO 15	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20	1,251	12,026,336			1	45,530
20 to 24	18,441	445,703,877	449	12,057,104		
25 to 29	37,186	1,205,733,262	10,382	385,546,106	176	6,385,137
30 to 34	24,398	784,212,414	22,621	919,023,069	6,458	281,929,253
35 to 39	21,139	646,677,112	20,797	828,243,166	19,288	907,633,317
40 to 44	19,161	556,190,242	17,981	664,529,843	16,401	722,689,941
45 to 49	18,298	537,913,257	18,184	641,503,975	16,178	662,776,937
50 to 54	14,829	443,707,654	16,291	589,333,538	15,355	620,291,221
55 to 59	11,374	344,530,973	12,736	470,518,493	12,584	520,644,920
60 to 64	6,028	170,151,449	8,603	311,723,456	7,064	287,494,236
65 & UP	3,765	73,028,004	5,023	133,259,271	3,266	107,276,143
TOTALS	175,870	5,219,874,580	133,067	4,955,738,021	96,771	4,117,166,635

AGE	SERVICE					
	15 TO 20		20 TO 25		25 TO 30	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24	1	47,318				
25 to 29	1	11,796	2	86,086		
30 to 34	135	6,311,194				
35 to 39	6,317	324,436,977	285	14,701,917	1	28,080
40 to 44	16,162	860,613,396	7,536	421,052,688	276	15,325,396
45 to 49	15,500	775,365,955	16,901	977,534,757	6,287	360,948,850
50 to 54	15,009	723,548,677	15,368	845,580,582	13,327	806,555,129
55 to 59	13,626	656,911,461	13,556	733,695,555	10,623	633,474,819
60 to 64	7,287	352,734,603	7,218	386,980,997	4,747	271,140,156
65 & UP	2,137	85,975,477	1,312	60,421,853	628	31,906,620
TOTALS	76,175	3,785,956,854	62,178	3,440,054,435	35,889	2,119,379,050

AGE	SERVICE					
	30 TO 35		35 TO 40		40 TO 45	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20						
20 to 24						
25 to 29						
30 to 34						
35 to 39						
40 to 44						
45 to 49	214	10,732,790				
50 to 54	3,302	198,646,857	92	4,785,075		
55 to 59	3,761	246,940,465	483	29,967,416		
60 to 64	954	59,410,528	371	25,965,481	47	3,010,059
65 & UP	395	23,316,441	241	17,700,186	86	7,255,747
TOTALS	8,626	539,047,081	1,187	78,418,158	133	10,265,806

AGE	SERVICE					
	45 TO 50		50 & UP		ALL YEARS	
	COUNT	SALARY	COUNT	SALARY	COUNT	SALARY
UNDER 20					1,252	12,071,866
20 to 24					18,891	457,808,299
25 to 29					47,747	1,597,762,387
30 to 34					53,612	1,991,475,930
35 to 39					67,827	2,721,720,569
40 to 44					77,517	3,240,401,506
45 to 49					91,562	3,966,776,521
50 to 54					93,573	4,232,448,733
55 to 59					78,743	3,636,684,102
60 to 64					42,319	1,868,610,965
65 & UP	17	1,259,574	9	803,331	16,879	542,202,647
TOTALS	17	1,259,574	9	803,331	589,922	24,267,963,525

# MEMBERSHIP DATA

**Table C-28**  
**Florida Retirement System**  
**Summary Totals for All Systems**  
**Number, Total Annualized Payroll and Accumulated Employee**  
**Contributions of Active Members by System**

<u>System</u>	<u>Number of</u> <u>Members</u>	<u>Total Payroll</u> <u>Payroll</u> (000's omitted)	<u>Accumulated</u> <u>Employee</u> <u>Contributions</u> (000's omitted)
Florida Retirement System			
Regular	516,838	\$20,781,694	\$30,493
Senior Management	5,937	518,646	1,757
Florida Retirement System - Special Risk			
Non-Administrative	65,129	3,535,957	6,187
Administrative	62	2,925	0
Florida Retirement System - Elected Officers' Class			
Judicial	790	115,031	483
Leg. / Atty. / Cabinet	123	6,482	80
County Elected Off.	928	46,650	380
Teachers Retirement System	56	4,666	5,101
State and County Retirement System	4	133	107
Institute of Food and Agricultural Sciences	55	4,822	15
Total	589,922	\$25,017,006	\$44,603
	Average Annual Salary =	\$42,407	

# APPENDIX D

# PROJECTIONS



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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## PROJECTIONS

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Table D-1 presents a projection of total costs of the employers covered by the Florida Retirement System (exclusive of PEORP) during the five-year period following the actuarial valuation date, July 1, 2008. The contributions shown beginning with plan year 2009-2010 are based on the assumption that the contribution levels calculated in this report and in conjunction with Florida law (see next paragraph) are extended throughout the projection period. The contributions shown for plan year 2008-2009 are based on the rates on page B-4, (after blending) of this report.

Table D-2 projects each existing amortization base as of July 1, 2008. Since the July 1, 1998 actuarial valuation, all UAL in existence as that time are considered to be fully amortized. The UAL amortization payment or credit is made from the surplus for certain post-1998 benefit increases and the 1998 and 2003 experience studies prior to any use of the surplus for contribution rate reductions or any other Florida Retirement System uses.

Table D-3 estimates the available surplus for the next three plan years based on Florida law. The estimates are projections of our July 1, 2008 valuation results, and assume experience occurs as stated in our July 1, 2008 valuation, except that the market value of assets is assumed to earn 7.75% per annum, and some of the stored asset losses will be recognized over this time period.

All three tables also assume that all of the available surplus is used for rate reduction (i.e. applying the 1.40% rate reduction for all classes except DROP.) The amortization methodology recognizes the time value of money.

**Table D-1**  
**Florida Retirement System**  
**Projection of Retirement Costs (Excluding Member Contributions)**  
**July 1, 2008**

(All Amounts in Millions)

	<u>2008</u> <u>-2009</u>	<u>2009</u> <u>-2010</u>	<u>2010</u> <u>-2011</u>	<u>2011</u> <u>-2012</u>	<u>2012</u> <u>-2013</u>
A. Normal Cost *	\$3,079	\$3,171	\$3,257	\$3,336	\$3,415
B. Surplus Utilization	(\$301)	(\$362)	(\$378)	(\$394)	(\$410)
C. Cost for Re-Employment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
D. Total	\$2,750	\$2,809	\$2,879	\$2,942	\$3,005
E. Social Security	<u>\$2,039</u>	<u>\$2,089</u>	<u>\$2,143</u>	<u>\$2,194</u>	<u>\$2,244</u>
F. Grand Total	\$4,817	\$4,898	\$5,022	\$5,136	\$5,249

\* Includes DROP contributions on behalf of DROP members.

**Table D-2**  
**Florida Retirement System – July 1, 2008 Valuation**  
**Funding of UAL / (Surplus) by Duration of Amortization**

Years to Amortize Surplus

	FRS		----- Special Risk -----		-- Elected Officers' Class --			Senior	
	Regular		Regular	Administration	Judicial	Leg-Atty-Cab	County	Management	DROP
Outstanding Balance / (Surplus)	(\$24,443,095)		(\$2,366,755)	(\$8,230)	(\$187,971)	(\$25,298)	(\$14,015)	(\$23,248)	\$18,880,364
UAL Cost / (Savings) (see Table IV-5)	-1.40%		-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	-1.40%	0.00%
Normal Cost Payroll <sup>1</sup>	\$20,772,820		\$3,535,874	\$2,925	\$115,031	\$6,482	\$46,518	\$518,433	\$0
Annual Payment / (Savings) for FY 2009-2010	(\$302,452)		(\$51,482)	(\$43)	(\$1,675)	(\$94)	(\$677)	(\$7,548)	\$0
Amortization Period Calculated Assuming									
Level Dollar	(26)		(20)	(37)	(30)	(41)	(12)	(2)	NA <sup>2</sup>
Level Percent of Payroll	(39)		(28)	(59)	(46)	(68)	(15)	(2)	NA <sup>2</sup>

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

<sup>2</sup> No annual payment, therefore no amortization period.

\* Current annual payment / (savings) will never accumulate to the Surplus if the earned interest rate is 7.75% (N/A for 2008).



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

Updated FY 2009-2010 Forward Based on 07/01/2008 Valuation Results and 07/01/2008 Assets

		In Millions		
		<u>2009 - 10</u>	<u>2010 - 11</u>	<u>2011 - 12</u>
1	Estimated Surplus Available RSM <sup>2</sup>	\$149.8	\$87.4	\$29.0
2	Decrease in Available Surplus from prior year	\$24.2	\$62.4	\$58.4
3	12% Increase in Special Risk benefits (in pay status before 07/01/2000) <sup>3</sup>	(\$22.4)	(\$23.3)	(\$24.3)
4	Special Risk Minimum In-Line-of-Duty Disability Increased to 65% <sup>4</sup>	\$0.4	\$0.4	\$0.4
5	1993 - 1998 Experience Study Assumption Changes <sup>5</sup>	\$28.5	\$29.6	\$30.8
6	1998 - 2003 Experience Study Assumption Changes <sup>5</sup>	<u>\$207.8</u>	<u>\$216.2</u>	<u>\$224.8</u>
	<b>Subtotal [(3) + (4) + (5) + (6)]</b>	<b>\$214.3</b>	<b>\$222.9</b>	<b>\$231.7</b>
7	Across the Board Rate Reduction of -1.8% <sup>6</sup>	<u>(\$364.0)</u>	<u>(\$378.5)</u>	<u>(\$393.7)</u>
	<b>Total [Subtotal + (7)]</b>	<b>(\$149.7)</b>	<b>(\$155.6)</b>	<b>(\$162.0)</b>
8	Surplus Available After Previously Legislated Rate Reduction and using remaining available surplus for Rate Reduction for all classes but DROP [(1) + Total] =	\$0.1	(\$68.2)	(\$133.0)

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

<sup>2</sup> Projected surplus based on 07/01/2008 valuation results. Using amortization method that reflects interest.

<sup>3</sup> Assumed to be paid from surplus. However, if the surplus were to be eliminated there would be an additional cost to the Special Risk Regular Class of 0.61% attributable to the 12% increase in pre-2000 retired benefits.

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

<sup>5</sup> Assumed to be paid from surplus. However, if the surplus were to be eliminated there would be an additional charge or credit to each class. See Table IV-8 for details.

<sup>6</sup> For all classes except DROP; DROP remains at 11.14%. This scenario corresponds with Table IV-4.

# APPENDIX E

## COMPARISONS/RECONCILIATION



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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## COMPARISONS/RECONCILIATION

This Appendix contains certain comparative information required by the state. The table below compares actual investment return, aggregate payroll growth, and individual salary increases with the actuarial assumptions.

The next table reconciles the flow of participants from the 2007 actuarial valuation to the 2008 actuarial valuation, while the last table cross-references the required sections of 112.64 with this report.

<b>TABLE E-1</b>			
<b>One-Year Comparisons</b>			
<b>1. Annual Rate of Investment Return on Actuarial Value of Assets</b>			
Period Ending	Actual	Assumed	
June 30, 2006	8.06%	7.75%	
June 30, 2007	10.16%	7.75%	
June 30, 2008	6.98%	7.75%	
<b>2. Annual Rate of Payroll Growth</b>			
Period Ending	Actual <sup>1) &amp; 2)</sup>	Assumed <sup>2)</sup>	
June 30, 2006	4.72%	0.00%	
June 30, 2007	4.23%	0.00%	
June 30, 2008	2.00%	0.00%	
<b>3. Individual Rates of Salary Increases for Regular Members and Special Risk Members</b>			
Year Ended June 30	<u>Rate of Increase During Year</u>		
	Regular Members	Special Risk	Assumed <sup>3)</sup>
2006	7.7%	9.5%	6.25%
2007	7.6%	7.8%	6.25%
2008	6.0%	6.0%	6.25%

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

<sup>2)</sup> Since a UAL does not exist, the payroll base compared is used for normal cost calculations

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



## COMPARISONS/RECONCILIATION

<b>TABLE E-2 FLORIDA RETIREMENT SYSTEM DATA RECONCILIATION (FRS TRUST FUND)</b>					
	Active Members	Disabled Members	Retired Members and Beneficiaries	DROP Participants	Total
Number reported as of July 1, 2007	598,438	12,458	249,494	31,562	891,952
New Entrants	60,560	0	0	0	60,560
Retirements	(12,077)	813	19,449	(8,185)	0
DROP	(7,876)	0	0	7,876	0
Terminations, PEORP Transfers and deaths with and without benefit	(49,123)	0	0	0	(49,123)
Cessation of benefit payments	NA	(560)	(8,225)	0	(8,785)
Number reported as of July 1, 2008	589,922	12,711	260,718	31,253	894,604

# COMPARISONS/RECONCILIATION

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

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

# COMPARISONS/RECONCILIATION

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

# COMPARISONS/RECONCILIATION

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

# APPENDIX F

## GLOSSARY



**FLORIDA RETIREMENT SYSTEM**  
Actuarial Valuation as of July 1, 2008

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

The following definitions are largely excerpts from a list adopted in 1981 by the major actuarial organizations in the United States. In some cases the definitions have been modified for specific applicability to the Florida Retirement System.

**1. Actuarial Assumptions**

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement, and retirement; changes in compensation; rates of investment earnings, and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.

**2. Actuarial Cost Method**

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Liability.

**3. Actuarial Gain (Loss)**

A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

**4. Actuarial Present Value**

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

**5. Actuarial Valuation**

The determination, as of a valuation date, of the Normal Cost, Actuarial Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

**6. Actuarial Value of Assets**

The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.

**7. Actuarially Equivalent**

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

**8. Amortization Payment**

That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Liability.

- *Level Percent of Pay*  
Produces a level series of payments when expressed as a percent of payroll. Cash payment increases in line with payroll growth assumption.
- *Level Dollar*  
Produces a decreasing pattern of payments when expressed as a level percent of payroll. Cash payment remains level.

**9. Entry Age Actuarial Cost Method**

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Liability.

**10. Normal Cost**

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

**11. Actuarial Liability**

That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

**12. *Unfunded Actuarial Liability***

The excess of the Actuarial Liability over the Actuarial Value of Assets. When the Actuarial Value of Assets exceed Actuarial Liabilities a surplus exists.

**13. *Accrued Benefit***

The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.

**14. *Projected Benefits***

Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.

**15. *Unaccrued Benefit***

The excess of an individual's Projected Benefits over the Accrued Benefits as of a specified date.